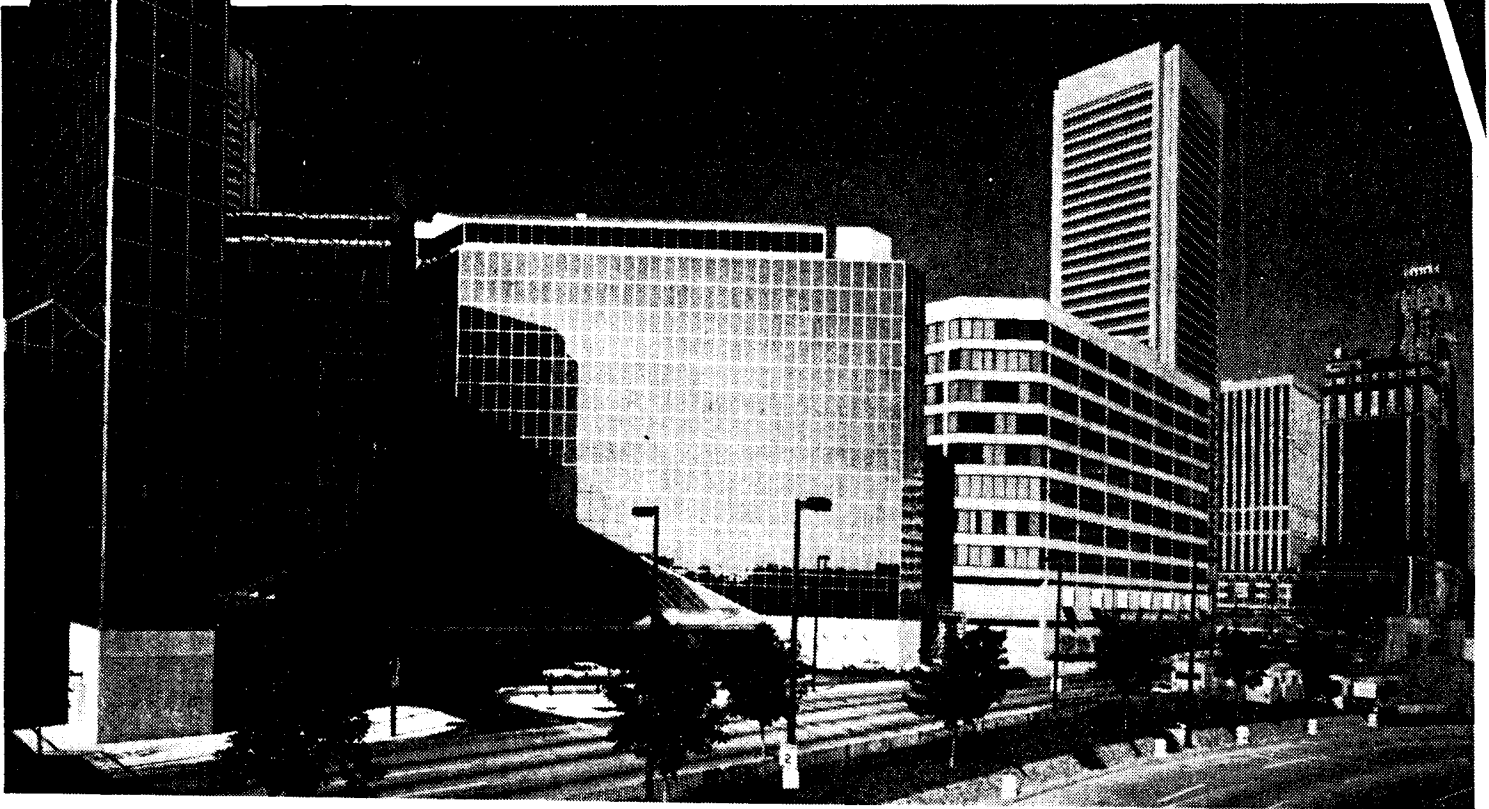


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Hyatt caps multiple success:



M.E. Warren

Editor's note: *The transformation of the old Inner Harbor into a tourist attraction is an international success story. How did it come about? Martin L. Millspaugh, president of the Charles Center-Inner Harbor Management Corporation (and a former Evening Sun reporter) is one of the principal overseers of the project and participated in the planning struggles that made it a reality. From his unique point of view, Millspaugh will report from time to time on aspects of the Inner Harbor's development, including some failures along with notable successes.*

By Martin L. Millspaugh

THE NEWS that the Inner Harbor's new Hyatt Regency Hotel is breaking records even for that leader among popular hotel chains punctuates a reality that has Baltimore boosters pinching themselves in disbelief: this familiar old city has turned itself into the nation's newest tourist and visitor destination.

The Hyatt Regency was the fourth jewel to be put in place in the crown of attractions surrounding the historic old harbor basin during a remarkable 24-month period in 1979-81. The other three had already recorded success stories:

★ The Convention Center (opened October 1979) was booked for 335 days last year, and the total of "room nights" spent by convention-goers in Baltimore climbed from 175,000 to 350,000 per year.

★ Harborplace (opened July 1980), the Rouse Company's festival shopping and eating and drinking center, was visited by 18 million people in its first 12 months.

★ The National Aquarium (opened August 1981) in its first five months surpassed the total attendance projections for the entire year.

Ironically, of the four major attractions, only the hotel was foreseen in the original Inner Harbor Plan unveiled by Mayor Theodore R. McKeldin on September 24, 1964. At that time, the hotel was visualized as a much less ambitious two-story "boatel" serving as an adjunct to the proposed Inner Harbor marina.

In the 1960s, Baltimoreans did not visualize their city as an international tourist attraction. They were used to hearing Baltimoreans knock their own town, like H.L. Mencken's well-known reference to "the ruins of a once-great

medieval city." The Inner Harbor Plan was designed to restore the use of the Inner Harbor to the residents of the city — not to draw visitors from Japan and Australia.

Little by little, almost without realizing what was happening to them, the citizens have turned their attitudes around. The Hilton Hotel in Charles Center was designed to be a first-class commercial hotel: so the dream of a large convention hotel was transplanted to the Inner Harbor, where convention delegates could be entertained by an assortment of attractions circling a perfectly-proportioned boating lagoon.

Before 1969 the only attraction in the Inner Harbor was the tour boat Port Welcome, then as now operating daytime cruises down the Chesapeake Bay to St. Michaels and Annapolis. The Inner Harbor's role as a communal playground for the people of the city was implemented in the early '70s: the construction of the new brick and granite bulkhead circling the water's edge constituted the backbone of the development. It created a stage for a cluster of new attractions: Constellation Dock, the skipjack Minnie V, submarine Torsk, harbor tours on board the Patriot, sailboat and paddle boat rentals.

By the beginning of the Centennial Year 1976, the Inner Harbor was ready to become not only a city but a regional playground: the promenade was completed around the shoreline; the playing fields and overlook were ready on the south shore, and the clipper schooner Pride of Baltimore was under construction where visitors could stop and watch the workmen along the west shore.

Then the Tall Ships — eight of them — came to Baltimore as part of Operation Sail, and during eight days in July, the Inner Harbor opened its arms to residents of the surrounding suburban counties: thousands of people who had bragged they "hadn't been downtown in years" flocked to see the square-rigged queens of the high seas.

The time of decision when Baltimore passed from a regional magnet to a national contender is harder to pinpoint; probably it happened in 1976-77, when the Aquarium was approved by the voters in a bond issue referendum; ground was broken for the \$45 million Convention Center; and the Rouse Company made its Harborplace proposal.

During this same period, the owners of the Hyatt Hotel chain, the Pritzker

family of Chicago, became convinced that their kind of flamboyant convention and tourist hotel would succeed among the Inner Harbor cluster of attractions. But hotel market projections are based on past performance, and Baltimore's performance still reflected the city's parochial character. Baltimore had fewer hotel rooms per capita than any major city, and only managed to fill those rooms to 50 percent of capacity. The result was a \$12 million gap between the cost of a Hyatt Regency hotel, and the amount of capital that could be raised.

The final piece of the puzzle fell into place in the fall of 1977, when Congress passed the federal UDAG program: creating Urban Development Action Grants for situations precisely like the one preventing the Inner Harbor hotel from being built in Baltimore. Mayor Schaefer's announcement of the agreement to build the Hyatt Hotel was the last of the great decisions of 1977.

In the fall of 1979, Baltimore's four major attractions started opening their doors. The rest of the story is still fresh in Baltimoreans' minds: how this aggregation of heavyweight attractions has brought people from all over the world, put Baltimore on the covers of national and international magazines.

More important in the long run, perhaps, is the news that the attractions are bringing dollars into the city — at a time when the federal sources are drying up. Each of the main attractions will account for dollars brought to Baltimore in its own way.

• Harborplace brought into the city more than \$1 million in ground rent and taxes during its first year;

• The Hyatt Regency will also bring in more than \$1 million a year in taxes of all kinds, plus another \$1 million in ground rents and mortgage payments.

• The Convention Center and the Aquarium bring convention delegates and other visitors, who spend \$100 a day each, on the average — tens of millions of new dollars spent in Baltimore.

There are undoubtedly Baltimoreans who preferred the city the way it was — the best-kept secret on the East Coast — when visitors and convention delegates did not crowd the favorite local restaurants. But there is no turning the clock back now, and the new image of Baltimore as the most successful of the older cities is helping to keep the wolf from the door. It couldn't have come at a better time.