

MHLA

Maryland Hotel Lodging Association

Testimony in Support of HB 897

Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force
March 5, 2024 – House Appropriations Committee

The Maryland Hotel Lodging Association (MHLA) serves as the sole statewide trade association dedicated to advocacy for Maryland's 750+ hotels. Our industry employs more than 25,000 individuals and provides the state with \$1 billion in state and local taxes, \$5 billion in total wages and salaries, and \$9 billion in total gross domestic product.

31 hotels in Baltimore City, representing 76% of total rooms in the City, have dual membership in the local "Baltimore City Council of the MHLA" in addition to the statewide hotel association. 11 of our Baltimore City member hotel representatives are among the 37 directors serving on the Baltimore Convention and Tourism Board. Baltimore City hotels are highly invested in the future of the Baltimore Convention Center (BCC) as it will have a significant and direct impact on the future of our industry.

Convention business is highly competitive given the economic impact it brings to a host city. When Baltimore hosts citywide conventions, that impact is felt by hotels both in the City and in the surrounding jurisdictions. Guests spend money not only on lodging but on transportation, food and beverage, shopping, entertainment and more. According to a 2023 study by Oxford Economics, for every \$100 a hotel guest spends on lodging, an additional \$220 is spent during their trip.

In addition to supporting jobs, the state and local tax revenue derived from visitor spending is a win for both state and local governments. We are hopeful the Baltimore Convention Center may be maximized as a source for driving hotel demand in Baltimore City and surrounding jurisdictions in the future.

As shared by the BCC, "FY15-19 saw a 15% decrease in group leads and the decline has continued post COVID. Destinations like Columbus, OH (+20%), Pittsburgh, PA (+14%), and Cleveland, OH (+46%), all with newer buildings, have become much more competitive in drawing conventions and leaving Baltimore with less. Smaller space limits the Baltimore Convention Center from drawing as many events. From 2013-2029 Baltimore has lost at least 389 events worth 1.8 million room nights and \$695 million in economic activity. Those numbers grow larger every day."

With passage of this legislation, the Maryland Hotel Lodging Association looks forward to providing input on this proposed task force, which we view as a critical step toward enhancing the competitiveness of the Baltimore Convention Center in the future.

For these reasons, the Maryland Hotel Lodging Association requests a Favorable Report on HB 897.

Respectfully submitted,

Amy Rohrer, President & CEO
Maryland Hotel Lodging Association