

March 2023

Mr. Al Tyler, Vice President  
Maryland Stadium Authority  
Capital Projects Development Group  
351 West Camden Street, Suite 300  
Baltimore, Maryland 21201

Dear Mr. Tyler:

Crossroads Consulting Services LLC (“Crossroads”), in association with Entreken Associates, Inc. (“EAI”), has completed its market assessment and economic impact analysis (the “Study”) related to the recently discovered St. Mary’s Fort (the “Fort”) in Historic St. Mary’s City (“HSMC”). The following provides an overview of HSMC, the Fort and the Study as well as an executive summary highlighting key findings and principal conclusions.

### **HSMC**

HSMC is an independent agency under the Governor’s Office. It is owned by the State of Maryland and governed by the HSMC Commission that was established in 1966. The mission of the HSMC Commission is “to preserve and protect the archaeological and historical record of Maryland’s first colonial capital and to appropriately develop and use this historic and scenic site for the education, enjoyment, and general benefit of the public”. HSMC is responsible for the preservation of more than 800 acres of land and three miles of shoreline. HSMC has been recognized as a National Historic Landmark since 1969. HSMC has been proactive in both enhancing the area for residents and to attract visitors, developing a master plan in 2021 that outlines future opportunities and planned projects.

### **The Fort**

The Fort was found in December 2018 after being undiscovered for nearly 400 years. HSMC is positioned to serve as the anchor institution in the State’s effort to celebrate the 400th anniversary of Maryland’s founding in 2034. In the years leading up to 2034, HSMC plans to coordinate with other State agencies and institutions to foster a marketplace of history across the State. In doing so, and as outlined in HSMC’s strategic plan, HSMC aims to become a nationally recognized center for the study and interpretation of 17th century archaeology and public history. The discovery of the Fort offers a unique opportunity to reveal new information about Maryland’s roots, enhance the visitor experience and increase visitation to HSMC and the State.

### **The Study**

Given this background, the Maryland Stadium Authority (“MSA”) retained Crossroads, in association with EAI, to provide business and economic advisory services related to St. Mary’s Fort in HSMC. As requested by HSMC, the study was divided into two phases to correlate with funding available in fiscal years 2022 and 2023.

---

Phase 1 (attached and titled “HSMC Market Assessment Final Report”) was completed in May 2022. The Phase 1 study identifies potential future development opportunities that could support the Fort in HSMC and drive additional tourism. The Phase 1 study also includes an evaluation of the potential short- and long-term economic benefits associated with 12 residential properties identified by HSMC.

Phase 2 (attached and titled “Historic St. Mary’s Fort Economic Impact Final Report”) was completed in January 2023. The study estimates the potential economic and fiscal benefits that could be derived from Fort Site operations in a stabilized year assuming the development opportunities outlined in Phase 1 are developed.

### **Executive Summary**

This executive summary highlights key findings and principal conclusions from the research and analysis conducted for Phases 1 and 2. The information presented is extracted from the more detailed reports. As such, it is important for the reader to review the full reports in their entirety.

#### Phase 1 – Market Assessment

The Phase 1 – Market Assessment analyzed relevant market data and various supply and demand factors, identified commonalities among peer case studies for similar locations on the East Coast (e.g., small college towns with historical attractions), and recommended potential future development opportunities that could support the Fort in HSMC and drive additional tourism with consideration to traffic patterns and local infrastructure. In addition, the study analyzed the potential economic benefits associated with residential assets identified by HSMC.

Currently, St. Mary’s College and the Patuxent River Naval Air Station are major draws to HSMC and the surrounding area. Combined, these organizations account for a large portion of the area’s population base and visitation. The archeological excavation of the Fort combined with other existing and planned historical exhibits has the potential to further enhance visitation to HSMC. As a point of reference, the population within a 120- and 180-minute drive time from St. Mary’s College is approximately 5.7 million and 12.2 million, respectively, from which the Fort could draw visitors. Further, colonial history buffs could come from a broader area, as HSMC is an appealing destination on a route that could take in Roanoke Island, North Carolina; Annapolis and Kent Island in Maryland; and Old Point Comfort, Jamestown, and Williamsburg in Virginia.

Market research indicates that it is unlikely HSMC could capitalize on the recent discovery of the Fort and maximize visitation with only the existing offerings in the area. There is a need for additional food/drink and retail establishments, a full-service or boutique style hotel as well as an affiliated conference center. Furthermore, HSMC owns several residential assets that could be rented on a short-term basis to visitors which would support tourism and generate revenue. Lastly, adding residential housing should be a long-term goal and could potentially be accomplished as part of a public/private venture. In addition to Fort visitors, these potential developments would receive significant support from local residents, visitors associated with St. Mary’s College and Patuxent River Naval Air Station, and other visitors drawn to the area for its waterfront and availability of recreation.

Phase 2 – Economic Impact Analysis

The Phase 2 – Economic Impact Analysis estimated the total economic contribution to the State of Maryland (the “State”) and fiscal impacts to the State and St. Mary’s County (the “County”) in connection with a stabilized year of Fort Site operations.

The Fort Site is defined as the Fort, Piscataway Center, and Yaocomaco Village. The estimated economic and fiscal impacts associated with Fort Site operations reflect both Fort Site operating expenditures and attendee spending outside of the Fort Site on retail, food and beverage, lodging, transportation, etc. A key assumption in the analysis is that the development opportunities identified in Phase 1 including food and beverage establishments, retail establishments, a full-service or boutique style hotel, a conference center, etc. are developed and residential assets owned by HSMC are rented on a short-term basis. These potential development opportunities will enhance the visitor experience and entice visitors to spend more time and money in the area, thus generating greater economic benefits. The analysis also assumed adequate infrastructure and wayfinding to support increased visitation as well as sound management practices, including aggressive marketing efforts.

Fort Site operations are estimated to generate approximately \$40.5 million in total output (i.e., direct, indirect, and induced impacts) which could support 350 total jobs and \$19.4 million in total labor income on an annual basis at the State level in a stabilized year.



Annual tax revenues that could potentially be generated from ongoing Fort Site operations are estimated to be approximately \$228,000 at the County level and \$2.3 million at the State level.

In addition to the economic impacts and tax revenues, the local area and State could benefit from Fort Site operations in several ways, including: enhancing the area’s image as a heritage tourism destination and creating synergies with HSMC’s existing historical sites and attractions to generate additional visitation; expanding educational opportunities; receiving increased regional exposure through destination marketing and visitation; drawing visitors to help support area businesses; and serving as a catalyst for further development initiatives in the area.