



Maryland's annual rite of Spring:
the Preakness Stakes



MARYLAND

BUSINESS REVIEW

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Robert L. Ehrlich, Jr.
Governor

Michael S. Steele
Lieutenant Governor

Aris Melissaratos
Secretary

Vernon J. Thompson
Deputy Secretary

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Governor

Michael S. Steele
Lt. Governor

Aris Melissaratos
Secretary

Vernon J. Thompson
Deputy Secretary

Communications Office

Tori Leonard
Executive Director

James R. Moody
Acting Director, Business
Communications

Andrea Harrison
Acting Director, Public Relations

Production

James R. Moody
Editor-in-Chief

Contributing Writers

Bryan Davis, Michael Evitts,
Pradeep Ganguly, Karen Glenn,
Andrea Harrison, Tori Leonard,
Alicia Moran and Beverly
Richards.

On the Cover. A crowded field of horses barrel down the track at Pimlico Race Course (photo: Maryland Jockey Club).

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An Invitation to Small and Minority Businesses

Ninety-five percent of all jobs in Maryland are provided by small and minority businesses. That is why the Governor's Office of Business Advocacy and Small Business Assistance—GOBA—is an important part of the state's plan to ensure that small and minority companies thrive in Maryland. For more information about how the state can assist your business, contact the GOBA team at 410-767-0545.



Cover Story

A Maryland tradition continues

For 135 years, the world's horseracing spotlight has shone on Maryland for the middle jewel of The Triple Crown—the annual Preakness Stakes. But for the state's economic development professionals, the race represents far more than a sporting event.

BY JAMES R. MOODY

Each spring, before the dust of the Kentucky Derby has even settled at Churchill Downs, Marylanders—indeed, horse racing fans from around the world—begin dusting off their best outfits and sprucing up their fanciest hats in preparation for a Maryland tradition, the Preakness Stakes. Television network cameras roll off from semitrailers and blimps begin practice flights above Pimlico Race Course.

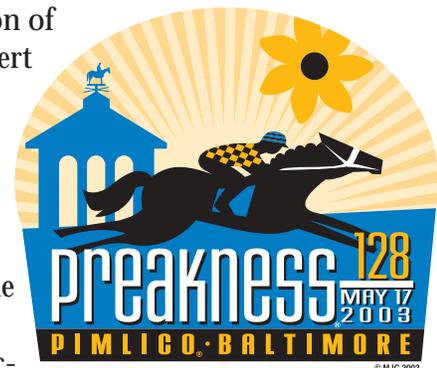
In fact, the entire week before the one day of racing that culminates with the Preakness is chock full of celebrations and parties.

But for those state, county and city officials for whom economic development is a prime mission, the world spotlight that shines on Maryland during Preakness events provides an unparalleled opportunity. Powerful leaders of business and industry come to the state and the officials use the occasion to showcase Maryland's assets.

In fact, since 1988 officials have taken advantage of this world-class sporting event each year as a vehicle for marketing the state's tremendous assets: a well-educated, capable workforce, ready access to a wealth

of federal research laboratories and a quality of life second to none in the nation.

This year will be special: it will be the first Preakness during the administration of the state's 60th governor. Gov. Robert L. Ehrlich, Jr.'s participation in the 128th running of the Preakness Stakes marks the continuation of a long-standing Maryland tradition. For the first time in the history of the state's direct participation in the Preakness Stakes, the Ehrlich administration has created a public-private partnership to expand the potential reach of the event as a marketing tool for Maryland.



The beginnings of a tradition

It was one of Gov. Ehrlich's predecessors who was intimately involved in the birth of the Preakness Stakes. Governor Oden Bowie, himself a horseman and racing aficionado, was attending a dinner party in Saratoga, New York, given by wealthy industrialist Milton H. Sanford on a warm summer evening in 1868. During the course of the evening, discussion turned to the possibility of creating a race two years hence to commemorate the evening. It was to be called the Dinner Party Stakes.

Bowie liked the idea so much that he offered to host the race in Maryland, pledging to build a track to accommodate it. The assembled sportsmen

Triple Crown Winners

1919	Sir Barton
1930	Gallant Fox
1935	Omaha
1937	War Admiral
1941	Whirlaway
1943	Count Fleet
1946	Assault
1948	Citation
1973	Secretariat
1977	Seattle Slew
1978	Affirmed

agreed and, true to his word, Bowie oversaw the creation of Pimlico Race Course.

Pimlico opened with the first running of the Dinner Party Stakes in the Fall of 1870. Ironically, it was a horse owned by Sanford, the original dinner party's host, that won the first race. The horse's name was Preakness.

In 1873, two years before the beginning of another racing tradition—the Kentucky Derby—Bowie established a spring racing event at Pimlico. A mile and a half race, the event was named in honor of the winner of the inaugural Dinner Party Stakes—the Preakness Stakes.

“The Derby is a race of aristocratic sleekness, for horses of birth to prove their worth

“The Derby is a race of aristocratic sleekness, for horses of birth to prove their worth to run in the Preakness.”

—Ogden Nash

to run in the Preakness,” according to illustrious Baltimore resident Ogden Nash. Racing fans pay close attention to the winner of the Kentucky Derby. A win at the Preakness Stakes is essential. It will mean that the hope for another Triple Crown remains alive and that excitement will continue to build in the days leading to New York's Belmont Stakes three weeks later.

A tool for economic progress

Maryland's role as host state for the Preakness puts it in a unique position. As the middle jewel of the Triple Crown, the Preakness Stakes guarantees that the world's attention will focus on the state on the third Saturday of each May. As a result, state officials—beginning with former Governor William Donald Schaefer—decided that the yearly event's potential as a marketing tool was not being maximized. Beginning in 1988, the State of Maryland started setting up a tent in a “corporate village” in the infield at Pimlico. While the use of state funds to participate in Maryland's premier horseracing event has sometimes sparked controversy, officials at the Maryland Department of Business and Economic Development say that the economic development benefits derived from it are immeasurable.

A key component to selling a product—whether it is a widget or a state and its assets—is getting that product before the potential consumer. Maryland's participation in the annual Preakness celebrations offers an unparalleled opportu-



War Emblem heads for a win at the 127th Preakness Stakes. (Photo: Maryland Jockey Club)

nity for the state to reach an international audience.

“I can imagine,” says DBED Deputy Secretary Vernon J. Thompson, “someone asking, ‘You mean that each year a world famous sporting event comes to your state and you don’t take advantage of it to market your state’s assets to the rest of the world?’ It would be irresponsible for us not to have a presence at the Preakness each year. Governor Schaefer showed good, sound judgment in getting the state involved—and we’ve been involved ever since.”

Mike Lofton, executive director of the Maryland Economic Development Association—MIDAS—was DBED’s deputy secretary in 1988 when the state set up at the first corporate village. He, like Thompson, believes that Maryland would be hard-pressed to ever create a marketing opportunity that could even come close to rivaling that provided by the Preakness.

“In business,” he says, “relationships are everything. When you invite a visitor to an event like the Preakness, he relaxes, gets to know you as a person—and most important, learns that he can trust you. Once that happens, he starts to think of you as a resource. He knows he can pick up the phone and call you to discuss his company’s plans and to explore possible opportunities in your state.”

Maryland’s Secretary of Business and Economic Development, Aris Melissaratos, is in a good position to know the value of inviting key potential clients to be guests at the Preakness. Prior to his appointment to head the state’s economic development agency, he was an executive with

Pimlico Facts

- Pimlico Race Course opened its doors on October 25, 1870, making it the second oldest racetrack in the country. (The oldest is Saratoga in upstate New York, which dates to 1864.)
- Pimlico was the first racetrack in the country to use an electric starting gate.
- The first Preakness ran on May 27, 1873. Aside from a hiatus from 1889, the Preakness has run continuously at Pimlico from 1909 to today.
- The Preakness Stakes predates the Kentucky Derby by two years.
- The tradition of the playing of the state’s historic state song, “Maryland, My Maryland,” began in 1909, as did the tradition of the “painting of the colors” atop the weathervane on the infield cupola.
- The name Preakness derives from a New Jersey tribe of Native Americans, the Minisi. The tribe called their native area, Praqua-les, meaning “quail woods.” Industrialist Milton Sanford named one of his horses Preakness (based on the Minisi word) who won the first Dinner Party Stakes, predecessor of the Preakness Stakes.
- During his win at the first Dinner Party Stakes, Preakness was ridden by jockey Billy Hayward. Today, one of the streets adjacent to Pimlico is named for him.
- In the day of the first Dinner Party Stakes, it was a tradition to stretch a wire across the track with a silk purse containing gold coins attached to it. The winning jockey would ride to the wire, untie the purse and claim the coins. This tradition is believed to be the origin of the word “wire” to describe today’s finish line and to the designation of winnings as the “purse.”

Westinghouse—a regular resident in the event’s corporate village. Northrop Grumman, successor to Westinghouse, continues its presence at the Preakness.

“Westinghouse understood, like all successful corporations do, that you can’t expect people to do business with you in a vacuum,” Melissaratos says. “They have to get to know your company and the products that it makes. But the key to getting to know a

company is getting to know the people who make up that company.

Westinghouse executives all knew that the corporate village at the Preakness Stakes afforded an opportunity like few others could.”

That the state chooses to use this venue makes perfect sense to him.

A new paradigm— a public-private partnership

Looking at his first Preakness since taking office, Gov. Ehrlich knew that his administration would continue the state’s participation in the event, but he wanted to look at how

the state participates in a new way.

“Economic development is the task not just of the state, but also of those companies that reside in Maryland,” Gov. Ehrlich says. “A sound, business-friendly economic environment benefits everyone.”

With this knowledge, the administration began to approach Maryland’s corporate citizens to gauge their interest in partnering with the state at this year’s corporate village. A non-profit organization has been formed to facilitate contributions to the event.

But changes in the way Preakness is being handled this year are also reflected in the new culture that is being adopted throughout state government. Nowhere is that new culture more evident than at the Maryland Department of Business and Economic Development.

“This administration is establishing a new philosophy regarding economic development,” says Secretary Melissaratos. “We are becoming performance driven. It is no longer possible to simply throw money at problems. We can best serve customers when we help them improve their customer service.

“For, in the end, the businesses that are most successful are those that serve their customers effectively and efficiently. That is how the state will serve its customers, the business community. And that is how Maryland—one of the best places to live and to work in all the world—will emerge a winner, too.” *MBR*

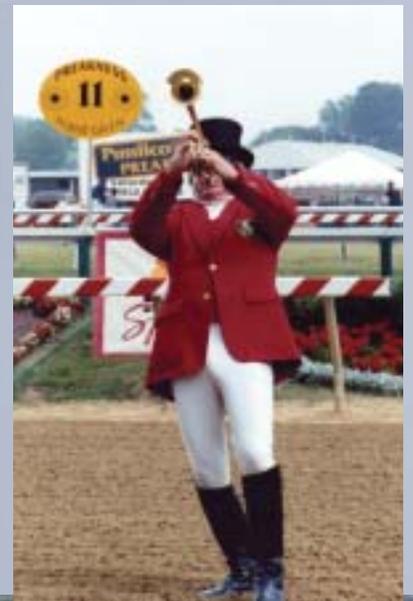


The Woodlawn Vase

Preakness Photo Album



Counterclockwise from top: Pimlico's old clubhouse, which burned to the ground in June 1966; Maryland's tent is always near the entrance to Pimlico's infield corporate village; post time is announced in the traditional way; a photo finish during the 126th running of the Preakness Stakes; the late Saudi Prince Ahmed bin Salman, owner of War Emblem, winner of the 127th running of the Preakness Stakes, shows his appreciation of the Woodlawn Cup. The prince suffered a fatal heart attack two months after War Emblem's win. (Photos by Richard Lippenholtz)





VIVAT

ST. PETERSBURG



For three weeks this past winter, Baltimore became St. Petersburg West. In celebration of the historic and unparalleled cultural contributions made by St. Petersburg, Russia, throughout its 300 years, the Baltimore Museum of Art, the Baltimore Opera Company, the Baltimore Symphony Orchestra, Center Stage and The Walters Art Museum joined forces with the Baltimore Area Convention and Visitors Association to host Vivat! St. Petersburg between February 13 and March 2.

The festival brought together artists and arts organizations from throughout the metropolitan region to pay tribute to virtually every aspect of St. Petersburg's artistic legacy—combining music, theater, visual arts, film and dance to create in Baltimore a citywide arts festival in the tradition of Russia's cultural capital.

Highlights of the three-week festival included: the Fabergé Menagerie at the Walters Art

Museum; Art of the Ballet Russes at the Baltimore Museum of Art; the Baltimore Opera Company's production of *Lady Macbeth of Mstensk*; Christopher Myers: *Images from Russia* at C. Grimaldis Gallery; *Russian Classics Reinvented: Reading of "A Mother"* by Olympia Dukakis at Center Stage; Russian violinist Vadim Repin performing Shostakovich's *Violin Concerto No. 1* with the BSO under the direction of Maestro Yuri Temirkanov; Russian pianist Arcadi Volodos in solo recital at Shriver Hall; a Baltimore Choral Arts Society performance of Rachmaninoff's "All Night Vigil"; and a one-of-a-kind screening of Sergei Eisenstein's "October," hosted by the Maryland Film Festival and the Johns Hopkins University Film and Media Studies Program. *MBR*





Baltimore Museum of Art

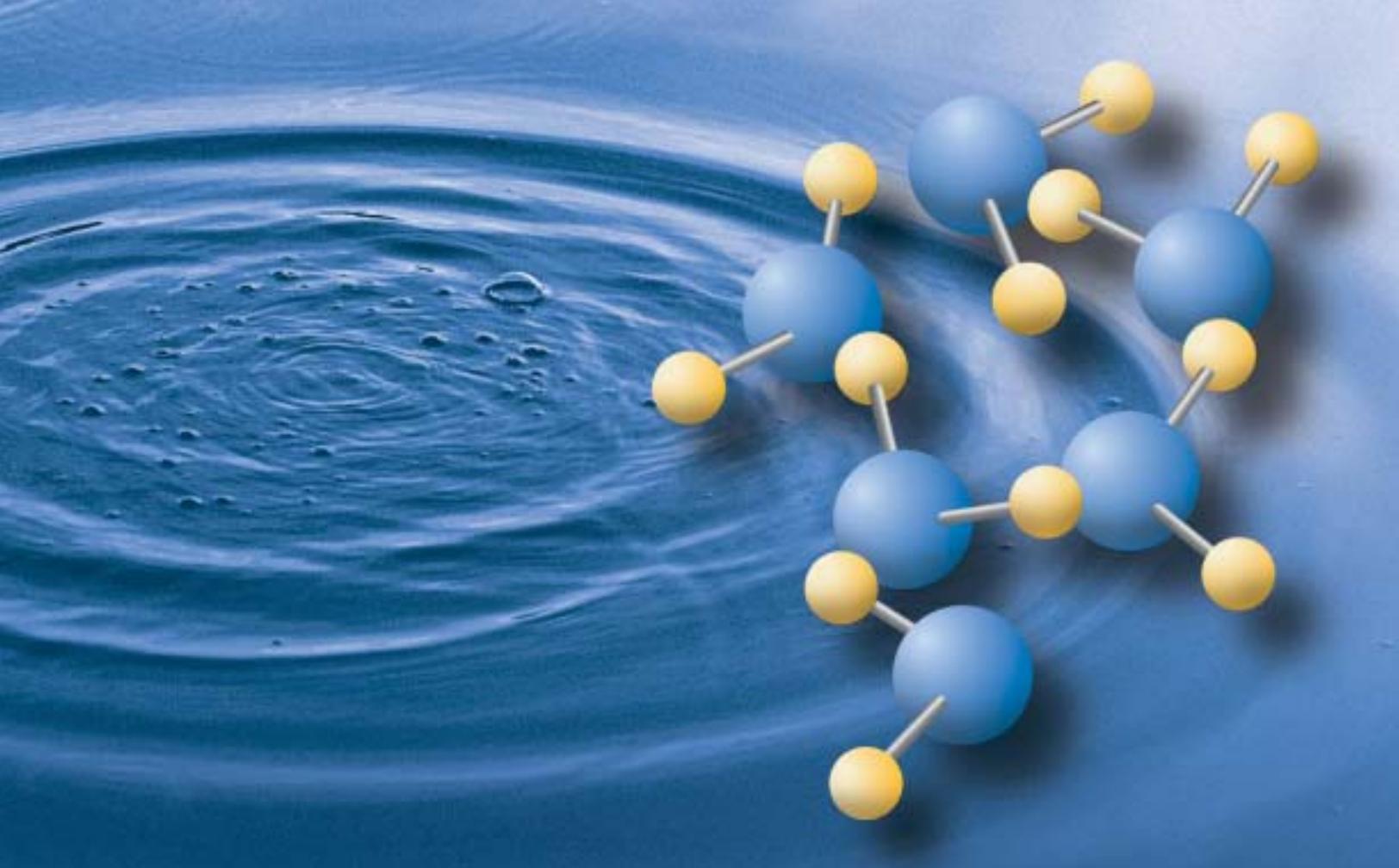


Baltimore Symphony Orchestra



The Walters Art Museum

Clockwise from top: the art of Yuri Gorbachev, internationally acclaimed artist, includes "Winter Evening in Borovici," 24x48, 1998, oil and gold on canvas; colorful costumes from the Art of the Ballet Russes at the Baltimore Museum of Art; Maestro Yuri Temirkanov conducting the Baltimore Symphony Orchestra; visitors attend a reception for the opening of Fabergé Menagerie at the Walters Art Museum; Yuri Gorbachev, "Circus Ring," 36x48, 1998, oil and gold on canvas. (Photos courtesy of the Baltimore Area Convention and Visitors Association, except where otherwise noted.)



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