

December 10, 2011

TO: President Young and Members of the Baltimore City Council
FR: Visit Baltimore
RE: City of Baltimore Council Bill 10-0230R
Council Resolution – Informational Hearing



Visit Baltimore
Response to the Above Referenced Bill:

Visit Baltimore has been asked to comment on the City Council Resolution 10-0230R concerning an informational hearing on the Convention Center Hotel's Performance.

Visit Baltimore is not a member of the Hotel Corporation Board so we can't speak directly to the Hotel's individual numbers and reports. However, we can discuss why having the Hilton Baltimore Convention Center Hotel in Baltimore is good for the overall economic health of the conventions and meetings industry in Baltimore.

Since we announced plans for the Hilton to our convention customers Visit Baltimore has been able to increase our convention sales bookings from 248,233 room nights in fiscal year 2004 to a record 522,541 in fiscal year 2009, doubling future bookings for the city. Most of these room nights are related to events taking place in the Baltimore Convention Center. This is due in large part to the fact that the Hilton has allowed us to reach customers who would not consider Baltimore without a convention center headquarters hotel connected to the Baltimore Convention Center.

We've been able to secure 130 citywide bookings representing \$675 million in economic impact since the hotel opened, and into future years. This includes key industry events like AIBTM that will bring 3,000 meeting planners from throughout the world to Baltimore in June of 2011 helping propel Baltimore to the next level with both the domestic and international meetings markets. Additionally there are 32 tentative groups worth \$140 million that are still being strongly considered for 2012-2019.

From 2001-2005 Baltimore lost 235,680 future room nights due to the lack of a headquarters hotel. From 2006-2010 that number dropped to 15,833. The reason for lost business has shifted from a lack of a headquarter hotel to no available dates at the Convention Center or the Center being too small to accommodate the group. Granted we will still lose some portion of new business to other destinations based on their competitive pricing and politics.

The additional meeting space provided in the Hilton equates to a 60,000 square-foot expansion of the Baltimore Convention Center, helping to grow the medical meetings market which requires numerous breakout rooms near the Convention Center. An example of one such group includes the American Association of Blood Banks that met here in 2010 bringing 7,000 attendees and generating \$6.8 million in economic impact.

With the opening of the hotel, Visit Baltimore was able to pursue convention groups with 5,500 rooms on peak night compared to the 3,000 room night groups were could accommodate before the Hilton opened.

Comment



This allows larger groups to book Baltimore, contributing significant economic impact not only to the Hilton and the Baltimore Convention Center, but the overall hotel community, generating larger hotel tax collections for the City. The Hilton tightens our hotel package for meeting planners by providing 1,582 rooms connected to the Convention Center. It makes us a more attractive city for sports events and bookings and spurred renovations at all the major downtown hotels, helping to enhance Baltimore's entire meetings package.

As we compete for convention business in the current economic climate we face tough competition from the new Gaylord Hotel, an expanded Philadelphia Convention Center and a \$55million renovation of their 1400-room Marriott hotel and the addition of a 1,200-room headquarter Marriott Marquis hotel in Washington, D.C. with 100,000 square feet of meeting space. Even Nashville is building a new center that is larger than our current building which opens in 2013. Additionally every city in the top 40 convention markets has a new convention headquarter hotel or is the process of building one. We needed the Hilton to stay competitive in an expanded marketplace.

In closing where would we be as an industry if we didn't make these investments? Where would we be without the 1996 Center expansion or the opening of the Hilton? We urge the City Council to look not only at the profitability of the Hilton, and the Baltimore Convention Center, but at what having the Hilton in Baltimore does to increase the profitability of the entire meetings and tourism industry in Baltimore. As they say a high tide floats all boats and the increase of business we've been able to bring to Baltimore in the very short time the hotel has been open will continue to increase in the coming years, helping not only the Hilton's bottom line, but the bottom line for the entire city.

Sincerely,

Tom Noonan
President & CEO
Visit Baltimore