

**CITY OF BALTIMORE
COUNCIL BILL 10-0230R
(Resolution)**

Introduced by: Councilmembers Conaway, Stokes, D'Adamo, Middleton, Clarke, Reisinger,
Welch, Branch

Introduced and read first time: November 8, 2010

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: Baltimore Hotel Corporation, Baltimore Development Corporation, Department of Finance, Baltimore Area Convention and Visitors Association

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing - Convention Center Hotel Performance**

3 FOR the purpose of directing representatives from the Baltimore Hotel Corporation, the
4 Baltimore Development Corporation, and the Department of Finance to appear before the
5 Council to report on the reasons for the convention center hotel's disappointing initial
6 returns, the effect of these losses on the City's overall finances, and the City's options for
7 disposing of the convention center hotel.

8 **Recitals**

9 Baltimore's City owned convention center hotel lost \$14.9 million in 2009, its first full year
10 of operation. It is expected to lose almost another \$10 million in 2010. Nearly half of its rooms
11 generally sit vacant; but, although there has been a slight up-tick in convention bookings, it has
12 been unable to help the City retain such traditional Baltimore gatherings as the Black Engineer
13 of the Year Awards and Stem Global Competitiveness Conference.

14 It is safe to say that the hotel's performance to date has been a disappointment for the City.
15 When City funding was originally approved hotel boosters projected that by this time there
16 would be profits of \$3.3 million to \$7 million, as well as more conventions and high city-wide
17 occupancy rates. Instead, while the hotel has thankfully not yet had to dip into the City's general
18 revenue streams to stay afloat, financial losses mount with no end in sight, Baltimore's hotel
19 occupancy rate is lower now than it was when the convention center hotel was built, and
20 organizations who had found the City to be an amenable host for 25 years before the new hotel's
21 opening are taking their business elsewhere.

22 In light of all of these concerns, it is necessary for this Council to consider whether or not
23 Baltimore might be better off if the City were to get out of the hotel business. At the very least,
24 Baltimore's citizens deserve a thorough accounting of why such a large investment of their tax
25 dollars has thus far so thoroughly failed to meet expectations.

26 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That
27 representatives from the Baltimore Hotel Corporation, the Baltimore Development Corporation,
28 and the Department of Finance are directed to appear before the Council to report on the reasons

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

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1 for the convention center hotel's disappointing initial returns, the effect of these losses on the
2 City's overall finances, and the City's options for disposing of the convention center hotel.

3 **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the Baltimore
4 Development Corporation, the Baltimore Hotel Corporation, the Director of Finance, the Mayor,
5 and the Mayor's Legislative Liaison to the City Council.