

**CITY OF BALTIMORE  
COUNCIL BILL 05-0076R  
(Resolution)**

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Introduced by: Councilmember Mitchell, President Dixon, Councilmembers Kraft, Young, Reisinger, Conaway, Holton, Harris, Welch, Spector

Introduced and read first time: August 15, 2005

Assigned to: Judiciary and Legislative Investigations Committee

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REFERRED TO THE FOLLOWING AGENCIES: Planning Department, Baltimore Development Corporation, Downtown Partnership, Baltimore Area Convention and Visitors Association, Baltimore Arena

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A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Investigative Hearing – BCC + BACVA = Success in the Convention Industry**

3 FOR the purpose of examining the efficacy of merging the Baltimore Convention Center (BCC)  
4 and the Baltimore Area Convention and Visitors Association (BACVA) to make certain that  
5 the optimum amount of staff time and financial resources are committed to ensuring that the  
6 Baltimore Convention Center reaches its full potential as the premier convention facility in  
7 the Baltimore metropolitan area.

8 **Recitals**

9 In 2004, the Maryland Stadium Authority authorized the creation of a task force to evaluate  
10 the results of a study performed by its staff in conjunction with the staff of the Maryland  
11 Department of Business and Economic Development, at the direction of the Maryland General  
12 Assembly. The study, done in consultation with the Baltimore Area Convention and Visitors  
13 Association, was intended to evaluate “how major metropolitan cities fund convention center  
14 operations and to outline business strategies necessary to increase utilization of the convention  
15 center.”

16 It was found that, as is the case with convention centers in many metropolitan areas, the  
17 Baltimore Convention Center was built by the public sector for the purpose of generating  
18 economic development through the spending of convention, meeting, and trade show attendees  
19 in Baltimore hotels, restaurants, tourists attractions, art and cultural venues, retail establishments,  
20 and for other related services such as transportation. The Baltimore Area Convention and  
21 Visitors Association was created to market the facility and retains primarily responsibility for  
22 attracting conventions that justify the public investment.

23 The Baltimore Convention Center was expected to operate at a deficit, as do most convention  
24 facilities, but the revenue produced by the Center through state sales tax and city hotel room tax  
25 more than offset the expenditures. The original Baltimore Convention Center, built in 1979, not  
26 only generated sufficient revenues to retire its debt service several years early, but also generated  
27 significant tax revenue for state and local General Funds.

EXPLANATION: Underlining indicates matter added by amendment.  
~~Strike out~~ indicates matter deleted by amendment.

1 The Baltimore Convention Center, expanded in 1996, at a cost of \$156 million – a \$50  
2 million investment by the City and \$106 million investment by the State – , is not doing nearly  
3 as well. In fact, in recent years the State has realized a decline in the net economic impact as  
4 measured against the annual expenditures that the State makes for its 2/3 share of the Center  
5 operating deficit, as well as the annual debt service. The net economic impact for FY 2006 is  
6 projected to be \$827,564 far below the estimated returns of \$2,243,408 in FY 2004. This has  
7 prompted State agency heads and legislators to question the fiscal soundness of renewing the  
8 State’s financial commitment to the Center, when the current deficit financing arrangement  
9 expires June 30, 2008.

10 When the Baltimore Convention Center opened in 1979, and for many years after, the  
11 Baltimore Area Convention and Visitors Association was responsible for convention marketing  
12 only, while the Office of Promotion and Tourism managed the leisure travel market. The Task  
13 Force was concerned that, in 1988, the responsibilities were merged, and the marketing of the  
14 Center suffered. A presentation by the Association, in 2004, revealed that in FY 0005 the  
15 organization devoted more of its resources to the leisure market (26.3%) than it did to the  
16 convention market (22.3%).

17 The Task Force concluded that the Baltimore Convention Center has been underperforming  
18 over the past few years because, in part, the Baltimore Area Convention and Visitors Association  
19 has been unable to attract the number of high revenue producing conventions that are necessary  
20 to generate the economic impact the State desires, even though the City remains a highly  
21 attractive and successful destination for the leisure travel segment of the tourism market.

22 The Task Force made of point of stressing that, despite its concerns over the performance of  
23 the Baltimore Convention Center, there is no question about the strength of Baltimore as a  
24 tourism destination and that the City will become even more so with the development of new  
25 attractions such as the Sports Legends at Camden Yards Museum, as well as the revitalization on  
26 the West Side.

27 The Task Force members, however, are not convinced that the entire Baltimore “sales team”,  
28 which includes not only staff of both the Convention Center and the Association, but the City’s  
29 hoteliers and other private sector businesses as well, is as unified in its efforts as it can and must  
30 be and go further to specifically recommend that the Association should apportion a greater  
31 percentage of its resources to conventions marketing – that the Baltimore Convention Center was  
32 built and the Baltimore Area Convention and Visitors Association was created for the purpose of  
33 attracting conventions and meetings to Baltimore and this, once again, should be the primary  
34 mission of the Association.

35 Whether one supports the building of a new Convention Center Hotel by public or private  
36 funding, the success of such a venture will not happen without the proper marketing to guarantee  
37 that Baltimore books a monumental share of the convention market.

38 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That this  
39 Body will examine the efficacy of merging the Baltimore Convention Center (BCC) and the  
40 Baltimore Area Convention and Visitors Association (BACVA) to make certain that the  
41 optimum amount of staff time and financial resources are committed to ensuring that the  
42 Baltimore Convention Center reaches its full potential as the premier convention facility in the  
43 Baltimore metropolitan area.

1       **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the Mayor, the  
2 Executive Director of the Maryland Stadium Authority, the Director of the Baltimore Area  
3 Convention and Visitors Association, the President of the Baltimore Development Corporation,  
4 the Director of Planning, and the Mayor’s Legislative Liaison to the City Council.