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City, Culture and Society xxx (2012) xxx-xxx

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# Feeding the downtown monster: (Re)developing Baltimore's "tourist bubble"

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### ABSTRACT

Baltimore has been long recognized as an innovator in downtown redevelopment, with the transformation of its Inner Harbor starting in the late 1960s, and including such visitor-oriented amenities as Harborplace, the National Aquarium, and the Camden Yards sports complex (Norris, 2003). These facilities anchor Baltimore's 'tourist bubble,' through which the city rebuilt its onceindustrial core into a enchanted center of post-industrial urban consumption (Ritzer, 2010): an appealing site for visitor outlay and corporate investment (Harvey, 1989). However, such is the halflife of late capitalism's enmeshed cultural and economic logics, that consumption sites almost unavoidably experience a diminution of their very uniqueness – hence, their ability to enchant – as their success becomes compromised by a combination of consumer fatigue and indifference, and competitor imitation and innovation. Cities such as Baltimore are compelled to engage in never-ending cycles of urban redevelopment and investment towards maintaining and enhancing their appeal to potential consumers. As outlined within this paper, Baltimore is clearly engaged in this process, through its hosting of a new Indy Car Race - the Baltimore Grand Prix (BGP) - and, the proposed development of a new downtown arena, convention center, and hotel complex, whose combined cost could exceed \$900 million. In examining the BGP and new arena complex within the historical context of Baltimore's visitor-oriented development strategies, this discussion locates these empirical sites as the corollaries of contemporary conditions of inter-urban or "inter-local" competition, and examines them as exemplars of entrepreneurial urban governance strategies (Kipfer & Keil, 2002). © 2012 Elsevier Ltd. All rights reserved.

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# 42 Q2 Introduction

On September 4, 2011, Indy Racing League cars thun-43 **03** dered through the streets of Baltimore, Maryland in the 44 inaugural Baltimore Grand Prix (BGP). The BGP marked 45 the culmination of 3 years of planning by race organizers 46 47 and members of Baltimore's government, which, for much 48 of 2011, interrupted the everyday flows of city life and traf-49 fic (Scharper & Fenton, 2011). When the race was announced in June 2010, Mayor Stephanie Rawlings-Blake 50 claimed it would be a "game changer", impacting both 51 the city's declining economic fortunes and the negative 52 perception of the city held by potential visitors (Economic 53 Impact Report: Baltimore Grand Prix, 2010; Scharper, 54

\* Corresponding author. Address: University of Maryland, College Park, Department of Kinesiology, 2361 School of Public Health Building, College Park, MD 20742, United States. Tel.: +1 301 405 2501; fax: +1 301 405 5578. 2010a). With estimated crowds nearing 160,000 for the **3-day** "festival of speed," the event initially appeared to deliver on the grandiose promises of the race organizers and city administration. However, subsequent analyses (see Coates & Friedman, 2011; Forward Analytics, 2011) and events – most pointedly the bankruptcy of Baltimore Racing Development (BRD) (Broadwater & Scharper, 2012) – call into question, not only the BGP's impacts upon Baltimore but, as we examine in this paper, the underlying logics of neoliberal urban redevelopment policy that are mobilized by civic leaders to justify the event.

While this was Baltimore's first Indy Car race, it represented the latest manifestation of a four-decade tradition of subsidizing tourism and recreation for urban redevelopment purposes. From the late 1960s through 2000, a succession of city mayoral regimes have collectively invested more than \$2 billion of publically-derived resources in the Inner Harbor and its immediate environs, as part of an unapologetically visitor-oriented redevelopment strat-

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74 egy (Harvey, 2001b; Hula, 1990; Levine, 1987; Norris, 75 2003).<sup>1</sup> Although sport was not originally planned to be an important element in Baltimore's downtown redevelopment 76 efforts, the Camden Yards Sports Complex featuring Oriole 77 Park at Camden Yards (OPCY) and M & T Bank Stadium 78 79 became a central feature during the 1990s as the stadiums 80 attract more than two million people annually into the Inner Harbor and are key sites from which appealing images of 81 Baltimore are transmitted to national and international 82 sports audiences. 83

By some measures, this strategy has been successful: 84 The city attracted 21.3 million visitors in 2010, many 85 86 doubtless enticed by the Harborplace, the National Aquarium, the Baltimore Convention Center, the Camden Yards 87 Sports Complex, and other amenities around the Inner Har-88 bor (Crossroads Consulting Services, 2012). Tourism, which 89 was an insignificant sector of the Baltimore economy in 90 91 1960, has grown to be the fourth largest industry in the 92 city, now generating \$86 million in tax revenue for the 93 state annually, and employing 25,000 people (Fry, 2011; 94 Sage Policy Group, 2011). Significantly, Baltimore's success has fostered widespread imitation by other cities, with 95 96 Harborplace providing the template for waterfront festival marketplaces during the 1980s, and OCPY being Major 97 League Baseball's first retro-designed ballpark thereby 98 providing the model for subsequent baseball stadium 99 development (Friedman, Andrews, & Silk, 2004). 100

A broader view of Baltimore shows that more than a 101 half-century of entrepreneurial policies has done little to 102 103 slow Baltimore's overall decline. Between 1950 and 2010, 104 the city's population fell from 950,000 to 620,000, while 105 almost 90% of the city's manufacturing jobs disappeared (Civilian Labor Force, 2011; US Census Bureau, 2011). In 106 2010, Baltimore had the fifth-highest rate of homicide of 107 any United States city and the seventh-highest rate for vio-108 lent crime (Making the city safe, 2011). Additionally, the 109 city has 11.1% unemployment and poverty rates exceeding 110 21% (Civilian Labor Force, 2011). 111

Clearly, these statistics indicate the ineffectual impact of 112 decades of entrepreneurial urban governance. Nonetheless, 113 civic leaders continue advocating entrepreneurial solutions 114 115 - in which public investments in downtown redevelopment schemes played a central role - to Baltimore's ail-116 ments. In addition to events such as the BGP, Baltimore is 117 considering a \$900 million arena-convention center expan-118 sion-hotel project, which would receive \$400 million in 119 public subsidies. Evoking the sentiments of Mayor Raw-120 lings-Blake, Greater Baltimore Committee CEO Donald Fry 121 described this amenity-based initiative as a "game 122 changer" (Marbella, 2011, p. C1), since it would purportedly 123 allow the city to be competitive for conventions and major 124 sporting events for the next 20 years (see also Mossburg, 125 2011). 126

Baltimore is certainly not unique among cities in its search for proverbial "game changers" derived from public investment in events and amenities targeted at slowing the downward spiral of disinvestment, depopulation, and de-130 cay. Faced with trends of suburbanization, deindustrializa-131 tion, and decreased support from the Federal Government, 132 municipal and state governments have responded by 133 adopting neoliberal strategies as the motors of improving 134 urban services and the general quality of life within cities 135 (Harvey, 2001a; Kipfer & Keil, 2002; Peck & Tickell, 2002). 136 As cities became centers of concentrated poverty and asso-137 ciated social ailments of high unemployment and crime. 138 city administrations sought to break this spiral through 139 attracting jobs and investment from corporations, and con-140 sumption from visitors, by adopting neoliberalism's mar-141 ket-based approaches that framed policy solutions 142 through discourses of competition, deregulation and priv-143 atization (Hackworth, 2007; Harvey, 2001a, 2005; Peck & Q4 144 Tickell, 2002; Ward, 2003). 145

According to Smith (2003), entrepreneurial governance 146 embeds "the logics, threads, and assumptions of capital 147 accumulation more deeply than ever in the urban land-148 scape" (p. xxi) as economic growth, which it is believed 149 can be best achieved through attracting corporate and indi-150 vidual spending, is posited as the necessary precursor to 151 improving public services, and thereby the quality of life 152 of the citizenry. To achieve this growth, cities develop strat-153 egies and expend public resources towards becoming cen-154 ters of production, spaces for consumption, places for 155 command and control functions in the global economy, or 156 pursue central government spending (Harvey, 2001a). How-157 ever, the pursuit of economic growth occurs through a pro-158 cess of "trial-and-error experimentation" that Peck, 159 Theodore, and Brenner (2009) state often leads to "deep reg-160 ulatory failures and highly disruptive consequences" (p. 52). 161

The growth-oriented strategies identified by Harvey 162 (2001a) are evident within the competition between cities 163 to transform themselves into destinations for suburbanites, 164 tourists and business travelers through investing signifi-165 cant public resources to develop visitor-oriented infra-166 structures, subsidize events, market and re-imagine 167 themselves, and create secure environments (Judd, 2003; 168 Ritzer, 2010; Zukin, 1995). The pursuit of short-lived com-169 petitive advantage is frequently seen within the competi-170 tion for consumer spending, as many cities have 171 essentially transformed themselves into multi-faceted con-172 sumer products (or, at the very least highly commodified 173 spaces) for the enjoyment of suburbanites, business travel-174 ers and tourists (Hannigan, 1998; Waitt, 2001). These 175 efforts are concentrated within highly planned, highly sub-176 sidized downtown "tourist bubbles," which offer a wide 177 range of activities within festival marketplaces and other 178 shopping, dining and entertainment spaces, hotels, muse-179 ums, sports facilities, and convention center (Judd, 1999). 180

Sport plays a particularly important role within the tour-181 ist bubble (due to its ability to regularly attract predictably 182 large crowds), and within urban marketing efforts (the 183 broadcasting of sporting events providing opportunities 184 for the mass communication of city images and narratives 185 to local, national and international audiences) (Hall, 2006; 186 Waitt, 1999). Moreover, the structures of North American 187 professional leagues and circuits (such as the Professional 188 Golf Association Tour, or the Indy Racing League) limit 189 the number of teams and events available to cities. This 190 (relative) scarcity of sporting events is believed to enhance 191

<sup>&</sup>lt;sup>1</sup> Baltimore and the State of Maryland has continued to devote public resources into the Inner Harbor, including: \$30 million in 2002 for the Lewis Museum of Maryland African American History & Culture (Arney, 2002b); \$300 million for the 750-room Hilton Baltimore convention center hotel (O'Donnell, 2005); and \$35 million to improve Oriole Park at Camden Yards in 2010 (Maryland Stadium Authority, 2011).

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the ability of cities sporting events to rise above the cluttered marketplace – an opportunity for which cities governments are expected to pay leagues and circuits a
premium through public subsidies (Noll & Zimbalist,
1997; Quirk & Fort, 1999; Rosentraub, 1999).

In addition to image benefits, sporting events and facili-197 198 ties can provide the spectacle and novelty that Ritzer (2010) suggests enhances the ability of consumption-ori-199 ented spaces to attract visitors. However, the impacts of 200 spectacle and novelty quickly fade as amenities age and be-201 come commonplace, especially as other cities replicate suc-202 cessful amenities within their tourist bubbles (see 203 Hannigan, 1997; Zukin, 1998). Thus, given the promiscuous 204 nature of contemporary consumption habits, and the imita-205 bility of amenities within a cluttered travel market, cities 206 have found that tourist areas cannot be successfully main-207 tained without continued public investments in developing 208 new amenities and activities. David Harvey (2000) de-209 scribes this requirement as "feeding the downtown mon-210 211 ster", in which "every new wave of public investment is 212 needed to make the last wave pay off" (p. 141). Although the ability of visitor-oriented amenities to attract consum-213 ers may not be durable, the logics of neoliberal develop-214 ment become self-replicating within tourist areas, as their 215 inevitable stagnation can only be remedied through new 216 swathes of public investment. 217

Within this context, it is tempting to focus on the man-218 agerial competence of civic leaders, geographic factors, 219 and/or historical circumstances as determining the relative 220 'success' or 'failure' of visitor-oriented redevelopment 221 strategies. In doing so, it would be easy to lose sight of 222 the broader structural factors of neoliberal urbanism that 223 224 force cities into a counterproductive form of competition 225 that punishes victors, losers, and non-competitors to varying degrees. In this competition, public resources are fre-226 quently channeled towards sport-focused redevelopment 227 policies, which extensive research has determined to be 228 ineffectual and benefitting relatively narrow interests (see 229 Rosentraub, 1999), and away from other choices that could 230 better serve the broader public good. In this way, our exam-231 232 ination of the Baltimore Grand Prix is more than just a cri-233 tique of the wisdom or competence of Baltimore's leaders, as, more importantly, we evaluate their policy choices as 234 responses to the pressures of governing within the context 235 of neoliberalization. 236

Hence, in elucidating the logics surrounding Baltimore's 237 downtown redevelopment within a broader project exam-238 239 ining the Baltimore Grand Prix and the 2011 mayoral election in Baltimore, we employed multiple qualitative 240 methodologies, involving the examination of media reports 241 and planning documents, participant observation at the 242 Baltimore Grand Prix, campaign events, and public meet-243 ings, and conducting interviews with key decision makers. 244 Within this research, we found several similarities between 245 the discourses surrounding the Grand Prix and the GBC's 246 proposal for the arena-convention center expansion-hotel 247 248 project, so we discuss both together.

# 249 Sport and Baltimore's renaissance

During the mid-late 1950s, Baltimore began its long, steady economic decline to which civic leaders have responded with a series of entrepreneurial initiatives to redevelop downtown and change the city's image. These included the Charles Center plan of the 1960s, the transformation of the Inner Harbor during the late 1970s and 1980s, and the construction of the Camden Yards sports complex in the 1990s. As each of these projects has been extensively examined elsewhere (see Friedman et al., 2004; Harvey, 2001b; Levine, 1987; Norris, 2003; Walters & Miserendino, 2008), we will not reprise this history herein, rather we will simply frame it as a series of publicly-funded trial-and-error experiments occurring under, and seeking to address, crisis conditions within Baltimore city.

Baltimore was flourishing in the 1950s with almost 950,000 residents, 130,000 workers employed in the manufacturing sector, and two major league sports teams: Major League Baseball's (MLB) Orioles, and the National Football League's (NFL) Colts. Yet, Baltimore's downtown lagged behind, with slow commercial and retail development, a high vacancy rate, and decreasing property values (Walters & Miserendino, 2008). In response, the Greater Baltimore Committee (GBC) – comprised of the city's commercial, industrial and professional leadership – formed in 1955 and proposed the Charles Center project to create 400,000 square feet of high quality office and retail space within the heart of the city's downtown district (Greater Baltimore Committee, 2008). The \$185 million plan relied on government participation as the Baltimore City government ("Baltimore City" provided more than \$40 million through property tax reductions and other financial incentives (Harvey, 2001b; Levine, 1987).

The obsolescence and decay of the Inner Harbor waterfront, and urban rioting in 1968, presented city officials with another development opportunity precipitated by a time of crisis. Following a strategy developed in part by the GBC, William Donald Schaefer's mayoral administration (1971–1986) embraced a visitor-oriented strategy for revitalizing the Inner Harbor. Under Schaefer, Baltimore City invested hundreds of millions of public money to create a tourist infrastructure, which included the Baltimore Convention Center, seven hotels, three major museums, and the Harborplace festival marketplace (Harvey, 2001b). Subsequent mayors Kurt Schmoke (1987–1999) and Martin O'Malley (1999–2006), with assistance from the Maryland state government, continued investing public resources to maintain and grow Baltimore's tourism infrastructure with varying degrees of success.

Three projects exemplify Baltimore's uneven record of success of entertainment development along the Inner Harbor: Harborplace, the National Aquarium, and the Power Plant. In its first year of 1980, Harborplace attracted 18 million people and was hailed by *Time Magazine* as symbolic of Baltimore's renaissance (Demarest, Stoler, & Grieves, 1981). However, by 2010, attendance had dropped to 11 million as lack of upgrades led the Baltimore Business Journal to describe it as "a shell of its once vibrant self" (Revitalizing Harborplace a priority, 2010, n. pag). Since its 1981 opening, the National Aquarium has consistently drawn between 1.4 and 1.6 million visitors, but two major expansions have failed to increase attendance beyond this range (Gunts, 2010; Rosen, 2011). While the first two are recognized as successes, the city-owned Power Plant has been renovated twice, featured high vacancy rates and an

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M.T. Friedman et al. / City, Culture and Society xxx (2012) xxx-xxx

314 ever-changing roster of tenants, and the current lessee is 315 requesting \$3 million in tax breaks from the city in order to renovate the building a third time (Gunts, 1994, 2011). 316

While sport was not important within the early develop-317 ment of Baltimore's tourist bubble, it played an increasing 318 319 role as the amenities within the Inner Harbor began aging. 320 From the 1950s, the Colts and Orioles shared Memorial Stadium: located approximately three miles out of downtown. 321 However, by the 1980s, Memorial Stadium could not gener-322 ate sufficient revenues for its tenants, precipitating the 323 Colts relocation to Indianapolis in 1984, and increasing 324 fears that Orioles' owner Edward Bennett Williams would 325 326 move the team to Washington, DC. Responding to this crisis, Schaefer (who was elected State Governor in 1986) 327 finalized an agreement with the Orioles in 1987 to build 328 a new stadium for the team in Camden Yards with \$210 329 million in state subsidies (Richmond, 1993). In so doing, 330 Schaefer ensured that Baltimore would retain its "major 331 332 league" status, the loss of which would have directly con-333 tradicted the image of renaissance promoted by civic 334 leaders.

Oriole Park at Camden Yards (OPCY) marks the conver-335 gence of Baltimore's renaissance with professional sports.<sup>2</sup> 336 With its location across from the convention center and next 337 to the entrance to downtown from I-95, OPCY's proximity to 338 the Inner Harbor offered synergistic possibilities that Memo-339 340 rial Stadium lacked as attendees at the 48,000-seat stadium could use downtown parking, shop and dine around Inner 341 Harbor before and after the game, while hotels would be 342 conveniently located for out-of-town fans (Friedman et al., 343 2004). Moreover, through incorporating design elements 344 that recalled stadiums from baseball's history, made esthetic 345 346 references to Baltimore, and celebrated Orioles history, OPCY 347 became a tourist attraction as well as MLB's first retro-designed stadium and became the template for subsequent 348 facilities (Hamilton & Kahn, 1997; Van Rooij, 2000). 349

Baltimore further developed infrastructure for profes-350 sional sports in 1995 as the State of Maryland committed 351 another \$229 million to build a football stadium next to 352 OPCY to attract the NFL's Browns from Cleveland. As M & 353 354 T Bank Stadium opened in 1998, the Camden Yards Sports 355 Complex was the location of more than 90 sports events which were broadcast to local, national and global televi-356 357 sion audiences and attracted almost four million people 358 to downtown. Despite the hope that this volume of activity would generate revenues beyond the public's costs, Hamil-359 360 ton and Kahn (1997) estimated that the Camden Yards 361 Sports Complex required public subsidies exceeding \$30 million annually. 362

The efforts of Baltimore's civic leaders to develop a con-363 sumption-oriented downtown through creating a vibrant 364 Inner Harbor can be considered successful on some metrics 365 as the city's tourism industry serves more than 20 million 366 people and generates \$86 million in tax revenue annually 367 (Crossroads Consulting Services, 2012; Fry, 2011). How-368 ever, the redevelopment of the Inner Harbor has, in many 369 370 ways, "generated pervasive market failures" and "new

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forms of social polarization" (p. 51) that Peck et al. (2009) 371 ascribe to the process of neoliberalization. For example, 372 although Baltimore city's property tax rate is the highest 373 in Maryland, few properties around the Inner Harbor pay 374 this rate as developers routinely receive tax abatements 375 as incentives (Hopkins, 2012). This market distortion pre-376 vents a reduction in overall rates, which burdens other 377 landowners, serves as a drag on the housing market, and 378 puts taxpaving buildings at a cost disadvantage (Hopkins, 379 2012; Scharper, 2011b; personal communication). Socially, 380 the city's focus on the Inner Harbor has created what Hula 381 (1990) described as "Two Baltimores." Within the gentri-382 fying core, Baltimore City has expended substantial public 383 resources to upgrade infrastructure, develop amenities, 384 and reassure potential visitors and residents of their safety. 385 However, much less attention has been given to the city's 386 other neighborhoods in which residents' quality of life 387 has deteriorated due to poverty, crime, drug use, and poor 388 public services, such that Szanton (1986) describes the 389 juxtaposition between the city's neighborhoods and 390 downtown as the "rot beneath the glitter" (p. 12). 391

# Feeding the downtown monster: Baltimore Grand Prix and the New Arena Project

Baltimore City has continued experimentation within 394 the Inner Harbor under Stephanie Rawlings-Blake, who be-395 came mayor in 2010 when Sheila Dixon resigned as part of 396 a plea bargain agreement prompted by legal proceedings 397 related to the misuse of public funds. Rawlings-Blake has 398 been less aggressive than her predecessors Schaefer, 399 Schmoke and O'Malley in promoting major development 400 projects, as, in her first 2 years in office, Rawlings-Blake 401 faced a series of crises, including restoring faith in the city's 402 government following Dixon's resignation, two major bliz-403 zards in 1 week, and attending to a \$180 million budgetary 404 shortfall. This focus does not indicate a shift in the city's 405 priorities as, during the 2011 mayoral campaign – and in 406 her promotion of the Baltimore Grand Prix and the pro-407 posed arena-hotel-convention center expansion project -408 Rawlings-Blake clearly demonstrated her support for continuing the city's entrepreneurial efforts centered on the Inner Harbor (see Scharper, 2011a; For Rawlings-Blake, 411 2011).

# The Baltimore Grand Prix

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Few events exemplify Baltimore City's trial-and-error 414 neoliberal experimentation as the Baltimore Grand Prix. 415 The BGP started as the idea of Steven Wehner, who con-416 ceived of the race in 2005 while working in his auto repair 417 shop on Martha's Vineyard (Scharper & Fenton, 2011). A 418 Baltimore native who traces his ancestry back to the first 419 European settlers of Maryland, Wehner believed that the 420 Inner Harbor would be the "perfect setting for an Indy-style 421 race", as it would make money for him and his partners and 422 present a positive image of Baltimore to the world (Schar-423 per & Fenton, 2011). In February 2008, Wehner presented 424 his idea to council member William Cole, in whose district 425 the race would be run. Cole expressed skepticism, stating, 426 "I really don't see how this will work" (as gtd in Scharper 427 & Fenton, 2011, n. pag). Undeterred, Wehner found willing 428

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<sup>&</sup>lt;sup>2</sup> The Baltimore Civic Center (now 1st Mariner Arena) is located just two blocks from the Convention Center and hosted the NBA's Baltimore Bullets (1963–1973) along with minor league teams. However, the Civic Center, which was completed in 1962, was outside of the GBC's original plans for downtown.

M.T. Friedman et al./City, Culture and Society xxx (2012) xxx-xxx

429 investors and received letters of support from city officials. including Dixon, Rawlings-Blake and Cole, which caught 430 the attention of officials from the Indy Racing League 431 (IRL). By September 2008, Baltimore Racing Development 432 (BRD) was recognized by the Indy Racing League (IRL) 433 434 and Baltimore City as credible and in negotiations with 435 both to stage a 2011 event. As negotiations progressed, on August 9, 2009, the Baltimore City Council, following 436 Cole and then-Council President Rawlings-Blake, unani-437 mously approved a resolution supporting the race 438 (Baltimore City Council, 2009). 439

Cole's initial skepticism of holding an IRL race in Balti-440 more was warranted for two related reasons. First, neither 441 Wehner nor the other members of BRD had any experience 442 managing an IRL race, or, for that matter, any event of this 443 magnitude (A Grand Mess..., 2011). Jay Davidson, who 444 replaced Wehner as BRD president, was a corporate lawyer, 445 who had never worked within the sports or entertainment 446 447 industries (Bawroski, 2011). Second, IRL street events have 448 had a mixed record at best, with long-term success in Long 449 Beach, California and St. Petersburg, Florida, but highprofile failures in Cleveland, Denver, Detroit, Houston, Las 450 Vegas and Washington, DC (Scharper & Fenton, 2011; 451 Baltimore hopeful, 2010). Located 35 miles to the south, 452 Washington's experience was particularly relevant as, in 453 2002, the city spent \$5.1 million to construct a racetrack 454 at RFK Stadium as part of a 10-year contract. However, 455 the race was canceled after 1 year due to low attendance 456 and neighborhood complaints (Scharper, 2010b). 457

Despite significant reasons for doubt, city leaders, Raw-458 lings-Blake, and Governor O'Malley embraced and pro-459 moted the BGP. O'Malley was excited for the race as it 460 "will bring eyes from all around the world to Baltimore 461 and to Maryland" (as quoted in Scharper, 2010a, p. D1). 462 Rawlings-Blake stated the race would be a "game changer" 463 for the city's image. Council President Jack Young predicted 464 the city would see a positive economic return as "the city 465 needs a shot in the arm... and the majority of the commu-466 nity seems to be onboard" (as quoted in Scharper, 2010c, p. 467 A1). Echoing Rawlings-Blake's comments about the race 468 469 being a game changer for the city, Cole stated "[the Grand 470 Prix] is going to put us on the front page of newspapers all around the country for the right reasons" (as quoted in 471 472 van Valkenberg, 2010, p. D1).

473 The support for the race was based on promises made by race promoters of significant economic and image benefits 474 475 and the contract in which BRD paid the full cost of public safety services and a rights fee to Baltimore City. With 476 the BGP being held on Labor Day weekend (a slow time 477 for tourism in Baltimore), BRD's economic impact report 478 promised 100,000 attendees, 80% of whom would be from 479 out-of-state, and \$70 million in new economic activity at 480 a slow time (Economic Impact Report: Baltimore Grand 481 Prix, 2010). Rather than conducting its own assessment, 482 the city accepted and repeated BRD's claims, despite, 483 according to sports economist Dennis Coates, the report 484 485 having basic and fundamental errors (Erickson, 2011; per-486 sonal communication).

Moreover, for a city whose broader public image largely derived from the dystopic media narratives of the "drugravaged neighborhoods portrayed in TV shows such as The Wire' and 'Homicide'" (Davidson, 2011, n. pag), the

race would be, according to Rawlings-Blake, a "game changer" as a global audience would see the beauty and amenities of the Inner Harbor, and, perhaps, some would decide to visit Baltimore (Scharper, 2010a). This promotion was needed as, according to a Travel + Leisure magazine on-line survey, Baltimore ranked 33rd of 35 American cities for "quality of life and visitor experience" and finished in the bottom ten of several categories, including nightlife, shopping, and restaurants (Deal-Zimmerman, 2010). Responding to the survey, Visit Baltimore CEO Tom Noonan stated, "we've got to change people's perceptions about us" and cited the Grand Prix as one event in that effort (as qtd. in Deal-Zimmerman, 2010, p. R1). Terry Hasseltine, Director of Maryland's Office of Sports Marketing, also explained that the race would help make Baltimore more prominent as an "international sports destination," as the city's "name now resonates outside the geographical region" (as qtd in Baltimore hopeful, 2010, p. D1).

Within the 5-year contract, Baltimore City seemingly had little financial risk or expenses. In addition to privately financing, organizing, and running the event, BRD guaranteed the city a \$250,000 rights fee, agreed to pay the full cost of public safety services, offered an annual \$100,000 "Community Benefits Fund" to mitigate the race's impact on surrounding neighborhoods, and promised the city a portion of its profits (Baltimore Board of Estimates, 2010; Scharper, 2010b). In return, Baltimore was required to design, bid, and construct necessary infrastructure and street improvements, which essentially obligated the city to spend \$7.75 million to repave the roads around the Inner Harbor to meet IRL standards (Baltimore Board of Estimates, 2010). However, as the area qualified for state and federal transportation funding and BRD promised the event would allow the city to recoup this funding through taxes and fees related to the event, the roadwork could become a direct source of profit for the city, costing little more than the inconvenience experienced by downtown workers, residents, and visitors (Baltimore Board of Estimates, 2010).

In addition to its contractual obligations, Baltimore City provided substantial logistical support to BRD. Kaliope Parthemos, the city's deputy mayor for economic development, spent as much as half her time during the summer of 2011 preparing for the race (Scharper & Fenton, 2011). The city's office of transportation management had substantial challenges coordinating road closures for repaving for almost a full year, while north-south traffic through the city was made virtually impossible and the city's light rail was closed during the week of the race (Dresser, 2011; Scharper & Fenton, 2011; personal communication). Public safety services were also strained as the race required substantial presence from the police and fire departments, both of which paid overtime to employees working on Labor Day weekend. Finally, both Visit Baltimore and the Maryland Office of Sports Marketing provided considerable marketing support to BRD, with Visit Baltimore featuring the race on the cover of its September publication.

As the city invested considerable resources into preparing for the race, many people were concerned that the city had not fully considered its costs (Dresser, 2011). While roads around the Inner Harbor would eventually need repairing, the race forced the work into a compact schedule that disrupted transportation around downtown for almost

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553 a vear and caused workers to spend thousands of hours in 554 traffic (Dresser, 2010, 2011). Moreover, as the Baltimore Sun noted in a May 2010 editorial, the money spent on roads 555 could have been used in other parts of city (Grand Prix Yel-556 low Flag, 2010, p. A16). This roadwork also contributed to a 557 558 significant shortfall in downtown parking fines and taxes in 559 early 2011 as Baltimore struggled to close a \$121 million budget gap (Scharper, 2011d). Concerned about the quality 560 of city services and the city's priorities, councilmember Carl 561 Stokes asked, "why are we spending millions on roads for 562 an auto race when we can't get up [Interstate] 83 in a 563 snowstorm?" (Scharper, 2011c, n. pag). 564

As the BGP was scheduled just 9 days before the city's 565 Democratic Mayoral Primary, the de facto mayoral election, 566 the event became an issue in the election through which 567 Rawlings-Blake's opponents critiqued her administration's 568 approach to planning. In January, 2011, Otis Rolley, who 569 570 had served as Planning Director in the O'Malley Adminis-571 tration, tweeted, "Where's the plan for economic develop-572 ment? Where's the vision for Baltimore in 2020? Instead, we have racecars" (Haber, 2011). When asked about his 573 Twitter tweet, Rollev added, the race "is a further symptom 574 575 of a greater problem: a lack of global thinking and setting priorities in how and where we invest" (Haber, 2011, n. 576 pag). State Senator Catherine Pugh suggested the race 577 was indicative of the city's focus on downtown develop-578 579 ment over neighborhoods and that the city needs more of a "bottom up" approach rather than "top down" (Field 580 notes, August 11, 2011). Former Councilman Jody Landers 581 criticized the city for its failure to conduct proper due dili-582 gence on the race and its lack of planning to mitigate its im-583 pacts on traffic through the city (The 2011 Baltimore 584 Mayoral Forum, 2011; personal communication). 585

#### Assessing the 2011 Baltimore Grand Prix 586

587 The race initially seemed successful with 160,000 attendees claimed for the weekend. Davidson admitted. 588 "the weekend exceeded our wildest expectations" (Schar-589 per, Hermann, & Linskey, 2011, p. 1A) as long lines were 590 at each of the four entrances into the race grounds and, 591 while large crowds enjoyed the "party atmosphere" inside 592 (Reimer, 2011, p. 1A). In a post-race press conference, Raw-593 lings-Blake addressed skeptics as she stated, "the naysayers 594 595 certainly had their day... until the race started" (as quoted in Scharper et al., 2011, p. 1A). 596

Despite initial indications, media reports, and political 597 statements, a lack of secondary activity outside the race-598 599 track suggested that the event's economic impact would 600 be much less than anticipated. Although the disembarkation point for the parking lot buses and two gates into 601 the race grounds were located near Harborplace, lines at 602 eateries were short and the pavilions were not crowded. 603 Employees at the Maryland Science Center and National 604 Aquarium remarked that attendance at the attractions 605 was much less than typical on weekends because "the lo-606 607 cals are staying away and the visitors are at the race" (personal communication). Anticipating large crowds, bars in 608 Fells Point added shifts for the weekend, but sent most 609 additional servers home due to the lack of business. 610 According to Baltimore Sun columnist Kevin Cowherd 611 (2011), Little Italy was "largely a ghost town" (p. 5D), and 612

one restaurant owner described the previous night to one 613 of the authors as "one of the slowest Friday nights in Little 614 Italy ever" (personal communication). One street vendor in 615 Little Italy blamed the media as it "told everyone to stay 616 away from coming downtown" in anticipation of traffic 617 problems. 618

Quantitative analyses of the Grand Prix confirmed that 619 the economic activity surrounding the race fell far short 620 of BRD's initial estimates of \$70 million despite crowds that 621 were 60% higher than predicted. Coates and Friedman's 622 (2011) survey of race attendees estimated their spending 623 between \$15-27 million as just 30% of race attendees were 624 from out-of-state. Forward Analytics' (2011) more compre-625 hensive assessment commissioned by Visit Baltimore esti-626 mated spending of \$28 million from non-local visitors 627 and vendors and race organizers. Television exposure was 628 less than expected as the American television audience 629 was below 600,000 - less than 1/6 of the domestic viewers 630 cited in the city's May 2010 press release about the race 631 (Zurawik, 2011). While these results may have been disap-632 pointing, BRD lost \$12 million managing the race, and 633 failed to pay Baltimore City \$1.7 million, which included 634 the rights fee, reimbursements for the city's public safety 635 expenses, and amusement taxes owed on ticket sales. In 636 addition, BRD owes another \$2 million to various state 637 agencies that directly lent money to BRD or served as 638 third-party guarantors on other loans (Broadwater, 2011). 639

In retrospect, there were numerous warning signs be-640 yond the inexperience of BRD's management and the mixed 641 record of success for IRL road events. In February 2010, race 642 founder Wehner stepped aside in favor of Davidson in order 643 to present a more polished image to potential investors 644 (Scharper & Fenton, 2011). In December 2010, BRD missed 645 a required \$500,000 payment to the Maryland Stadium 646 Authority and received a loan from the Maryland Economic 647 Development Corporation to cover it (Scharper & Fenton, 648 2011). In July 2011, the Baltimore Business Journal reported 649 that BRD had not secured a title sponsor for the race, had 650 commitments for just 20 of 35 expected sponsorships, 651 and was 35% short of reaching its corporate sales goal (Jack-652 son, 2011a). Also that month (though not publically re-653 vealed until December), BRD took a 2-month, \$1.1 million 654 high interest loan (for which BRD would pay almost 655 \$500,000 in interest and fees) in order to pay the IRL's sanc-656 tioning fees, without which the race would have been can-657 celed (Broadwater & Scharper, 2011). Whether these 658 warning signs were apparent to city officials or just ignored 659 at the time does not matter, as the Rawlings-Blake admin-660 istration focused on ensuring the event occurred and was 661 much less concerned about BRD's financial viability. As 662 Rawlings-Blake's subsequent efforts would show, the city 663 was fully committed to the event as part of its promotional 664 efforts to the point that it would do just about anything to 665 ensure that it happened. 666

### The 2012 Grand Prix of Baltimore

Choosing to focus on the shortcomings of BRD as the city 668 canceled its contract. Rawlings-Blake believed that the Grand Prix could be successful with "better business acumen" and continued to expend political capital promoting 671 the event for 2012 (Broadwater, 2011). Although a Balti-672

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M.T. Friedman et al. / City, Culture and Society xxx (2012) xxx-xxx

*more Sun* editorial recognized that "it's better to risk having no race at all than to put on another entertaining but costly event," the newspaper also noted "the only way Baltimore could recoup its investment is if the race goes forward for the next several years" (Learning from, 2012, n. pag). Towards recouping its investment, Parthemos requested bids to manage the 2012 race in early January.

Although Rawlings-Blake was committed to having a 680 race in 2012 race. Council President Young (2012) reconsid-681 ered his early support for the event by stating, "to continue 682 to pursue the race... is not the best option at a time when 683 so many other important programs and services lack much-684 needed support" (p. A17). While recognizing that Baltimore 685 made a significant investment in holding the Grand Prix, he 686 noted that Washington DC had made a similar expenditure 687 in 2002, but chose to end its support after 1 year. By dis-688 continuing the race, Young suggested the city would have 689 an opportunity to "focus more of our attention toward 690 691 our neighborhoods and work to improve the everyday lives 692 of our citizens" (p. A17).

Despite Young's opposition and position on the five-per-693 son Board of Estimates, the city moved forward with find-694 ing a new promoter that would allow the Grand Prix to 695 continue. After reviewing several proposals, the Rawlings-696 Blake administration selected Downforce Racing. The new 697 contract included several measures to protect the city's 698 interests: monthly and guarterly reporting; annual audits; 699 and a percentage of sales going directly into a city-con-700 trolled escrow account (Baltimore Board of Estimates, 701 2012). The proposal was supported by representatives from 702 703 surrounding communities, the Baltimore Development 704 Corporation, and Visit Baltimore, whose CEO Tom Noonan identified an estimated \$47 million economic impact, 705 37,000 hotel room bookings and "free media value" esti-706 mated "in the tens of millions of dollars" from the event 707 (Baltimore Board of Estimates, 2012). Rawlings-Blake also 708 argued the race should continue, explaining, "a lot has been 709 said about this new agreement as well as about the past, 710 but now it is time to move forward. This contract mini-711 mizes the City's risk and it is what's best for our local econ-712 713 omy" (Baltimore Board of Estimates, 2012). With the Mayor 714 and her two appointees voting in favor and Young and City Comptroller Ioan Pratt in opposition, the Board of Estimates 715 716 approved the contract with Downforce Racing and the 717 Grand Prix was seemingly back on track.

In its contract with Downforce Racing, the city agreed to 718 terms that were vastly inferior to those in its deal with 719 BRD. According to Reutter (2012a), the city would excuse 720 the new promoters of \$4.25 million in fees over 5 years that 721 had been guaranteed within the previous contract, includ-722 ing the \$250,000 event fee, the \$100,000 community bene-723 fits fee, and \$500,000 for the use of city services. In place of 724 those guarantees, the city would receive a \$3.50 per ticket 725 surcharge (escalating 25 cents per year) that, along with 726 727 the city's tax revenues, would go into the escrow account (Reutter, 2012a). As the surcharge would cover just half 728 729 of the city's expenses, Rawlings-Blake essentially agreed 730 that Baltimore would subsidize the race.

Despite these generous terms Downforce Racing failed
to "meet city-imposed benchmarks" as the company had
not sold any sponsorships or started selling tickets for the
event by mid-April (Scharper, 2012). After canceling its

Society (2012), http://dx.doi.org/10.1016/j.ccs.2012.11.004

agreement with Downforce Racing, the city contracted on May 9 with yet another group, Race On, which was led by the single largest donor to Rawlings-Blake's (2011) mayoral campaign, J.P. Grant (Reutter, 2012b). Within this new contract with Race On, the city made *further* concessions, as, instead of a ticket surcharge, that based on 2011 attendance of 160,000 would have paid \$560,000 for city services, race organizers would pay a flat fee of just \$350,000 (Lambert, 2012a).

Given its late start on ticket and sponsorship sales, Race On attempted to limit expectations for the 2012 event. Explaining that "most events suffer a bit of a sophomore slump" as the novelty wears off and that many of the 2011 attendees had received free tickets from BRD, race general manager Tim Mayer stated that the race would experience lower attendance and that "our measure of success has always been, 'can we stabilize the event'" (Lambert, 2012b). Learning from the 2011 experience, the city made more efforts to encourage race attendees to spend money in surrounding neighborhoods, by rearranging event times, making the course more accessible for pedestrian traffic, and strategically rerouting the city's free "Charm City Circulator" buses through entertainment and dining areas like Federal Hill and Little Italy (Meehan, 2012a).

Although Race On has chosen not to release attendance figures, it has acknowledged that attendance at the 2012 race was lower than 2011, citing threats of bad weather and the "sophomore" status of the race, and have estimated gate receipts at \$2.8 million (Lambert, 2012c). Television viewership declined by 27% for events shown on NBC Sports Network, which at 292,000 was its lowest number for any IndyCar event since 2009, while ABC's viewership for races shown on ABC was 17% lower than 2011 (Korman, 2012). Despite efforts to move people towards neighborhoods after the race, the race's impact disappointed many restaurants (Meehan, 2012b). Overall, Grant claimed that Race On lost a "significant amount" of money producing the race, but did pay all of its bills. Nonetheless, Race On, the Rawlings-Blake administration, and the IRL have committed to the Grand Prix of Baltimore for 2013, while city leaders remain optimistic that the race will become a "signature event" for Baltimore (Korman, 2012).

# The New Arena Project

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Just as the Grand Prix illustrates the persistent trial-anderror experimentation within neoliberal urban governance, the proposal for expanding the Baltimore Convention Center (BCC) represents the necessity that cities have to upgrade their existing facilities in order to maintain the value of previous investments. In October, 2011, GBC Chief Executive Officer Donald Fry proposed another "game changer" for the city: a \$900 million arena-convention center-hotel project that would be funded with \$400 million in public funds (Marbella, 2011, p. C1). This would represent the public's third major investment in the BCC, which opened in 1979 and completed a \$151 million expansion in 1997 (Crossroads Consulting Services, 2012).

BCC chairman Robert Hillman promised that the 1997 expansion would "make [Baltimore] competitive for at least 20 or 25 years" (as qtd in Arney, 2002a, n. pag) in

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795 the cluttered convention and trade show marketplace. However, the expansion only briefly returned the BCC's 796 performance to level it enjoyed during the late 1980-early 797 1990 when the building attracted 600,000-700,000 attend-798 ees annually. By 2010, annual attendance fell below 799 800 400,000 (Sage Policy Group, 2009). Part of the reason for 801 the BCC's decline is competition from other cities in the United States which have expanded their facilities to the 802 extent that the BCC's square footage ranking has fallen 803 from 28th in 1997 to 73rd in 2011 (Fry, 2011). Visit Balti-804 more claims this slippage has diminished the attractiveness 805 of the city as a convention destination with 243 potential 806 meetings, trade shows, sporting events and conventions, 807 which would have booked 700,000 hotel room nights, 808 bypassing Baltimore due to the BCC's lack of capacity 809 (Crossroads Consulting Services, 2012; Marbella, 2011; 810 Sernovitz, 2011). 811

Towards securing future business, proponents argue the 812 813 \$900 million project is a necessary investment to keep Bal-814 timore's tourist industry "competitive" and that failure to 815 act would result in the city losing its already declining convention business and entertainment bookings to other cit-816 ies (Marbella, 2011; Stone, 2011). According to Fry 817 (2011), the project "goes beyond simply enabling Baltimore 818 to keep up with competitors. It would catapult Baltimore 819 into a leading competitive position in major convention 820 821 and event markets to which it now doesn't even have access" (p. A13) and offered that the city would be "in a posi-822 tion to be competitive for the next 20-25 years" (as qtd in 823 Mossburg, 2011, p. A21). By moving forward with the pro-824 ject, Crossroads Consulting Services (2012) forecasts that 825 the BCC's annual bookings at the BCC would increase by 826 827 44% and attendance by as much as 45%, which would pro-828 duce as much as \$248 million of economic activity and create up to 2500 jobs. However, if Baltimore does nothing, 829 Crossroads Consulting predicts that BCC usage will con-830 tinue to slide with each 5% decline costing the state \$6 mil-831 lion in annual tax revenue. 832

## 833 Assessing the downtown monster

For more than 40 years, Baltimore has aggressively pur-834 sued a consumption-oriented redevelopment strategy with 835 billions in public investment and countless hours spent by 836 837 government officials focused on downtown and the Inner Harbor. While it is impossible to prove that other types of 838 development would have produced a better result for Bal-839 timore, tourism has become an important industry for the 840 841 city: the GBC claims it generates annually \$581 million of 842 economic activity, \$23 million in city hotel-tax receipts, and employs more than 25,000 people. It may also be ar-843 gued that without its focus on consumption, Baltimore 844 would be in a much worse condition than it is today due 845 to a lack of effective alternative strategies. 846

Yet, the tautologous nature of neoliberal urban gover-847 848 nance forestalls the search for any viable alternatives, as 849 despite experiences to the contrary – the overarching logics of neoliberalization offer easy solutions to urban prob-850 lems through the provision of public resources to support 851 city-rescuing private enterprises. Almost unavoidably how-852 ever, as cities embark on consumption-oriented redevelop-853 ment strategies, civic leaders are soon faced with an 854

unpalatable choice:<sup>3</sup> feed the downtown monster with con-855 tinual infusions of public resources with the hope of the city 856 can maintain its position or do nothing and watch potential 857 visitors bypass the city. Rather than watch Baltimore decline 858 further, the Rawlings-Blake administration decided to feed 859 the monster with a partially baked idea for an auto race. 860 The GBC's hotel-arena-convention center expansion proposal 861 is just the next item on the menu. 862

The BGP promised to be a spectacular event that would attract visitors into downtown on a slow weekend, and thereby showcase the city to potential tourists. This dual enticement prompted city leaders to provide substantial public resources (though not direct subsidies) to the 2011 race. Then, despite its expense to the city and the BRD's high profile failure, Mayor Rawlings-Blake pursued the event for 2012 and offered public subsidies to attract race promoters. Given its late start and the 2011 experience, no one was surprised that both attendance and viewership declined for the 2012 Grand Prix of Baltimore, yet all parties seem eager to offer the race again in 2013.

As for the hotel-arena-convention center expansion proposal, more than \$400 million in public monies would be spent to ensure the Baltimore's competitiveness "for the next 20 to 25 years" in an already oversaturated market for trade shows, conventions, and meetings. This increased competitiveness, however, will not improve the BCC's balance sheet, as once the expansion is complete, the BCC's operating deficit will increase from the \$8 million annually paid by the city and state. In the best-case scenario, operating an expanded BCC will cost the public an additional \$1.4 million annually (Crossroads Consulting Services, 2012). Given the rapid erosion of the BCC's competitiveness since its 1997 expansion, this figure will likely rise in the medium term.

The process of neoliberalization creates a self-perpetuating cycle that - as it provides substantial benefits to corporations and visitors - obscures its true costs that are borne by urban residents. In the case of the BGP, the city directed \$7.75 million of federal highway funds to repair roads around the Inner Harbor although there are other streets throughout the city that would have been eligible for those funds that were in much greater need of repair. While the streets surrounding the Inner Harbor will eventually need to be repayed, poor road conditions throughout the city burden residents with significant expenses for repairs and force them to spend more time in traffic. As for the hotelarena-convention center expansion project, Crossroads Consulting promises additional tax revenues to the city and state between \$17 million and \$22 million annually. However, Arney (2002a) highlighted similar promises made during the 1990s to secure \$151 million for the previous BCC expansion, yet those benefits never materialized. While the city's and state's benefits from this expansion are not certain, the project's costs are virtually guaranteed: annual debt service on \$400 million (which may decrease city and stats capacity to borrow money for other projects) and increased subsidies for BCC operations.

Both the BGP and the hotel-arena-convention center 912 expansion project exist within the context of Baltimore's 913

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<sup>&</sup>lt;sup>3</sup> The other entrepreneurial strategies offered by Harvey have similar flaws, as each require continuing public investments in order to support previous investments.

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M.T. Friedman et al./City, Culture and Society xxx (2012) xxx-xxx

914 broader downtown strategy and are indicative of the clear shifts in the city's priorities since the 1960s. Faced by the 915 challenges of neoliberal urbanism, the city has moved away 916 from providing services to residents in favor of an approach 917 which provides significant tax breaks, public subsidies, and 918 919 other resources to those developing the tourist infrastruc-920 ture, which civic leaders promise will generate the tax revenues necessary to address urban problems and provide 921 services. Thus, Rawlings-Blake announced on October 1. 922 2012 that the city would reverse a previous decision and 923 not close fire company, Truck 10, through June 2013 due 924 to \$1.4 million realized from taxes, fees reimbursing the 925 city for its services, and lower-than-expected costs from 926 the Grand Prix (Broadwater, 2012). At first glance, Truck 927 10 seems to be a manifestation of the Grand Prix's success, 928 but the actual benefit is much less than it appears, as most 929 of the funds would have been available for this purpose 930 without the Grand Prix. The expenses for which the city 931 932 was reimbursed and budget savings could have been orig-933 inally budgeted to the fire company. In terms of taxes, sub-934 stitution effects suggest that much of the revenues Baltimore received from the race would have been realized 935 by the city from other sources. 936

Despite the appearance of tangible benefits, the reality is 937 that the downtown monster has a voracious appetite and 938 requires constant care and feeding. Moreover, due to its 939 vulnerability from competing cities, the downtown mon-940 ster demands a steady flow of new investments to (re)cre-941 ate the amenities and attract the events it needs to 942 reproduce itself, lest it otherwise diminish and die. In this 943 context, the Baltimore Grand Prix must be renewed, even 944 if the city was unpaid in 2011 and new race promoters 945 946 had just 4 months to organize the 2012 event. The city 947 and state government must consider spending another \$400 million on the Baltimore Convention Center, even if 948 the benefits never materialized from the last \$151 million 949 investment, because it is the only way for Baltimore to re-950 main competitive for tourism and major sports events. Yet, 951 in many ways, the 'success' or 'failure' of policies and pro-952 jects actually does not matter as the tautological processes 953 of urban neoliberalization will, in any case, only engender 954 955 further policies and projects that continue to prioritize downtown (re)development ahead of public services and 956 the citizens of Baltimore. Thus, instead of new providing 957 new revenues that will enable cities to better serve the 958 needs of its residents, the "monster" and those who sup-959 port it will continue to demand precious public resources 960 from a citizenry, who according to Harvey (2000), "wait 961 for benefits that never materialize" (p. 141). 962

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964 **q5** Siegel (2001).

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M.T. Friedman et al./City, Culture and Society xxx (2012) xxx-xxx

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