

Tussles over the size of the Conference Center -- a history

Mayor Michael O'Connor recently cited getting "a little more conference center space" in the Plamondon downtown hotel as one of the justifications for City sponsorship and taxpayer support.¹ Let's look at how the size of the conference center (CC) or meeting space has changed.



14,000 square feet (sf) is the first recommended size for the CC or meeting space that I can find. It comes in the 2010 Pinnacle Advisory Group report on the hotel project²:

Hotel should include 14,000 square feet of total usable meeting space. It should be noted that in addition to this space, there should be a sufficient amount of support space including hallways, administrative space, etc.

- o 5,000 to 6,000 square foot ballroom
- o 4,000 to 5,000 square feet of breakout meeting rooms
- o 4,000 square feet of pre-function space

Deeper in the report³ they write:

Based on our interviews, we believe that there is sufficient demand from Frederick corporations to justify the development of a significant amount of meeting space. For larger meetings, many of the companies estimated an attendance of between 250 to 600 people and smaller meetings averaging around 50 people. As such, we believe that a ballroom of approximately 5,000 to 6,000 square feet and several break out meeting rooms accommodating approximately 50 people for each room, would adequately satisfy meeting demand.

In a slide presentation in May 2011, Richard Griffin the City project manager notes that 'some' suggest that Pinnacle's recommended 14,000sf "may be too small and should be increased to handle 800-1000 person events." (14,000sf would cater to 6,000sf 'ballroom' meetings of up to 600 people along with a couple of 'breakout' rooms for smaller 50-person meetings.) See slide below:

¹ At about the 18:30 mark the interview turns to the hotel. <https://www.wfmd.com/morning-news-express/>

² p2 of Market Analysis, Cash Flow Projections, and Strategic Recommendations for a Proposed Downtown Hotel and Conference Center, Frederick Maryland, Pinnacle Advisory Group with OPX (Pinnacle) January 21, 2010

³ p37



Facility Recommendations

- 200 Room Hotel – Branded as Flagship Marriott, Hilton, Westin, or Hyatt
- 14,000 square feet of meeting space including*
 - 5,000 – 6,000 SF ballroom accommodating 500-600 people
 - 4,000 – 5,000 SF Breakout Meeting Rooms
 - 4,000 SF Pre-Function Space (lobbies, hallways, etc.)
- 250 parking spaces minimum – adjacent to hotel for hotel guests. (Larger events will pull on entire downtown parking system)
- Restaurant and lounge (with frontage on Carroll Creek Park or Street Side)
- Guest Amenities - Indoor pool, Exercise room, Business Center
- Green building design/construction – industry is trending that direction and will minimize operating costs by increasing energy, utility efficiency

*Note: It has been suggested by some that this may be too small and should be increased to handle 800-1000 person events.

State Senator and former Mayor Ron Young wanted a full-blown Convention Center catering to events attracting 7,000 people in the one space, 100,000sf and up. He told the Fredrick News-Post⁴ he'd seen convention centers "out West" (in Chicago, Las Vegas?) that were filled 240 nights a year with concerts, exhibitions and religious events. That was a step way too far, given huge losses incurred by so many of these, and by the elusive spillover 'impacts' and 'catalysts' that don't catalyze - as documented in Heywood Sanders' book Convention Center Follies and other independent reporting.

Sure enough in March 2012, a slide⁵ in a Mayor & Board of Aldermen Workshop Briefing from City project manager Richard Griffin upped the planned meeting space from 14,000sf to "20,000+ SF." See underlined below:

⁴ "New funds resurrect Frederick hotel plan," Frederick News-Post Nov 12, 2011.

⁵ Slide 3 of Downtown Hotel & Conference Center Carroll Creek Park 2012 Briefing, attached to an Executive Summary for Workshop on March 21, 2012.

Downtown Hotel & Conference Center
Carroll Creek Park

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General Overview



Community Project Chairman – Earl Robbins

- ❖ 2010 study identified that Frederick is underserved in terms of meeting space and full-service hotel and has strong induced demand from business community.
- ❖ 200-room full-service flagship hotel with 20,000+ SF of meeting space including a ballroom, structured parking & guest amenities
- ❖ Downtown Frederick is the preferred location due to its central location strong amenities, is transit-oriented, and has available sites
- ❖ \$30 million annual economic impact (jobs/tax revenue)
- ❖ \$45 million estimated cost (\$10-12 million financing gap)

Major Employers Group
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• State Farm
• Frederick Community College
• Bechtel
• Wells Fargo Home Mortgage
• US Army Garrison Fort Detrick
• Frederick County Public Schools
• Frederick Memorial Health Care
• Lonza BioScience
• MedImmune
• Mount St. Mary's University
• Plamondon Companies

◆ www.businessinfrederick.com ◆

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At this point, the Maryland Stadium Authority was engaged as a 'partner' and they sponsored a review and update of the Pinnacle report by Crossroads Consulting Services whose July 2012 report⁶ stuck close to Pinnacle's 14,000sf recommendation:

- Meeting Space
 - 14,000 to 15,000 SF of meeting space including 5,000 to 6,000 SF ballroom, pre-function space as well as individual break-out and boardroom configured space
 - Differentiate from existing local properties in terms of flexibility, finishes, amenities and higher price point to attract incremental new meeting/banquet business



⁶ p5 of Critique/Update the Market and Economic Analysis for a Proposed Full-Service Downtown Hotel in Frederick, Maryland, Crossroads Consulting Services and Hospitality and Gaming Solutions, Final Report, July 2012.

In October 2013 the second Pinnacle report was finalized. Prepared for Pete Plamondon it was mainly focused on the market for hotel rooms, the dominant potential revenue maker. But it was firm on the meeting space: 14,000sf was probably too much. 12,000sf was "more reasonable." See the following⁷:

Based on our interviews, we believe that there is sufficient demand from Frederick corporations to justify the development of a significant amount of meeting space. For larger meetings, many of the companies estimated an attendance of between 200 to 350 people and smaller meetings averaging around 30 to 50 people. As such, while our projections are made for a property offering 15,000 square feet of space, we believe 12,000 square feet is more reasonable and would adequately satisfy meeting demand.

Local companies and organizations generally have adequate meeting rooms on their premises, Pinnacle's interviewers were told, for the normal run of corporate meetings. Only with exceptional meetings of over 200 people do they need to go to an outside facility.

There are some local organizations keen to stage meetings within Frederick City's downtown's historic mix of restaurants, bars, and shops. That will support some meetings of 30 to 50 people and larger meetings of 200 to 250 people, Pinnacle said.

But for larger conferences, the meeting planners at the state and metro level generally look to 'resort' locations. Guess they're thinking of Ocean City. Or else they'll likely stick with larger downtowns often with a bunch of hotels within walking distance of the conference center.

City RFP says 20,000sf CC recommended

To sum up: the three feasibility studies recommended the conference center portion of the hotel be (1) 14,000sf (2) 14,000sf to 15,000sf (3) 12,000sf. Yet six months after the third study was published the Request for Proposals (RFP14J) is issued by the City and it claims (p12) the feasibility studies have recommended "approximately 20,000 square feet" -- one serious distortion!

⁷ p91 of 'Comprehensive Market Demand Study and Financial Projections' prepared for Mr Peter Plamondon, Co-President, The Plamondon Companies, October 15, 2013, Pinnacle Advisory Group

RECOMMENDATIONS OF THE FEASIBILITY STUDIES

Recommended features and amenities are summarized as follows:

- ❖ Hotel will be professionally marketed, managed and operated as an approximately 200-room hotel
- ❖ Hotel should be an upscale, full-service hotel with a national brand affiliation
- ❖ Hotel should include approximately 20,000 square feet of total usable meeting, ballroom and pre-function space. It should be noted that in addition to this space, there should be a sufficient amount of support space including hallways, administrative space, etc.
- ❖ Hotel should include a restaurant and lounge,
- ❖ Public areas should include a small gift shop, indoor pool, exercise room, and business center
- ❖ Hotel should have approximately 1.25 parking space per guest room (approximately 250 parking spaces) and should offer valet parking
- ❖ Hotel should include green (sustainable) design components

And sure enough Plamondon's response to the RFP provided about double the meeting space recommended by the consultants:

Question 2

Provide a detailed breakdown of meeting space to include each of the following: (based on table provided).

Question 2 - Plamondon Hospitality Partners Response:

Room Name	Gross Square Footage	Usable Square Footage	Banquet Seating Capacity	Theater-Style Seating Capacity
Grand Ballroom	7,000 SF	7,000 SF	475	1000
Junior Ballroom	3,600 SF	3,600 SF	240	514
Breakout Rooms	2,317 SF	2,317 SF	154	331
Pre-Function	6,462 SF	6,462 SF	N/A	N/A
Boardroom	500 SF	500 SF	33	72
Grand Ballroom Terrace *	3,580 SF	3,580 SF	240	512
Roof top Terrace	1,286 SF	1,286 SF	90	184
Totals	24,745 SF	24,745 SF	1232	2613

On the basis of this proposal for nearly 25,000sf of meeting space Plamondon outscored Wormald who proposed only 17,000sf. So where did the pressure to build more come from?

National Center for Smart Growth Blog



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SEARCH RESULTS FOR: CITY OF FREDERICK HOTEL

04
Thursday
DEC 2014

*PALS Management Consulting
Course works with Frederick
City Officials*

During 2014 a bunch of students and staff from the National Center for Smart Growth's Partnership for Action Learning in Sustainability (PALS) studied the City's airport and downtown hotel plans. In December they summarized discussions they'd had with project manager Richard Griffin with this⁸ on the conference center size:

And the hotel-conference work?

Well when we first met with Richard, the City wasn't sure which company would build the space. They've now settled on Marriott. Currently, Marriott is planning a 300-500 person conference center. Richard is interested in a larger center.

NOTE: Where the smart-growthers cite Marriott there they mean Plamondon, who plans for his hotel to operate under a Marriott brand. But Marriott is not involved in any of these decisions.

⁸ <https://smartgrowthumd.wordpress.com/?s=City+of+Frederick+hotel&search=Go> 20141204



The absurd denial

Griffin has publicly denied he was a force for enlarging the conference center space! The issue arose at a Mayor & Board of Aldermen hearing before a vote on the first Memorandum of Understanding (MOU) with Plamondon on Dec 3, 2015 when he claimed: "One of the biggest concerns we all have, and that we all had, early on in this process is to make sure we rightsize this facility for Frederick and that we did not build a

facility that would sit empty. All of the studies indicate that this facility will be full, which is great.”⁹ None of the studies said anything of the kind.

The One-Pagers: Starting late 2015 a series of useful summaries of the hotel project were published periodically by Griffin's shop, the City's Department of Economic Development. Called by him One-Pagers they were pdfs designed to cover both sides of a single 7x11 sheet when printed. They're the current official version of the project:

City DED on meeting space or CC size			
One-Pager#1	2015.11	24,000sf	2 ballrooms
One-Pager#2	2016.02	24,000sf	2 ballrooms
One-Pager#3	2017.03	24,000 +/- gsf	no mention
One-Pager#4	2017.07	20,000 (+/-) sf	no mention
One-Pager#5	2018.12	22,000sf	1 ballroom
One-Pager#6	2022.01	22,000sf	no mention
One-Pager#7*	2023.05	21,500sf	ballrooms
* Unpublished, obtained under public records law			

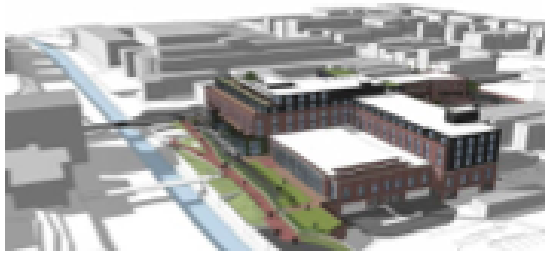
One-Pager #1 Nov 2015 says "24,000 square feet of meeting space, including two ballrooms." In eight years since then the planned size of the meeting space remains in the 20,000 to 24,000sf range, the number of 'ballrooms' drops from 2 to 1 or remains unspecified. But in the latest One-Pager #7, May 2023 it is back to 'ballrooms' plural. We also now have a cost of \$21m for the conference center, a >50% increase on the \$13.23m cited in Appendix C of the first MOU between the City and Plamondon Dec 2015. But the CC cost was put at \$8.3m in One-Pager#3 in March 2017. By 2023 we were 2.5 times that.

The changing square footages are sometimes gsf or gross sf, sometimes rentable sf which omit pre-function lobby areas, passages, toilets etc. So some are apples & oranges. But other changes are real.

One-Pager#4 in July 2017 reports a scaling back of the number of hotel rooms going from 207 to 183 and the CC from 24,000sf to 20,000sf, explained in this passage:

⁹ See the video of the hearing at 01:10:30 on http://cityoffrederick.granicus.com/MediaPlayer.php?view_id=15&clip_id=2743

REFINED DESIGN



The project architects have prepared a refined design to balance site conditions, historic sensitivity and community input for review by the City and Maryland Historic Trust (MHT).

The refined design is lower than the initial design, has improved vehicular and pedestrian access from East Patrick Street, and increased the number of on-site public parking spaces. At present, the design includes 183 rooms, approximately 20,000 square feet of meeting and pre-function space, and 167 parking spaces. The final design, square footage and room count will be determined during the city approval process.

The 20% reduction in the CC made no mention of ballrooms but the next One-Pager#5 in 2018 says '1 ballroom' saying they'd dropped one of 2 previously touted. But at the same time the CC size jumped halfway back up -- to 22,000sf. And hotel room numbers by One-Pager#7 in 2023 are now back up to 207 again, or 208 according to the Frederick News-Post.

State lawyers gave us that last one One-Pager#7 in response to a public records law filing, and it looks as though it's not composed for publication. Just for State officials to summarize the \$23.5m ask.

Small point perhaps but One-Pager#7 refers the reader to Plamondon's website www.downtownhotelatcarrollcreek.com which on checking today features as its latest news, the item "Release of the New Full-Service Hotel & Conference Center Impact Study, March 12, 2020." And whose home page describes the Hotel with 183 rooms, which Pete Plamondon recently told the Frederick News-Post was a mistake, that the correct number is 208 rooms.

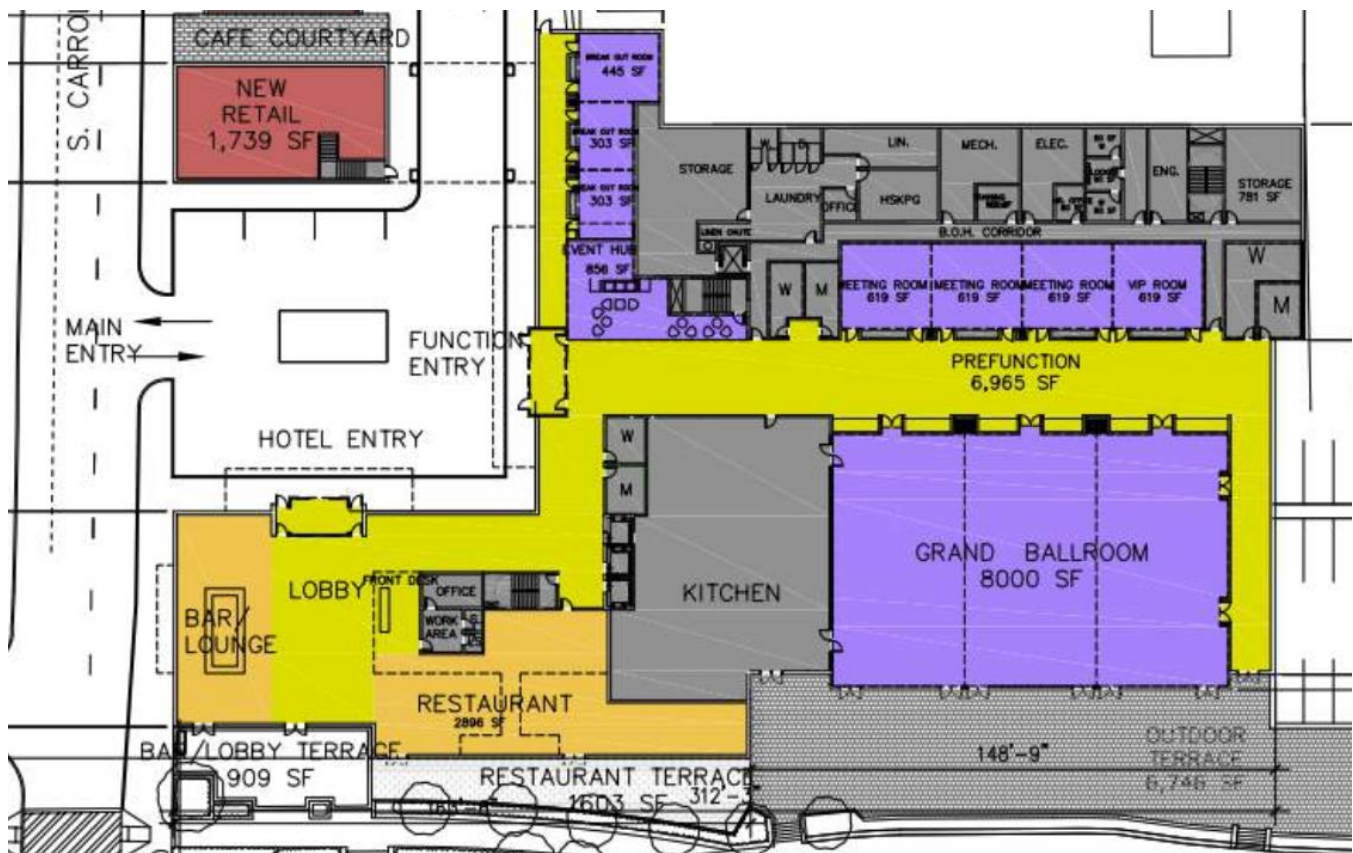
2024 plans: On the meeting space the site plan submitted to the Planning Commission this year has this on the meeting space in a Site Plan Note:

10. TOTAL PUBLIC MEETING, RESTAURANTS, BAR/LOUNGE SPACE = 22,093 SF

Now restaurants and bar/lounge spaces are hotel amenities, not part of the conference center or meeting space. They're being conflated with CC components to keep the total near the 22,000sf previously touted. So let's correct for that. If the restaurant area is 2,500sf and the bar/lounge area is 1,500sf the actual meeting space or CC is really 22,083sf minus 2500sf +1500sf or about 18,000sf.

Based on the last Fillatt+ Architecture plan dated Oct 2017 it is now a single ballroom of about 8,000sf, a bunch of small meeting rooms totaling about 3,000sf, and a lobby/pre-function area of 7,000sf.

That's a third more than the 12,000 to 15,000sf recommended by consultants but a good 25 percent below the 24,000sf proposed by Plamondon in his response to RFP14J ten years ago. Junking the second ballroom of 3,000 to 4,000sf is the main change.



None of the published consultants forecast substantial revenue from events here, but Pete Plamondon has suggested his 'confidential' study of 2022 was more optimistic. But that's an issue for another time. PSam 20240430

