



## **Report on Historic Ships in Baltimore**

Submitted by:

Maryland Department of Commerce

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## **Introduction**

The 2023 Joint Chairmen's Report requires the Maryland Department of Commerce (Commerce) to submit a report on the impact of Historic Ships in Baltimore on tourism in the State. The report is required to include the impact of the historic ships on drawing visitors to Baltimore and Maryland, including the number of visitors and the amount of visitor spending; funding needs and opportunities for the historic ships in Baltimore, including revenue options to ensure sustainability of the historic ships; and a long-term strategy for using the historic ships as part of the State's tourism promotion efforts.

## **Historic Ships in Baltimore**

The mission of the Historic Ships in Baltimore, run by Living Classrooms, is to "honor and perpetuate the legacy of dedicated service given by the U.S. Sloop-of-War Constellation, U.S. Coast Guard Cutter WHEC-37, U.S. Submarine Torsk, Lightship 116 Chesapeake, Seven Foot Knoll Lighthouse and their respective crews. The Museum achieves this mission through the historical interpretation, restoration and preservation of these revered symbols of our maritime heritage while acting as a cultural and educational resource for the community."<sup>1</sup>

The Historic Ships provide multiple impacts to the City and State. The ships and the museum provide a wide range of educational services and experiences to both visitors and schools and youth groups. The Historic Ships provide a picturesque backdrop to national and local media coverage of baseball games, football games, and a variety of other tourism events in Baltimore City. Maryland Fleet Week, a strategic collaboration between the Historic Ships and the US Navy, is a biannual celebration that draws thousands of visitors and has generated millions of dollars in total economic impact. The museum is currently building partnerships with local artisans and crafters to feature, display and sell their creations.

The goal of this report is to identify the visitor impact that the ships provide to Baltimore City, identify the funding needs and possible opportunities, and to discuss a long-term strategy for promotion and tourism.

## **Visitor Impact of the Historic Ships**

The Historic Ships are a major draw for Maryland and out-of-state visitors. According to the Living Classrooms Foundation, prior to COVID-19, the Historic Ships drew on average a total of 253,000 visitors. Slightly over half of the visitors annually are from outside Maryland. This figure has remained steady over the 2016-2022 period with the exception of 2020 (due to COVID-19).

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<sup>1</sup> <https://historicships.org/mission>.

**Historic Ships in Baltimore Visitors, 2016-2022**

| <b>Year</b> | <b>Total<br/>Visitors/Participants</b> | <b>In-State<br/>Visitors/Participants</b> | <b>Share of<br/>Total</b> | <b>Out-of-State<br/>Visitors/Participants</b> | <b>Share of<br/>Total</b> |
|-------------|----------------------------------------|-------------------------------------------|---------------------------|-----------------------------------------------|---------------------------|
| 2016        | 261,176                                | 124,371                                   | 48%                       | 136,805                                       | 52%                       |
| 2017        | 256,486                                | 124,290                                   | 48%                       | 132,196                                       | 52%                       |
| 2018        | 248,551                                | 121,586                                   | 49%                       | 126,965                                       | 51%                       |
| 2019        | 248,911                                | 122,082                                   | 49%                       | 126,829                                       | 51%                       |
| 2020*       | 43,856                                 | 35,287                                    | 80%                       | 8,569                                         | 20%                       |
| 2021        | 204,603                                | 107,480                                   | 53%                       | 97,123                                        | 47%                       |
| 2022        | 226,524                                | 114,223                                   | 50%                       | 112,301                                       | 50%                       |

Source: Living Classrooms Foundation

\* COVID-19 Pandemic

The Historic Ships also offer a variety of programming that both local and out-of-state visitors enjoy. While most visitors participate in general programming, the Pirate/Chessie boats are a close second followed by historic properties/special events, then general tours, and educational programming. The wide range of programming types allows the Historic Ships to draw a wide range of visitors.

**Historic Ships in Baltimore Visitors by Program, 2016-2022**

| <b>Year</b> | <b>Total<br/>Visitors/Participants</b> | <b>General</b> | <b>Group<br/>Tour</b> | <b>Education<br/>Overnight</b> | <b>Education<br/>Vessels</b> | <b>Pirates/<br/>Chessie</b> | <b>Historic Properties/<br/>Special Events</b> |
|-------------|----------------------------------------|----------------|-----------------------|--------------------------------|------------------------------|-----------------------------|------------------------------------------------|
| 2016        | 257,802                                | 98,144         | 3,027                 | 3,933                          | 3,374                        | 82,479                      | 66,845                                         |
| 2017        | 251,408                                | 84,704         | 5,365                 | 3,584                          | 5,078                        | 85,146                      | 67,531                                         |
| 2018        | 242,511                                | 79,116         | 3,113                 | 3,471                          | 5,040                        | 83,934                      | 67,837                                         |
| 2019        | 243,558                                | 66,590         | 2,981                 | 2,985                          | 5,353                        | 98,030                      | 67,619                                         |
| 2020*       | 42,268                                 | 4,740          | 495                   | 445                            | 1,588                        | 0                           | 35,000                                         |
| 2021        | 198,632                                | 58,358         | 2,452                 | 20                             | 5,971                        | 65,582                      | 66,249                                         |
| 2022        | 220,563                                | 62,826         | 3,143                 | 1,176                          | 5,961                        | 81,666                      | 65,791                                         |

Source: Living Classrooms Foundation

\* COVID-19 Pandemic

The visitor data was provided by Living Classrooms Foundation, and they were unable to provide further data on the number of in-state and out-of-state visitors by program. Additionally, they were unable to provide any specific data on ticket sales and revenue. After multiple requests for data on ticket sales, the information on revenue provided by Living Classrooms Foundation was as follows:

**Current Revenue**

\$1.1 million - Ticket and Store Sales

\$275,000 - Fee for Service Programs

\$350,000 - Donations

\$2,670,000 - State of Maryland Funding (FY24)<sup>2</sup>

However, Commerce was not able to verify this data, and it is inconsistent with other information provided by Living Classrooms. Living Classrooms did not confirm the sources of the revenue or the timeframe it represents, and Commerce was not provided any previous years' data.

#### Funding Needs and Opportunities

All revenue generated or provided is used to maintain and preserve the seven Historic Ships. To ensure their structural integrity and historical accuracy, ongoing maintenance and preservation efforts are required. Funding is also needed for the operations and educational programs that Historic Ships provide to school and youth groups. The average annual capital/maintenance cost for Historic Ships is \$3.4 million. Operational and education programs cost an average of \$1.7 million annually.<sup>3</sup>

Beyond the operational funding and event sponsorships previously mentioned, Living Classrooms is actively pursuing diverse and sustainable revenue streams to underpin their operations and educational initiatives. These avenues encompass board member contributions, personal donations, fundraising campaigns, and contributions from members.

While ticket sales are the primary way that Historic Ships generate revenue, over \$5.1 million must be secured annually, leveraging a blend of private and public financial support to preserve the fleet. There have been multiple private benefactors include entities such as Exelon, Sternberger Foundation, Galanthus Foundation, France-Merrick Foundation, M&T Bank Charitable Foundation, Earle and Annette Shawe Family Foundation, Enterprise Holdings Foundation, and Tobacco Barn Distillery.

The current FY 2024 budget allocation from the State as well as Baltimore City's support which covers the Ships' hull insurance and dockage fees, equates to an approximately \$350,000 in-kind contribution. Historic Ships has also previously received financial support from the State of Maryland, the US Department of Transportation, the National Park Service, the Maryland Historical Trust, the Maryland Heritage Areas Authority, and the Baltimore National Heritage Area.

#### Long-term Strategy for Tourism and Promotion

The Historic Ships has been instrumental in drawing visitors to Baltimore and Maryland; contributing to the local economy; and cultural enrichment. To ensure the sustainability of the Historic Ships, a multifaceted approach is needed. This approach should include partnering with public and private entities, including the Maryland Department of Commerce Office of Tourism Development, Live Baltimore, and other State and local agencies. Seeking funding diversification, additional opportunities for educational initiatives, and strategic marketing are also components necessary for the sustainability of Historic Ships. The Maryland Department of Commerce Office of Tourism Development has had an excellent working relationship with the

<sup>2</sup> Historic Ships of Baltimore's Inner Harbor. Living Classrooms report.

<sup>3</sup> Historic Ships of Baltimore's Inner Harbor. Living Classrooms report.

team at Historic Ships. It has supported the marketing efforts of the Maryland Fleet Week and Air Show since 2016 and will continue to partner with Historic Ships in these efforts.

Historic Ships has identified several ways that it can seek to implement as part of its long-term strategic plan for sustainability and promotion. These include:

- **Enhance Marketing:** Develop a comprehensive marketing strategy to promote Historic Ships as part of Maryland's tourism offerings. Utilize social media, partnerships with travel agencies, and online platforms to reach a wider audience.
- **Educational Initiatives:** Expand educational programs and curriculum integration with local schools to attract student groups and educational tourism.
- **Interactive Experiences:** Continuously innovate by offering new interactive experiences and exhibits to keep visitors engaged and encourage return visits.
- **Collaboration with Other Attractions:** Partner with Visit Baltimore and other local attractions and museums to create bundled ticket options, encouraging tourists to explore a variety of historical sites.
- **Accessibility and Inclusivity:** Ensure that Historic Ships are accessible to people of all abilities and backgrounds, making them inclusive attractions.
- **Sustainability:** Emphasize sustainable tourism practices to preserve the Historic Ships and the environment, aligning with modern tourism trends.

The travel, tourism, and entertainment industry is pivotal to Maryland, Baltimore City, and Historic Ships. As a premier tourist attraction, the presence and operations of the Historic Ships benefits not only the city but the entire State. To strengthen the existing partnerships with both public and private entities, Historic Ships is proposing to develop multiple long-term strategies including:

- **Promotional Packages:** Create special promotional packages for visitors that include Historic Ships in Baltimore. This can involve teaming up with hotels, travel agencies, or other tourism-related businesses.
- **Digital Engagement:** Historic Ships are rapidly expanding their digital footprint via social media and other online channels. By showcasing collaboration with the Maryland Department of Commerce Office of Tourism Development through these platforms, it must also underscore the vital role the Historic Ships play in narrating the rich history of Maryland and the United States.
- **Community Partnerships:** Explore innovative marketing strategies, including package deals and referral incentives, in collaboration with local restaurants, retailers, and attractions to foster mutual promotion.
- **Exclusive Tour Packages:** Historic Ships is primed to expand, being a premier destination offering curated tours and experiences that epitomize Maryland's essence.
- **Heritage Workshops:** Historic Ships is launching a series of workshops and classes deeply rooted in Maryland's history and culture. Each of our ships weaves a tale intrinsically linked to Maryland's legacy.
- **Multimedia Partnerships:** Together with the Maryland Department of Commerce Office of Tourism Development, Living Classrooms envisions creating compelling content—be it videos, write-ups, or podcasts - that spotlight the state's history as mirrored the historic vessels and lighthouse.