Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force

Report

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Maryland

Wes Moore, Governor | Aruna Miller, Lt. Governor

Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force 2025 Report

Introduction:

In late 2024, this Task Force delivered a report entitled Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force Recommendations on Governance, Funding, and Related Concerns. That document dealt extensively with the question of Destination Marketing Organization (DMO) and Convention Center governance, and explored several options for operational funding and renovation financing. That report (hereinafter referred to as "BCTROA 2024 Report") included substantial discussion and background information that informs the pages that follow, but that will largely not be restated in this document. This document is meant to augment and refine the recommendations section of the BCTROA 2024 Report submitted pursuant to last year's legislative mandate.

As the Task Force discussed the recommendations, a series of central questions emerged:

- What is needed to take tourism into the future?
- Where can opportunity and strength be augmented and harnessed?
- Are there inefficiencies or misalignments that can be remedied?

The Task Force undertakes this work with the firm belief that the staff at both Visit Baltimore (VB) and the Baltimore Convention Center (BCC) is made up of exceptional, committed public servants who daily prioritize what's best for Baltimore City and the State of Maryland, and the Task Force wishes to recognize their exceptional contributions to the City, the State, and to the tourism industry that supports so many jobs and local businesses.

The Task Force spent a significant amount of time understanding and discussing the importance of the BCC as a regional asset. As discussed at length in the BCTROA 2024 Report, the BCC generates significant economic impact for Baltimore City. The BCC generates *significantly more* economic impact for the state. While specific revenue streams and their regional impact are discussed below, Figure 1 below shows the significance of BCC operations to economic activity statewide relative to that in Baltimore City. The BCC is a regional and statewide asset.

		FY 23 Data	Renovation/Modernization Projections
Baltimore City	Total Spending	$168,450,000	$324,600,000
	Tax Revenue	$4,700,000	$10,400,000
State of Maryland	Total Spending	$225,480,000	$435,000,000
	Tax Revenue	$12,300,000	$24,800,000

Figure 1. Comparative Economic Impact for Baltimore City and State of Maryland, showing the total spending and total revenue as a result of the BCC.[1] *These numbers are not additive.*

That said, given the significant deferred maintenance at the current BCC and the fact that the facilities lag far behind those of peer cities, the future of convention center business and by extension the tourism industry in Baltimore is at great risk. Since the BCTROA 2024 Report was submitted, the Maryland Stadium Authority (MSA) published a new report entitled *Baltimore Convention Center Renovation/Modernization Sensitivity Analysis*. That report paints a stark picture of the future of convention business in the state if the BCC is not significantly improved. Without renovation/modernization, the BCC would see "a steady decrease in event activity, particularly relative to convention, tradeshow and large meeting business as well as a decrease in operating revenue and an increase in operating loss. This observation is supported by the outreach to meeting planners – 83% of which responded that they were unlikely to host their future event at the BCC if it remains the same." Moreover, the quality of bookings at the BCC continues to deteriorate from an economic impact perspective. This means fewer room nights for city and regional hotels, fewer convention attendees patronizing local restaurants and retail, and significant lost tax revenue.

While it's not clear how long operations could sustain at any level in the "do nothing" scenario, it is clear that failing to act will lead to job loss, lost hotel revenues regionally, reduced hotel occupancy tax (HOT) revenue, diminishing state and local tax revenues, decreased tourism and pedestrian traffic, and a vacuum of activity between the Camden Yards Sports Complex and the rest of Downtown Baltimore. This will negatively impact many local gains and planned gains for Baltimore tourism. Conversely, with a newly renovated convention center bringing between ~200,000 and ~300,000 more convention attendees into Baltimore annually, hotel operators will see an increase in demand and be incentivized to make improvements to their offerings.[2] The average daily room rate (ADR) for hotels in the Baltimore central business district is low compared to peer cities, and the 9.5% HOT tax is derived from that revenue. When ADR is

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[1] Maryland Stadium Authority. (2017-2023). *Combined* Economic and Fiscal Impact Analysis of the Baltimore Convention Center Fiscal Year 2017-2023.

[2] Maryland Stadium Authority. (2015). Baltimore Convention Center Renovation/Modernization Sensitivity Analysis. https://mdstad.com/sites/default/files/BCC%20Renovation%20Modernization%20Final%20Report%20June%202025.pdf.

depressed, HOT revenue declines. Improved hotels will raise ADR, which will increase HOT revenue. Further, while the BCC is the driver of hotel bookings, investments like the CFG Bank Arena renovation, the $1.2b in Camden Yards Sports Complex enhancements, and the $900m redevelopment of Harborplace, coupled with already incredible downtown assets, creates the context for additional HOT revenue. In short, a renovated BCC will drive hotel bookings, which will incentivize improved hotel stock, which will create more appealing overnight opportunities for out-of-town visitors to Harborplace, Harbor East, the National Aquarium, Oriole Park at Camden Yards, M&T Bank Stadium, University of Maryland, Baltimore, and many others. The BCC renovation will not only directly drive HOT revenue, but it will also be the spark that lights the fuse for a boom in overnight tourism in Central Maryland.

Against the backdrop of rapidly declining convention business and hotel bookings in a "do-nothing" scenario, compared to the tremendous opportunity that a renovation/modernization provides, this Task Force is not alone in recommending quick and decisive action to invest in the BCC and the significant economic impacts it brings. The Task Force recognizes that any renovation will require the BCC to go mostly or fully dark for 1-3 years depending on phasing, and the Task Force urges the leaders of the proposed Joint Authority and the City to work together to reassign all impacted employees. The Task Force also recognizes the stark reality that not investing in renovation/modernization of the BCC will likely cost all of those jobs and so many more.

As such, the timing is critical. The recommendations enumerated below should be implemented on a coordinated schedule to:

1. Develop a construction and renovation plan that provides an efficient path towards sustaining and growing operations while limiting any "dark period" for the BCC to the extent practicable.
2. Stand up and empanel the governance structure recommended in the BCTROA 2024 Report and further refined below immediately following the 2026 Legislative Session to begin to operationalize a merger strategy, define the scope of improvements, and reach shovel-ready by FY 2028.
3. Fully implement the merger during the "dark period," in which the BCC is operating at reduced capacity.

Recommendations in Brief:

1. Governance
    a. Establishment of a fully integrated Joint Authority that oversees all DMO and convention business.
    b. Appointment of a 7-member Fiduciary Board of Directors with an additional 6 or 7 non-voting, ex-officio members.
2. Funding and Financing

    a. Creation of a Regional Tourism Financing Zone to fund bonds for the renovation/modernization of the BCC, inclusive of capital maintenance, and the operations of the Joint Authority.
3. Geographic scope of organization
    a. Appropriation of funds for FY 2027 to conduct architectural and engineering work to provide options for the scope of renovation, and then to commission an economic impact analysis to project incremental revenue collections across all revenue categories.

Governance:

As the Task Force discussed in BCTROA 2024 Report, the best practice model for DMO and convention center governance and operations is a fully integrated, aligned, and accountable organizational structure. In Baltimore City, like other cities that have separate accountability structures, the DMO is primarily funded by hotel occupancy tax revenue, whereas the convention centers are funded through convention center revenue and state and city subsidies. In cases like these, the DMO is incentivized to drive hotel occupancy, and thus overnight, multi-day conventions, whereas the convention center is incentivized to book as many event days as possible while minimizing cost. Often, the DMO is authorized to provide discounts for convention business on revenue that would otherwise flow to the convention center in an effort to drive hotel occupancy (and thus DMO revenue). This simple misalignment of priority does not serve the long-term interests of tourism in the state, nor does it serve long-term resource allocation issues for state and local government funders. This is playing out today: BCC staff is struggling to backfill lost convention events and is being forced to pursue more local, single-day events that fail to drive hotel usage and broader economic impact.

Additionally, jurisdictions with locally controlled convention centers, including Baltimore, often face organizational and administrative inefficiencies as the result of the bureaucracy in which they operate. These bureaucracies are fundamentally incompatible with a sales- and service-oriented business model, under which city classifications and salary bands force the convention center to hire and employ inefficiently. As was discussed in the BCTROA 2024 Report, common challenges for municipally run convention centers, including in Baltimore, include:

- *Difficulties in matching convention center staffing positions with broader City classifications. This leads to challenges in hiring experienced staff at pay scales reflective of industry conditions. Convention centers in this situation, including the BCC, often compensate by carrying excess staff, which leads to higher overall operating costs.*
- *Procurement and purchasing requirements that do not align with the needs of a large national convention center. This causes delays in acquiring needed equipment and services unique to a convention center.*

- *Lack of specialized industry oversight in favor of a line of reporting directly to a jurisdiction's chief executive, which is common in city-operated centers.*

In the BCTROA 2024 Report, the Task Force recommended a unified Joint Authority model. As part of the efforts that went into this report, the Task Force reconsidered that recommendation and is providing additional specific recommendations on the nature of the Joint Authority.

Organizational Structure:

The Task Force Subcommittee on Governance analyzed three organizational structures for a new Authority model to manage and integrate VB and the BCC:

- **Option A:** Full Authority (unified model – all employees are Authority employees)
- **Option B:** Hybrid Structure (Visit Baltimore employees become Authority employees and a contract for services with the City to operate the BCC)
- **Option C:** Contract-Based Model (Authority board formed, Executive Director and a small staff are Authority employees, with contracts to VB and the City for BCC operations)

After reviewing governance, reporting, and operational implications, and analyzing case studies from other cities, the Governance Subcommittee and Task Force reached a consensus that option A is the most effective and sustainable model to enhance tourism in Baltimore City and the State of Maryland.

Under option A, all VB and BCC operations would be unified under a single Executive Director/CEO, reporting to a seven-member fiduciary board. This structure ensures alignment across marketing, sales, and facility operations, enhances accountability, and positions the Authority to serve as steward for the long-term funding and operational strategy.

Key Framework Features:

- Consolidates VB and BCC under one Joint Authority board.
- Clarifies board composition of seven (7) fiduciary board members with skill-based seats and six or seven (6-7) ex-officio seats and appointment process between City and State.
- Defines and aligns core responsibilities for governance, operations, capital planning, and reporting.
- Positions the Authority as fiscal steward of future funding mechanisms.

This structure is modeled after comparable examples in Houston and Charlotte, which demonstrate successful unification of destination marketing and convention management within a single authority framework. Houston First was created through the merger of the Convention and Visitors Bureau (DMO) and City operations into a local government corporation to consolidate funding and manage the convention center and facilities. The Charlotte Regional Visitors Authority combined Visit Charlotte and Coliseum Authority into a unified authority that consolidated funding and manages the convention center. In these models, the Authority has a comprehensive scope, clear mission, and a contractual relationship with its municipal partners to sell, book, manage, and promote the facilities being operated. The respective charters or contracts in place establish the working relationship between authority and public sector partners, create key performance indicators, require specific reporting and enable a successful operating relationship. Additionally, both of these models have dedicated revenue streams which enable the budgets to be effectively managed in-house without allocations from municipal sources. The Funding Subcommittee addressed this as part of the Task Force work, with more details in the respective section of this report. Because of these structural components supporting the formation of the new authorities in each location, results have been significant for both. Downside risk to the public sector has been significantly limited, if not eliminated in this management model. Additionally, both have seen increased bookings and room night generation with this model. Houston's future room nights are up 51% and event bookings are up 58% since the merger in 2014. Charlotte's increases are not as significant as Houston's but both categories are up about 9%. During this time, the Charlotte Convention Center underwent a $125,000,000 expansion that took approximately two years.

Ultimately, the organizational chart of the Joint Authority would resemble Figure 2 below.

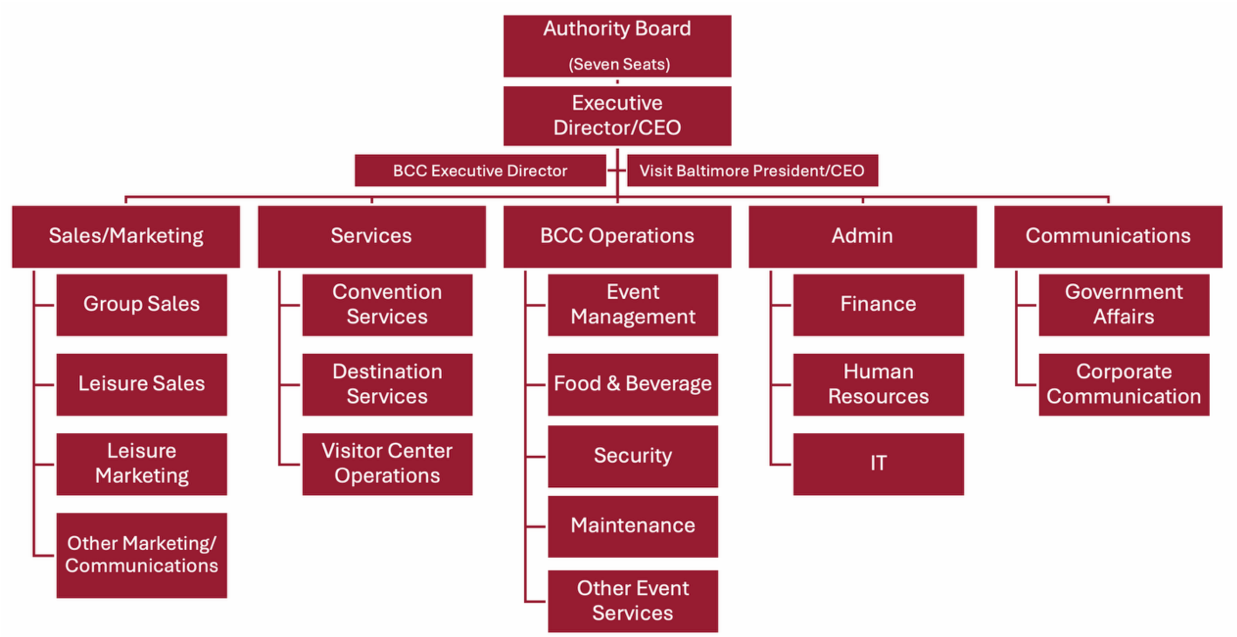

Figure 2. Draft organizational chart showing VB and the BCC reporting into a Joint Authority CEO/Executive Director.

Board Structure:

The Task Force further discussed board structure and governance, including board size, composition, and role, and recommends a board comprised of seven (7) fiduciary, voting board members selected based on skills and professional background. In addition, the Task Force recommends six or seven (6-7) ex-officio, non-voting board members designated by organizational representation, one of which is allocated to the State, one to the City, and one to each Presiding Officer in the General Assembly. One ex-officio seat should be dedicated to a nonprofit organization and one to a public-private organization. Ex-officio seats belong to a specific office or position, and not to a specific person, and are held in perpetuity.

- Board composed of fiduciary voting members selected for their skills and professional backgrounds
- Seven total director seats
- Initial board appointed by City and State leadership
- Future appointments filled through self-nomination and governance committee recommendations
- Governance committee recommendations subject to approval by the Mayor and Governor; legislative confirmation should not be required given that this is a private entity
- Governor appoints the chair from the fiduciary members
- Terms are staggered so that no more than three terms expire in the same year
- Initial board appointment allocation: **three State** appointments and **four City** appointments

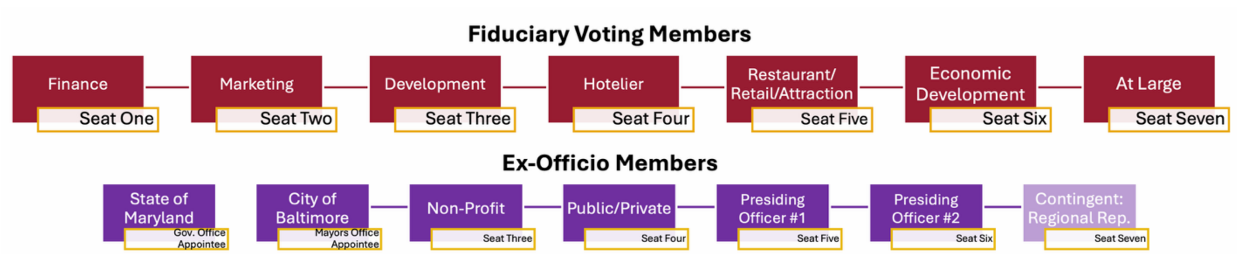

Figure 3. Recommended Board Structure.

<u>Final Governance Recommendation:</u>

To align priorities across public tourism entities, optimize organizational efficiency, and promote effective governance by qualified subject matter experts, the Task Force strongly recommends consolidating VB and the BCC under a single 501(c)6 entity to be governed by a 7-person fiduciary board made up of industry leaders with support from six or seven additional non-voting, ex-officio board members made up of key interested parties.

Funding:

In the BCTROA 2024 Report, the Task Force recommended further study of funding streams for both financing of improvements and operational sustainability, and recommended the pursuit of three key funding streams:

1. City Prepared Food Tax.
2. $2m annual Convention Center Naming Rights.
3. Incremental Occupancy Tax and TID surcharge revenue.

In reconvening, the Task Force continued to study these and other options. Task Force study focused on potential funding mechanisms, including incremental financing districts and the creation of a new regional tax structure, and the appropriate geographic scope and political feasibility.

As the Task Force considered both operating funds and financing improvements, it was important to identify the projected needs and funding gaps. If the Joint Authority were to absorb the entirety of the BCC and VB, the total annual operating budget would be $52,500,000. Modernization/renovation of the BCC is estimated to cost around $1,000,000,000 in today's dollars. Assuming 7% interest on a 30-year tax-exempt bond, debt service would be ~$70,000,000 annually. In addition, a capital maintenance budget of 3-5% of operating expenses is considered industry standard and should be built into the operating budget. Cities across the country often structure these capital reserves slightly differently: some cities having a dedicated fund for capital, others with a target percent of operating expenses, and others with surplus going to capital reserves after all other obligations are met. Annual funding of all or a portion of the capital maintenance budget may be required by bondholders to be paid from pledged incremental revenues referred to in this report. It should be noted that there will likely be efficiencies that result from moving BCC operations out of City government, and the Task Force considered additional options to reduce the total amount needed to be bonded, discussed below.

Finally, it is important to understand current revenues that support the BCC and VB. Baltimore City Hotel Occupancy Tax is assessed at 9.5%. This tax is assessed on all hotel room bookings in the City, and it generated ~$36,000,000 in FY 2024. Of the $32 million hotel occupancy tax collected, 40% is allocated to VB. In addition, a 2% Tourism Improvement District (TID) surcharge is applied to those bookings and generated ~$5,400,000, all of which is remitted to VB, totaling ~$18,000,000.[3] The rest of its budget is a mix of federal, state, and local funds.

The BCC is funded by Convention Center revenue, ~$10,000,000 annually, and then subsidized by the City and State to close its ~$17,000,000 operating deficit.

Current funding for both the BCC and VB is shown in Figure 4 below.

[3] Importantly, TID Revenue is controlled by the District Management Council (DMC), which is effectively part of VB governed by Hotel Operators. That revenue supports DMC-specific marketing, sales, and beautification priorities at the DMC's direction.

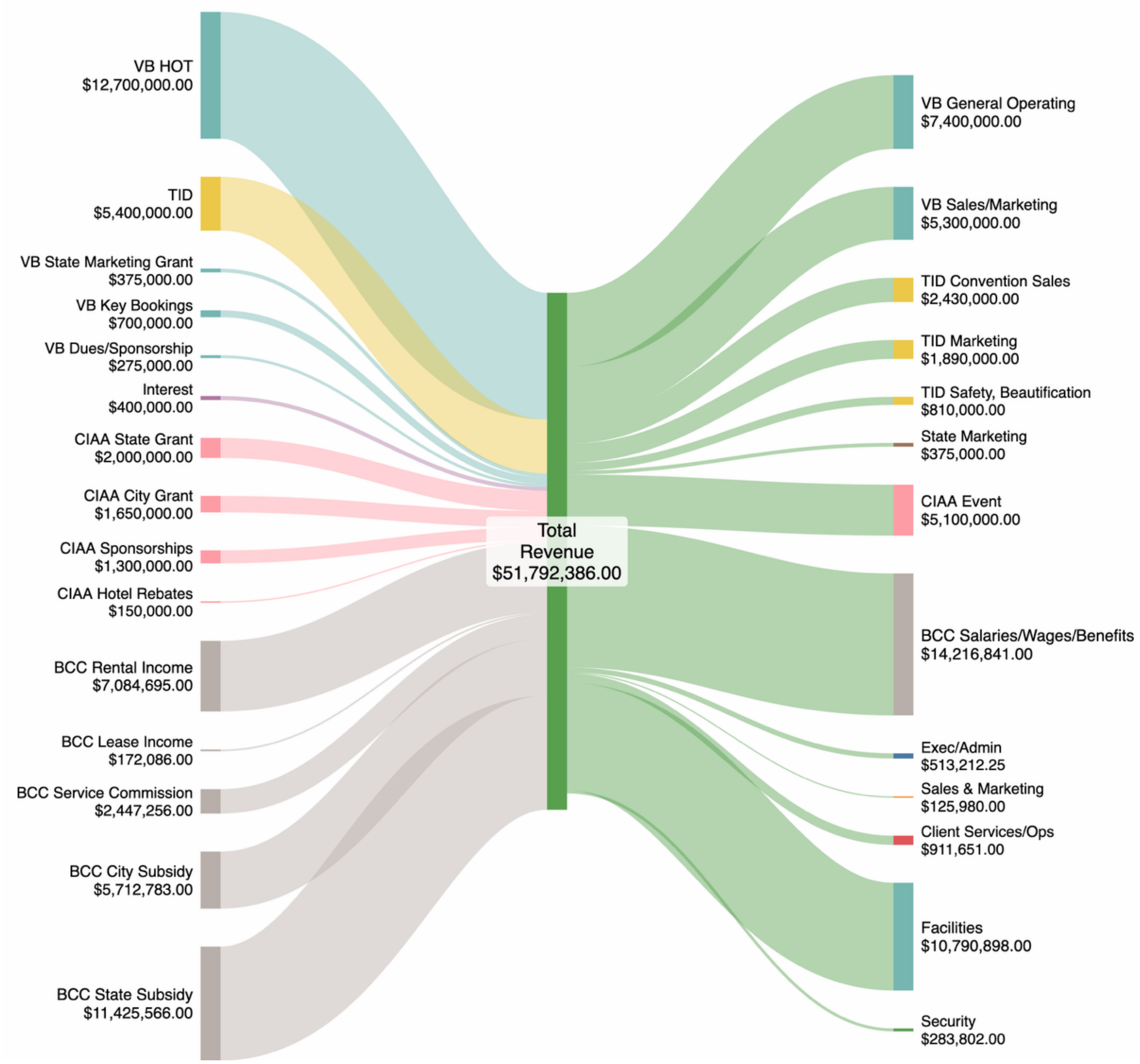

Figure 4. Revenue and Expenses Chart for the BCC and VB.

Geography/Catchment Area

There was consensus across the Task Force that the BCC is a statewide asset that drives tax revenues far outside Downtown Baltimore. As was shown in the most recent Crossroads report, a modernized BCC can more than double state revenues derived from its operations. Those numbers omit all local revenues collected by surrounding counties, especially Anne Arundel and Baltimore Counties, for Use or Occupancy Tax (Anne Arundel County), Transient Occupancy Tax (Baltimore County), income taxes from employees both direct and indirect, auto rental tax, and others.[4] In short, BCC adds significant revenue across surrounding counties. Anecdotally, this is particularly true for hotels and car rentals surrounding the BWI Thurgood Marshall Airport.

Importantly, Baltimore City remains one of only two major American cities not part of a larger county. Other cities can work with their county government to access revenue streams, including incremental revenue streams, from surrounding areas within their counties. Many of these counties include airports and airport hotels. Baltimore City is forced to operate without the same assets as nearly all of its peers.

As such, the Task Force discussed a regional approach to financing renovations of the BCC. Three different geographic tax base scenarios were discussed:

1. Baltimore City
2. A specific radius tax/financing zone around the BCC
3. The Baltimore Metropolitan Council's catchment (hereinafter the "BMC Region", comprised of Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County, Howard County, and Queen Anne's County[5])

Traditionally, costs for capital improvements and operating deficits for the BCC have been shared only by Baltimore City and the State of Maryland. While that arrangement reflects the substantial state tax revenue generated as a result of BCC operations, it neglects to align local funding incentives and revenues. The Task Force strongly believes that there is a regional radius within which BCC operations have a substantial economic impact, and that incremental revenue raised by those jurisdictions as a result of BCC operations should contribute to the renovation/modernization of the asset.

On one extreme, the Task Force felt that limiting new and/or incremental revenue streams to the boundaries of Baltimore City discounts the tremendous economic benefit that surrounding counties experience, especially in hotel-related taxes, parking revenues, and auto-rentals. On the other extreme, the BMC Region is likely too large a catchment for both new and incremental revenues; levying an additional tax on these seven counties, while more equitable than a Baltimore City only solution, may unduly burden counties that have little nexus to BCC operations and Central Maryland tourism. The preference of the Task Force is to draw a 15-mile radius around the BCC to draw revenue for BCC renovation/modernization. The Task Force chose this radius because convention business has an especially significant impact within this catchment zone. When convention business is thriving, as it would be following a renovation/modernization, hotels around the BWI Thurgood Marshall Airport see more visitors, convention attendees patronize restaurants around those hotels, and many will visit other local

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[4] Maryland Stadium Authority. (2025). Baltimore Convention Center Renovation/Modernization Sensitivity Analysis.

[5] BMC boundaries are set by formula, resulting in only a portion of Queen Anne's County being a part of the BMC Catchment. For purposes of projects included in this document, the entirety of Queen Anne's County is considered.

attractions in Ellicott City, Timonium, Towson, and so many more. Figure 5 below shows the BMC Region, a 15-mile radius around the BCC, and the Baltimore City boundaries.

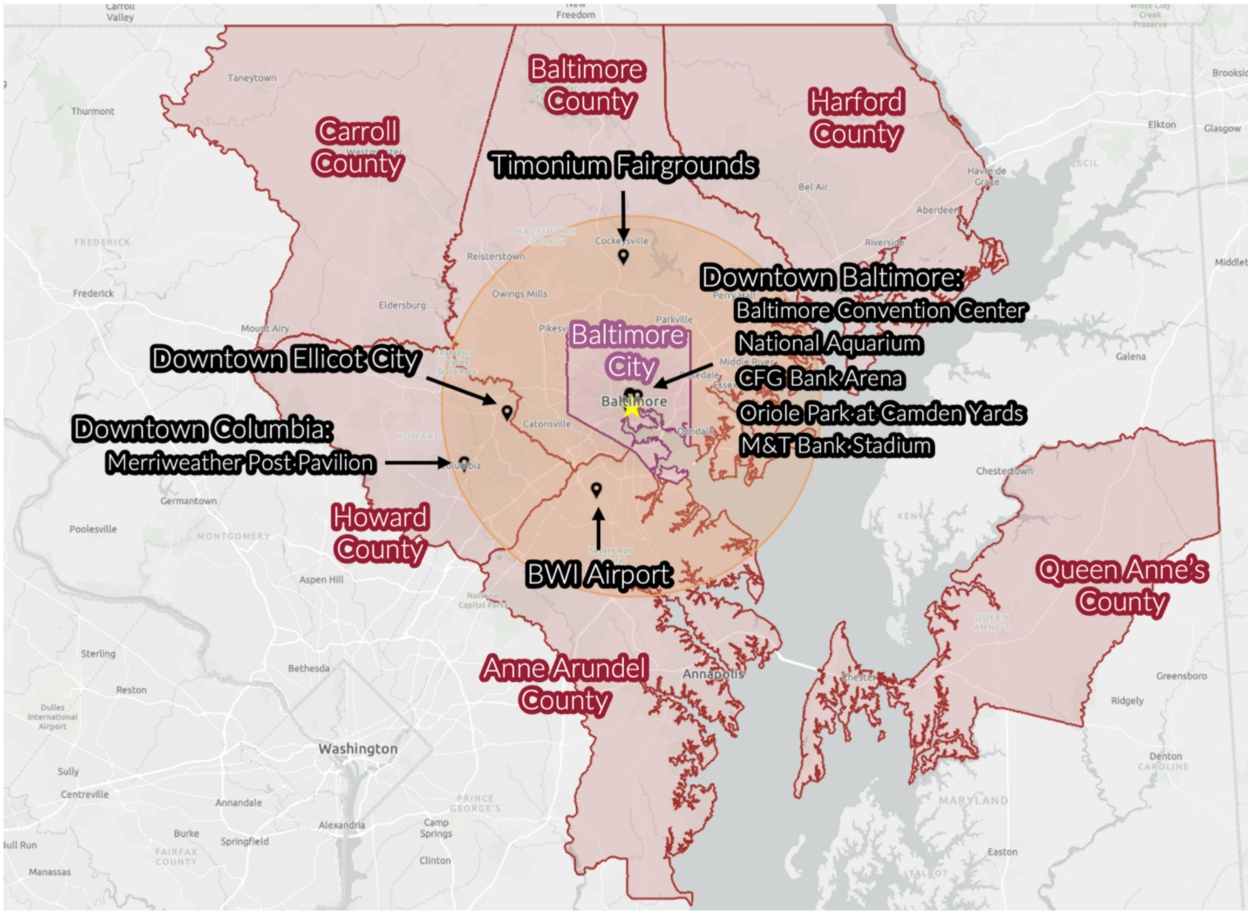

Figure 5: Funding/Financing Catchment Areas Considered by the Task Force.

While the Task Force strongly supports a regional approach to financing improvements, the specific boundaries of such a region (e.g., whether option 2 or 3 above) are heavily dependent on the revenue streams chosen and the ability of those streams to carry the required debt service, as discussed below.

Revenue Streams/Categories

The Task Force considered a wide range of new, additional, and incremental revenue streams, shown in Figure 6 below.

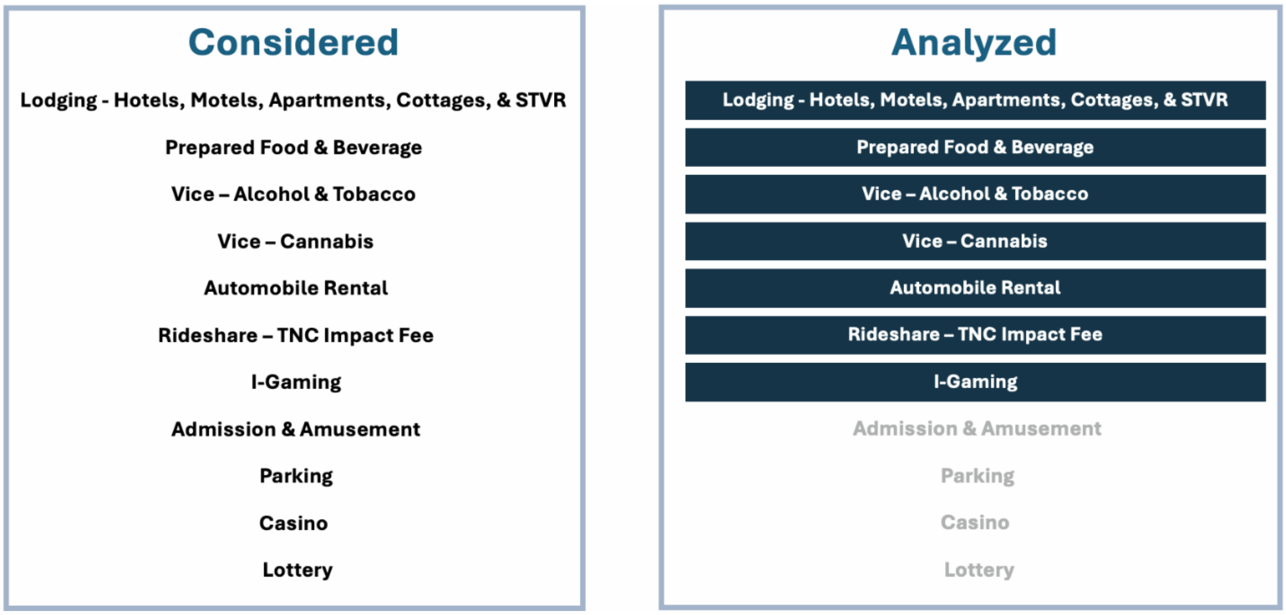

Figure 6. Revenue Streams Considered by the Task Force.

The Subcommittee wanted to ensure a thorough analysis and review of any and all possible funding streams to give the legislature ample choice and ability to consider how to fund the BCC. This list was considered with the understanding that many of these revenue streams require changes to state law, require additional levies on already taxed items, or require further discussion with the Comptroller of Maryland to clarify how remittances could be made.

New and Additional Levies

To consider the potential revenue that could be generated by each revenue stream, the consulting team worked at the direction of the Task Force to analyze a variety of sources to project what an additional 3% levy across these categories could raise in the BMC Region, in a 15-mile radius, and within Baltimore City. Those projections are shown in Figure 7 below. Because of the limitations with how such data is collected, projections for a 10- or 15-mile radius could reasonably be expected to generate several times more than the Baltimore City projections, depending on the radius drawn.[6]

Respective 30-Year Assessments Levied (3%)

[6] A straight-line calculation could be done to estimate this number. The area of Baltimore City is 92.28mi^2. The area of a 15-mile radius is 706.86 mi^2, yielding a 7.66 multiplier. The area of a 10-mile radius is 314.16 mi^2, yielding a 3.40 multiplier. This calculation is not adjusted for population or density of economic activity.

2030-2059		
	BMC Region	Baltimore City
Lodging	$1,290,000,000	$397,000,000
Prepared Food and Beverage	$9,060,000,000	$1,740,000,000
Vice (Alcohol and Tobacco)	$2,950,000,000	$561,000,000
Vice (Cannabis)	$654,900,000	$93,600,000
Auto Rental	$790,800,000	$65,900,000
Rideshare (TNC Impact)	$40,100,000	$9,800,000
I-Gaming	$473,300,000	$115,600,000
Totals:	$15,259,100,000	$2,982,900,000

Figure 7. Revenue that could be generated with new levies on specific items within the BMC Region and within Baltimore City. BMC and Baltimore City numbers are additive. I-Gaming is not yet legal, but if legalized, could be a potential revenue stream.

Incremental Revenue from BCC Modernization/Renovation

Municipal bonds are often secured by a pledge of incremental revenue. That incremental revenue is essentially the delta between the amount of tax collected in a specific category before a project is built and operational, and the additional tax collected fully in the completion of or as a result of the project. In other words, by renovating and modernizing the BCC, hotels will sell *more* room nights than they do today, room rates at those hotels will go up due to demand and improvements in the hotel stock, and so more hotel tax revenue will be generated without changing the tax rate. Using the Crossroads Consulting 2025 report and augmenting it with additional data from placer.ai and Costar, the consulting team developed estimates for incremental hotel occupancy taxes that would be generated as a result of a renovated/ modernized BCC within a 15-mile radius of the BCC. With a baseline of 221 hotels in the radius, consisting of 27,464 hotel rooms, the total hotel occupancy tax revenue without the renovation/modernization of the BCC is projected to be $4.5 billion between 2030 and 2059. With project completion, that number increases to $6.2 billion, a difference of $1.7 billion over 30 years.[7] In Baltimore City alone, the value of that increment is $911 million. Figure 8 illustrates how hotel tax is generated, where it flows today and how the increment could be allocated at the current total revenue levels and projected at 30 years. Figure 9 illustrates, using a single room, how hotel tax is generated, where it flows today and how the increment could be allocated.

[7] HOT tax rates vary by jurisdiction; these projections account for that variance.

Cities that invest in convention centers see total volume growth in hotel rooms booked. This drives hotel revenue and hotel tax revenue *without raising tax rates*.

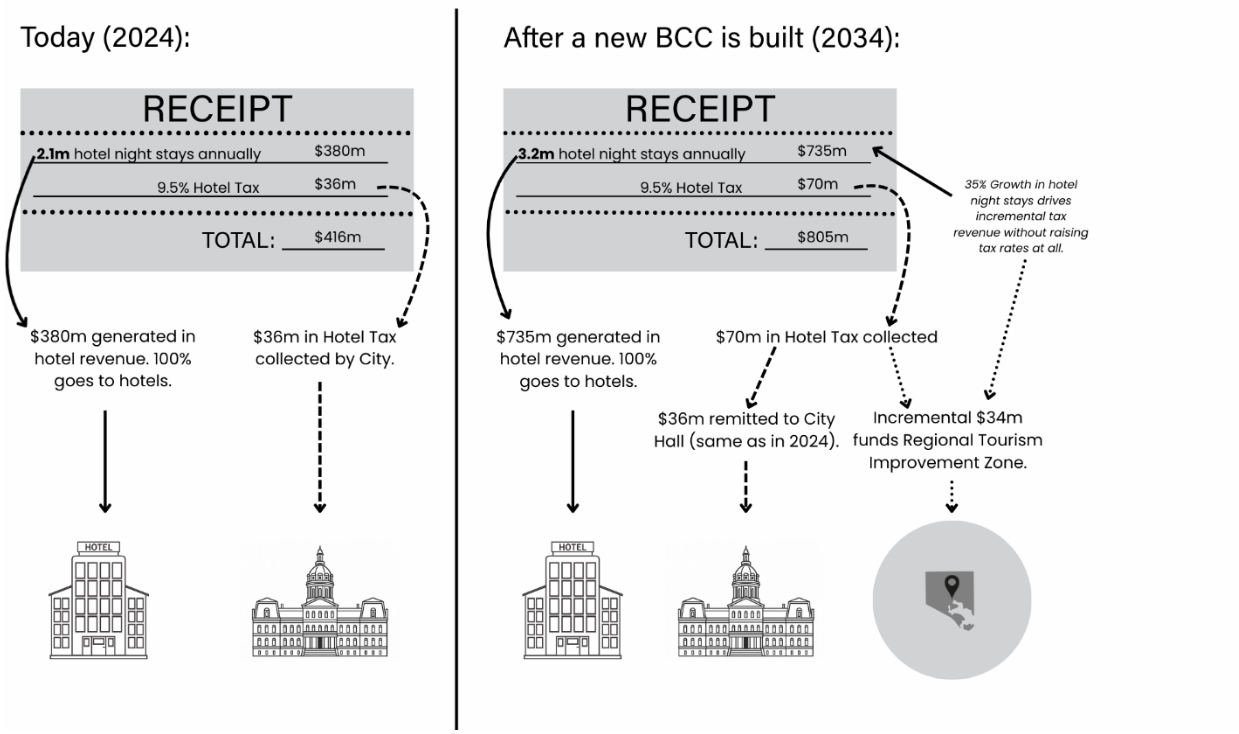

Figure 8. Volume of Hotel Room Sales drives Hotel Occupancy Tax Increment in Baltimore City. Note that ADR changes are shown in Figure 7.

It should be noted that these numbers are based on a very conservative set of baselines and assumptions, and the actual numbers are likely to be higher. Further, these numbers do not reflect additional investment in hotels in the region as the result of a dramatically improved BCC. Cities that invest in their convention centers see growth in their average daily room rate as a result of compression, or increased demand, in addition to the increased incentive and viability of hotel stock improvements, as shown below in Figure 9. Finally, these projections are based on generic improvements to the BCC. A more concrete economic impact analysis should be completed once the initial architectural and engineering work for the renovated facility has been completed.

Cities that invest in convention centers see per unit growth in the Average Daily Rate for their hotels. This drives hotel revenue and hotel tax revenue *without raising tax rates*.

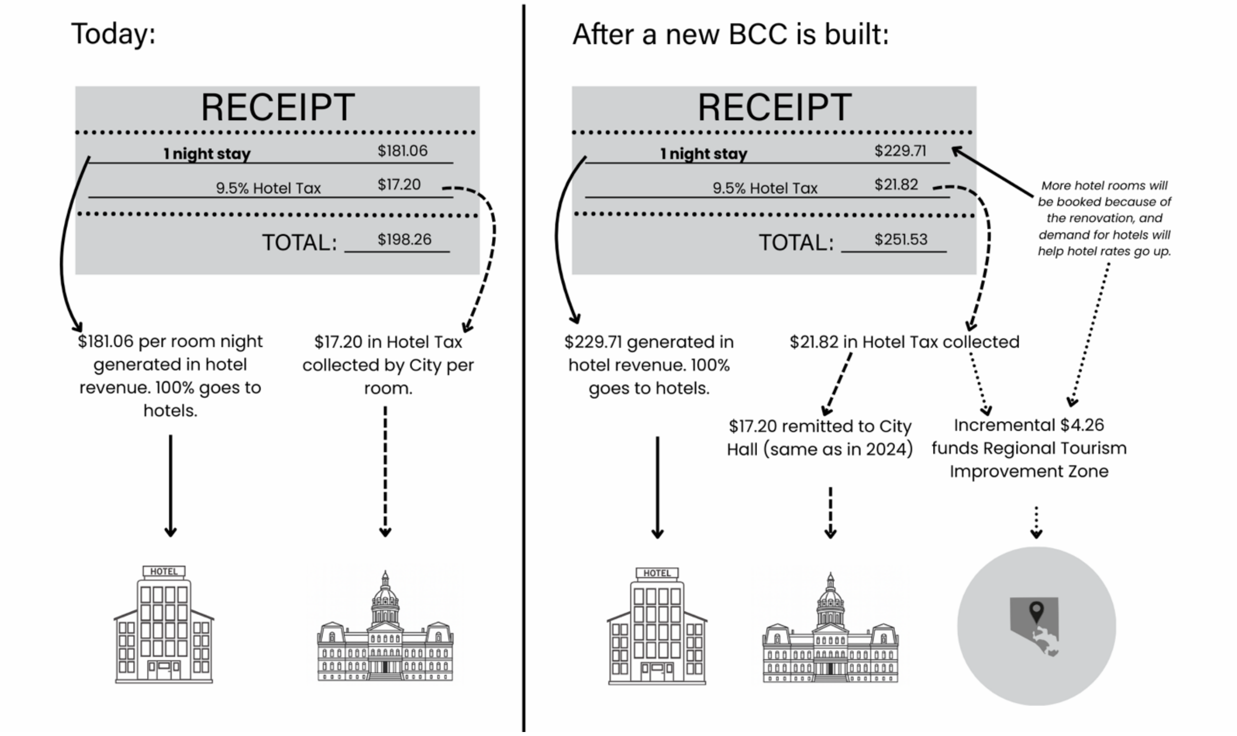

Figure 9. Increase in Average Daily Rate also drives Hotel Occupancy Tax Increment in Baltimore City.

In addition to incremental hotel occupancy tax, the renovation/modernization of the BCC will drive significant increases in other revenue streams that should be included in the total financing package. Within a 15-mile radius, parking tax will generate an incremental $520.5 million over 30 years. Sales tax increment is not projectable due to a variety of limitations, but the Task Force recommends Joint Authority leadership work with the Maryland State Comptroller's Office to study and project incremental sales tax revenue within the 15-mile zone for inclusion in the total financing package.

Funding Recommendation

The Task Force considered all of the above funding streams and recognizes that its recommendation must be feasible, both politically and operationally. As such, the Task Force recommends the creation of a new financing tool, a Regional Tourism Financing Zone (RTFZ), that would fund Joint Authority operations, renovation/modernization, and maintenance and capital improvements. The RTFZ should include a mix of direct special revenues and incremental revenues. Ultimately, the Maryland General Assembly, Governor, and Mayor should consider all of the above revenue streams. The Task Force recommends the following mix:

RTFZ 30-Year Revenues | 2030-2059		
	BCC Stabilization Year 2034	30-year total (adjusted for BCC-generated growth and inflation)
New 3% F&B Tax in Baltimore City	$41,166,386	$1,740,108,913
Incremental HOT Tax in Baltimore City	$10,213,538	$911,401,848
Incremental HOT Tax in 15-Mile RTFZ	$14,925,752	$1,711,143,017
Incremental Parking Tax in 15-Mile RTFZ	$4,982,099	$520,438,535
Incremental Sales Tax in 15-Mile RTFZ	Unknown	Unknown

Bonding Recommendation

The Task Force recommends the use of tax-exempt municipal bonds to finance the renovation of the BCC. These bonds could be issued by MEDCO and should not be a general obligation bond. The City, the bond issuer or another appropriate entity would own the BCC during the term of the bonds to accommodate the tax-exemption on the bonds. The bonds would be secured by the incremental revenues identified earlier in this report, ensuring that the debt service payments on the bonds are supported by new or enhanced revenue streams pledged to make those payments, rather than City or State of Maryland general fund dollars. This approach would allow the financing of the renovated BCC to take advantage of lower tax-exempt borrowing rates, while aligning debt service repayment with related incremental revenues. Further, ongoing maintenance and capital improvements must be budgeted for and included in the total bond issuance. This is critical to the marketability of the bonds.

Importantly, this recommendation would require a contractual agreement between Baltimore City, the State of Maryland, MEDCO (or the issuing entity), and the Joint Authority. That agreement would specify operational and funding responsibilities, as well as Baltimore City's continued ownership of the facility following bond repayment, and the terms of making payments on the bonds.

Additional Recommendations

Incremental Financing in categories like sales and use tax and hotel occupancy tax will require further study that can only be done once the scope of renovations is identified. The Task Force recommends appropriating funds for FY 2027 to conduct architectural and engineering work on 3 potential scopes of renovation, and then to commission an economic impact analysis to project incremental revenue collections across all revenue categories. These 3 scopes should include:

1. Renovation/modernization of the existing footprint with 100k square feet of flex space;
2. Renovation/modernization of the existing footprint with 100k square feet of flex space and a renovation of the Baltimore Hilton Hotel; and
3. A new, stacked BCC.

The Joint Authority should be empowered to make management decisions following their creation, including making recommendations on the scope of renovation/modernization, engaging with the General Assembly, the Governor's Office, and the City on budgeting, and all other necessary decisions that come with implementing a merger of this size and type.