



Baltimore Convention and Tourism Redevelopment
and Operating Authority Task Force
October 29, 2024
Virtual
3:00 – 5:00pm
Draft Minutes

Task Force members present:

Chuck Tildon – University of Maryland Medical System, Chair
The Honorable Antonio Hayes – State Senate
The Honorable Stephanie Smith – State House
Secretary Kevin Anderson – Department of Commerce
Deputy Mayor Justin Williams – City of Baltimore
Al Hutchinson – Visit Baltimore
Bill Cole – Margrave Strategies
Tom Sadowski – Maryland Economic Development Corporation
Colin Tarbert – Baltimore Development Corporation
Shelonda Stokes – Downtown Partnership of Baltimore
Matthew (MAC) Campbell – Baltimore Convention Center
Mark Anthony Thomas – Greater Baltimore Committee
Holly Arnold – Maryland Transit Administration
Ruth Toomey – Maryland Tourism Coalition
Onahlea Shimunek – Renaissance Harborplace Hotel
Eric Dodson – Cuples Tea House
Tracy Lingo – United Here

Guests:

Elizabeth Fitzsimmons – MD Department of Commerce
Jen LaHatte – MD Department of Commerce
Hannah Fuchs – MD Department of Commerce
Elizabeth Waibel – MD Department of Legislative Services
Lisa Jones – Harris Jones & Malone
Cassie Clemente – Just Economy
Gabriel Auteri – Just Economy
Philip Costa – Baltimore Convention Center
Sydney Harps Upshur – Baltimore Convention Center
Daniel Shattuck – Brocato & Shattuck
Marshall Weston – Restaurant Association of Maryland
Morgan Simpson – Baltimore Business Journal

I. Call to Order

Chuck Tildon called the meeting to order at 3:05p.m.

II. Review and Approval of October 9, 2024 Meeting Minutes

Upon a motion duly made and seconded, the minutes of the October 9, 2024, meeting were approved.

Mr. Tildon thanked all those who filled out the survey asking task force members about their preferences concerning different governance and funding model options for the Baltimore Convention Center. He elaborated that the results are still being tabulated and that Just Economy, who administers and analyzes the survey, will share them in the weeks to come. He further noted that the survey will serve as a good starting point for forming recommendations for funding and governance models for the Baltimore Convention Center.

Referring to Senator Hayes's question about the informal finance subcommittee during the last meeting, Mr. Tildon said that as the task force is getting a clearer picture about the preferred governance and funding models, he will convene the group once more to dive into the details. The group will then share their views with everyone at or before the next meeting on November 18.

III. Presentation by guest speaker Al Tyler, Maryland Stadium Authority (MSA)

Mr. Tyler, Vice President for Economic Development at the Maryland Stadium Authority, started his presentation by providing background information on a previous study conducted by the Maryland Stadium Authority between 2016-2018 on the renovation or expansion of the Baltimore Convention Center (BCC). The study considered a stand-alone convention center as well as a hybrid facility that would include a hotel and/or arena. In 2018, MSA released the Baltimore Convention Center Renovation/Expansion Phase I Report. The findings include that renovating or expanding the BCC would be warranted from an economic and fiscal perspective. The expansion or renovation of the BCC would result in increased visitor numbers, which would require an increase in overall hotel room supply. Meanwhile, due to significant challenges, the report did not recommend incorporating a new arena. The estimated costs of construction exceeded \$1.6 billion and as a result, the project was deemed not feasible to pursue.

In February 2020, the Mayor of the City of Baltimore requested MSA to consider a concept that would more closely align with economic and fiscal benefits. The new report considered an updated market and economic analysis for renovation/modernization, a physical assessment of the East Side Building and an Order of Magnitude cost estimate. The analysis was provided in September 2021. The study also included a status quo scenario, which looked at how the BCC would function if nothing changed. The analysis suggested that "remaining status quo would likely result in a steady decrease in event activity [...] As such, a decline in event activity would also likely yield a decrease in operating revenue, an increase in operating loss and less economic and fiscal impacts to local and State governments."

Concerning the East Side Property Condition Assessment, Mr. Tyler noted that all primary systems that guests don't immediately see when coming in are at the end of their life. In terms of an east and west side renovation/modernization, the analysis found that structurally, the building was in a decent condition. However, considering the age of the building itself, it needed several primary system replacements like a full roof replacement, a full mechanical replacement, electrical updates, etc. The exhibit halls were a primary place to be upgraded, as well as the meeting rooms, some of the pre-function rooms and the vertical transportation systems.

The study also looked at adding a 100,000 sf flexible space on the upper level of the BCC. Since the MSA was asked to do an order of magnitude cost estimate, Mr. Tyler said they presented this to the BCC as a base project with an associated cost of approximately \$750-\$775 million. MSA escalated these up to compare it to today's market, which would bring the project anywhere from around \$890 to \$930 million dollars for the full project.

MSA was also asked to provide feedback on the execution of the work, especially on the impact of the BCC fully shutting down during the renovations versus remaining partially open. Mr. Tyler pointed out that if you fully shut down the BCC and do the renovations all at once, the timeline will be shorter but the biggest challenge would be the labor market.

Mr. Tyler noted that MSA is currently working with the BCC on some capital improvements for urgent repairs and renovations that are critical to the structure and safety of the building. With that, he concluded his presentation and opened the floor for questions.

Mr. Tildon thanked Mr. Tyler for his presentation. He furthermore highlighted that the scenario outlined by Mr. Tyler is one option but that the task force has already discussed several other options, including getting revenue through adding parking. Nevertheless, all of that is still to be discussed. Mr. Tildon reminded the task force that the presentation sought to give members a sense for the minimum that needs to be done in order to get the building up to a competitive standard.

Secretary Anderson asked about what led to the conclusion that the cost of \$1.6 billion was not feasible. Bill Cole jumped in to answer this question as he was on the small group commission. He said the primary reason was that the planned updates were not something visitors would accept, it would not have been a great visitor experience. Another reason was that the costs were far more than what they had conceived at that time.

Deputy Mayor Williams asked a clarifying question about the different phases and their associated costs. Mr. Tyler explained that there were two phases. The first one looked at the revenue side and the second phase looked at the cost side and the construction. Mr. Tyler offered to explain the numbers to Deputy Mayor Williams in more detail offline.

Mac Campbell added that the reason why the BCC wanted an analysis of the additional flexible space was because other avenues to get a large continuous space were not possible to pursue and the BCC had to make sure they had enough exhibit hall space to make the renovation and modernization worthwhile. Mr. Campbell explained that they're hearing repeatedly from customers that of the 300,000 sf hall, they have to carve out space for general sessions, their concession and food. This takes away space in the exhibition space that could be sold, create

commerce and generate an economic impact. So having that additional flexible space allows customers to use it for plenary sessions and to maximize the economic impact on the trade show floor. Mr. Campbell reiterated that the 100,000 sf are critical for the BCC's economic competitiveness moving forward.

IV. Good of the Order

Mr. Tildon asked Gabriel Auteri from Just Economy, who will be writing the task force's report, to provide an overview of their plan for the report. Mr. Auteri said they are still working on tabulating the results of the survey and do not want to put the cart before the horse. He stated that as there seems to be a lot of alignment at least regarding the bigger structural pieces, this will help guide how the task force will come to recommendations. Mr. Auteri gave a brief overview of the planned outline of the report, including some possible financial modeling, how the convention center operates and how it is currently funded. The report would then elaborate on the economic impact of convention centers and outline, in brief, the main features of each of the questions that the task force has been discussing, such as governance, operations, financing and sustainability. The report would then look into some case studies and review around three models of other cities' convention centers in terms of how they are operated and funded. The report would conclude with an analysis and a discussion on how we can apply what we learned from those markets to the BCC.

Following that, Mr. Tildon asked whether task force members think the group is going in the right direction. Secretary Anderson answered saying he would especially like to hear from Senator Hayes and Delegate Stephanie Smith. He would like to have noted some of Governor Moore's thoughts and leadership on positioning Baltimore and the state in partnerships with the city and the legislature. Senator Hayes highlighted that the convention center is a regional asset, not just one for the city, which the report needs to emphasize on in order to grab the attention of and gather support from his colleagues in the Maryland General Assembly. Delegate Smith seconded Senator Hayes's comment, reminding people that the greatest supporters of the bill establishing this task force came from delegates who represent neighboring jurisdictions.

There were no further comments to Mr. Tildon's question. Mr. Tildon repeated that the informal finance subcommittee is meeting one more time and that task force members can join it if they are interested. Mr. Tildon informed the task force that he aims to be able to present the most popular scenarios by the next meeting.

V. Adjournment

Upon a motion duly made and seconded, the meeting adjourned at 3:47 p.m.