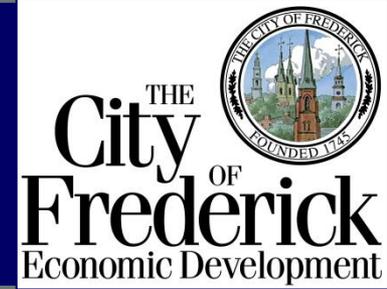


Frederick

M a r y l a n d



Downtown Frederick Hotel Project 2012 Briefing

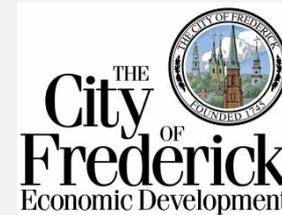


Public-Private Partnership Team



- ❖ Public-Private Partnership initiated by the Chamber of Commerce and business community to retain existing employers and attract new business.
- ❖ Top economic development priority of the Chamber Major Employer Group (MEG).
- ❖ Supported by economic development Partners – Tourism, Downtown Partnership, City and County Economic Development
- ❖ 2010 feasibility and demand study was jointly funded by the partners.
- ❖ Project is a top priority of the McClement Administration – City of Frederick

Community Project Chairman – Earl Robbins



Major Employers Group

- SAIC-Frederick
- 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

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 14,000+ 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)

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Why a Hotel & Meeting Space?



Community Project Chairman – Earl Robbins

- ❖ No full-service hotel in Frederick and very limited conference, meetings, event facilities
- ❖ Identified by business community as critical need for attracting, retaining and expanding employment in Frederick
- ❖ Strong opportunity for induced demand for meetings, business and family events, conferences, and overnight stays
- ❖ Job creation and tax revenue generator
- ❖ Strengthens Frederick's tourism by increasing likelihood of overnight/multi-day visits
- ❖ Increases in tourism, business use, conference use will in turn strengthen the entire Frederick Hotel Industry

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Why Downtown Frederick?



Community Project Chairman – Earl Robbins

- ❖ Centrally located residential and major employment base
- ❖ No hotel and very limited B&B lodging in Downtown Frederick — Strong Demand
- ❖ High amenity value for guests – restaurants/retail
- ❖ Strengthens Downtown Frederick Tourism
- ❖ Major Downtown anchor and retail/pedestrian generator – fueling stronger retail sales
- ❖ “18-hour Downtown” environment
- ❖ Transit and pedestrian oriented
- ❖ Catalyst for Area Wide Revitalization – builds on public investment in downtown

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2010 Feasibility Study



Community Project Chairman – Earl Robbins

- ❖ Area Analysis
- ❖ Lodging Market Analysis
- ❖ Market Supply and Demand Projection
- ❖ Hotel Facility Recommendations
- ❖ Financial Projections
- ❖ Development Costs
- ❖ Site Analysis and Building Layouts
- ❖ Economic Impact
- ❖ Financial Feasibility of Development
- ❖ 2012 Update by Maryland Stadium Authority



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2010 Feasibility Study: Findings



Community Project Chairman – Earl Robbins

- ❖ Strong Market for Full-Service Hotel/Conference Center
- ❖ Positive Net Operating Income
- ❖ Market is willing to pay more for an upscale, full-service hotel
- ❖ Downtown has excellent location, amenities, and sites with visibility and size to accommodate such a facility.
- ❖ Positive Economic Impact will be substantial.
 - Direct impact – approx. \$30 million annually once stabilized
 - Indirect impact (multiplier effect) – approx. \$60 million annually
- ❖ Cost to Construct will be approximately \$45 million
- ❖ Private-Public Partnership is the preferred development strategy

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2010 Feasibility Study: Findings



Community Project Chairman – Earl Robbins

- ❖ Proposed hotel will introduce a vastly different product (both rooms and meeting space) than what exists today
- ❖ Lodging market will absorb new supply and stabilize at 71% (3rd year after the opening of proposed hotel)
- ❖ Market will absorb new supply due to core demand growth and induced demand from proposed hotel
- ❖ Proposed hotel will bring new overflow demand to existing hotels

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Facility Recommendations



Community Project Chairman – Earl Robbins

- ❖ 200 Room Flagship Hotel
- ❖ 14,000 – 20,000 square feet of meeting space including
 - Ballroom
 - Breakout Meeting Rooms
 - 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 (frontage on CCP or Street Side)
- ❖ Guest Amenities - Pool, Exercise room, Business Center
- ❖ Green building design/construction

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Economic Impact



Community Project Chairman – Earl Robbins

Total Economic Impact

Year	Construction Costs, Labor, and Taxes	Operational Revenues and Taxes	Costs of Goods Sold and Taxes	Hotel Payroll and Taxes	Real Estate Taxes	Total
Pre-Opening	\$48,008,000					\$48,008,000
2014		\$17,156,140	\$3,140,780	\$7,354,640	\$645,000	\$28,296,560
2015		\$18,699,290	\$3,379,280	\$8,027,170	\$664,000	\$30,769,740
2016		\$20,195,870	\$3,613,540	\$8,638,000	\$684,000	\$33,131,410
2017		\$20,802,400	\$3,723,780	\$8,895,906	\$704,000	\$34,126,086
2018		\$21,426,190	\$3,834,020	\$9,163,684	\$725,000	\$35,148,894

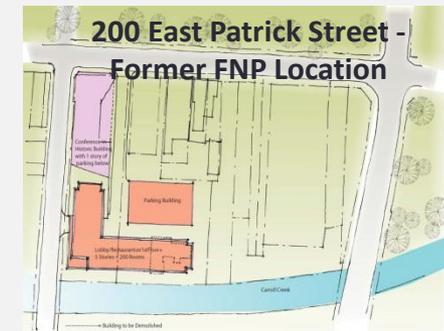
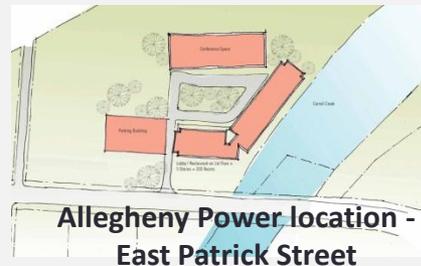
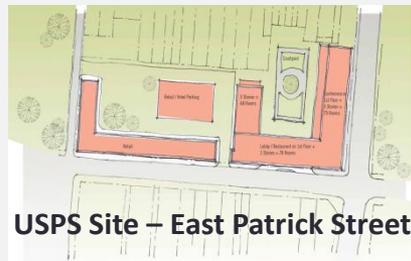
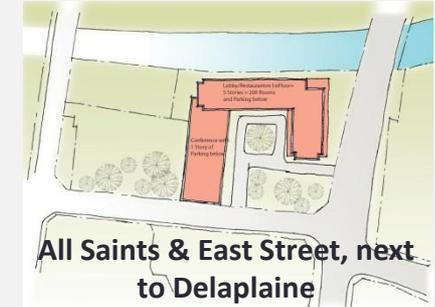
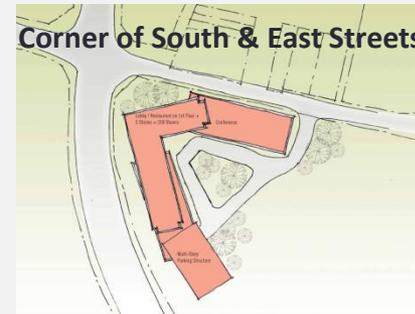
Source: Pinnacle Advisory Group

Downtown Development Sites



Community Project Chairman – Earl Robbins

- ❖ Facility sizes ranged from 126,000 SF to 141,000 SF depending on site & building configuration
- ❖ Sites are sufficient in terms of size, but each has variety of attributes – No priority set yet
- ❖ There may be other sites not yet considered





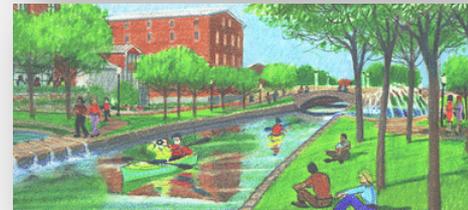
Downtown Development Sites

**Potential
Downtown
Hotel Sites
With a
.25 Mile Radius**

Site 1	Site 4
Site 2	Site 5
Site 2A	Site 5A
Site 3	Site 5B
Site 3A	Site 6

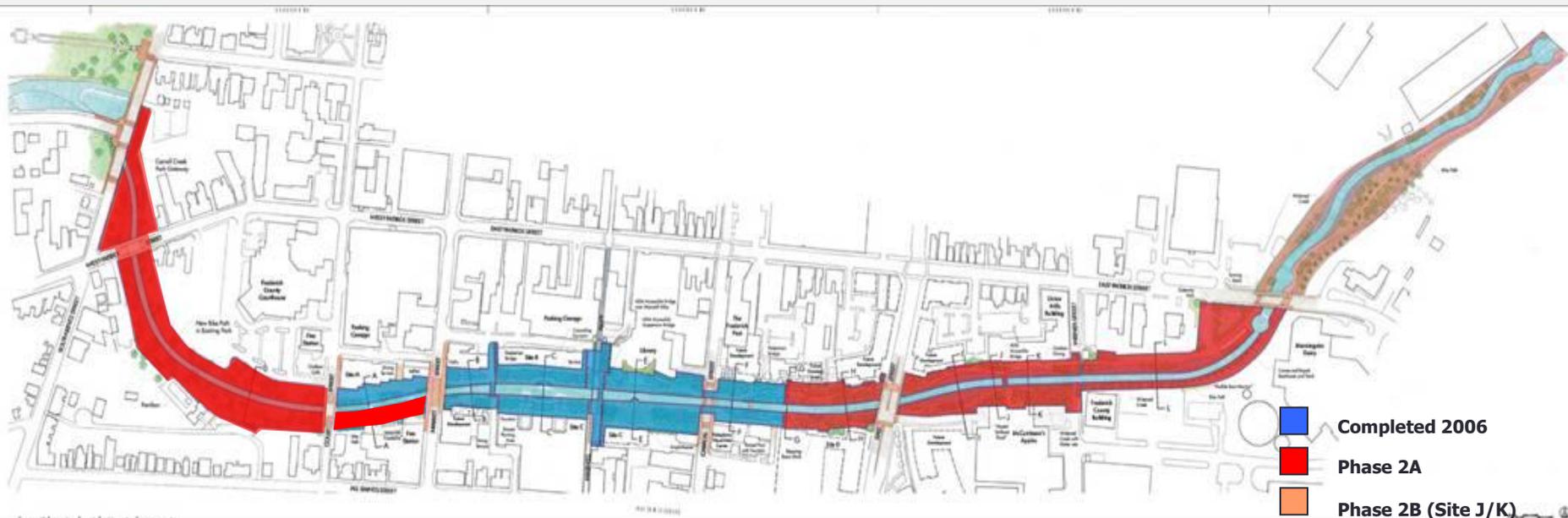
Downtown Frederick: Carroll Creek Park

- ❖ 600 Businesses and 5,000 Employees Downtown
- ❖ 2005 Great American Main Street Award
- ❖ 2007 Maryland APA Project of the Year
- ❖ 2008 IEDC Project of the Year
- ❖ \$200+ million public investment
- ❖ \$200+ million private investment
- ❖ Urban Park Development
- ❖ Mixed-Use Infill Development
- ❖ Business Development and Job Creation
- ❖ Multi-Modal Transit – Rail, Bus, Taxi, Bike, Walk
- ❖ 18 Hour Day – Vibrant, Active, Fun Place to Be
- ❖ Great location for a hotel and conference center.



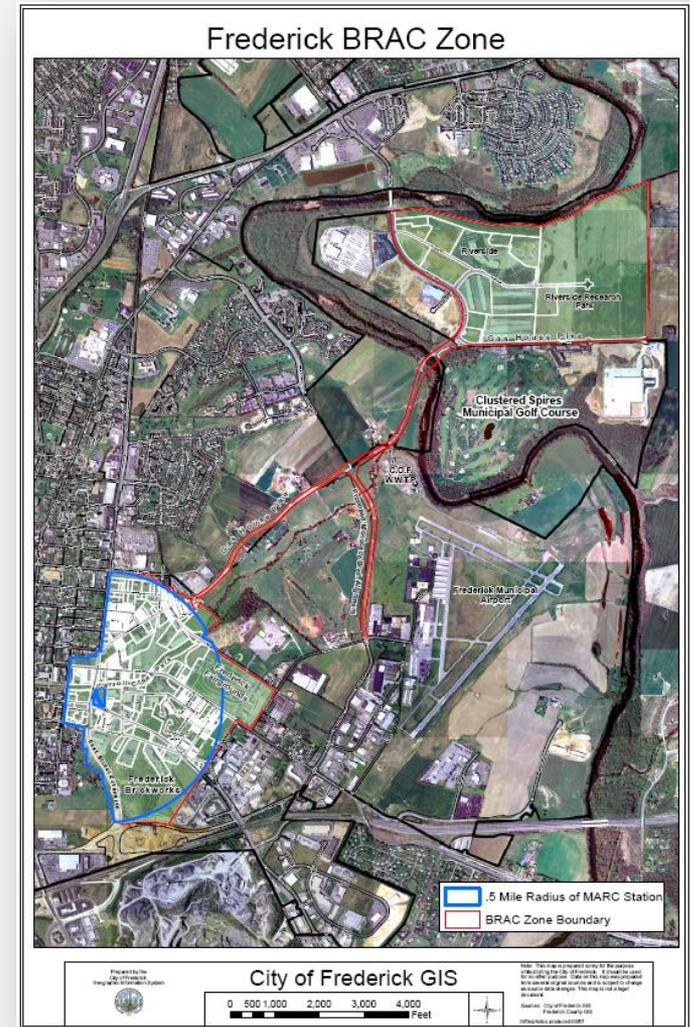
Downtown Frederick: Carroll Creek Park

- ❖ 405,000 sf office space
- ❖ 150,000 sf retail space
- ❖ 350 to 600 MF residential units
- ❖ 2,200 structured parking spaces
- ❖ 1,500 new jobs
- ❖ \$150+ million private investment



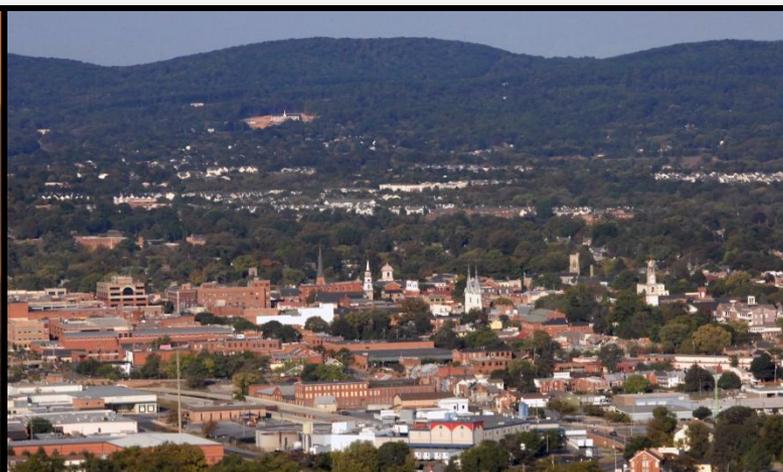
Frederick BRAC Zone

- ❖ BRAC Zone Designation by State of Maryland
- ❖ The downtown hotel sites are in the BRAC Revitalization and Incentive Zone & would be “eligible” under the program criteria.
- ❖ Recognizes pressure to build public infrastructure in response to Detrick growth
- ❖ Reimburses local government for portion of infrastructure cost
- ❖ 700 acres located on East Side of Downtown
- ❖ New mixed-use neighborhoods
- ❖ Transit Oriented
- ❖ Brownfield Redevelopment
- ❖ Includes – Portions of the East Street Corridor and Carroll Creek Park as well as the 66 Acre Brickworks Property, and Riverside Research Park



Frederick

M a r y l a n d



www.businessinfrederick.com

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