



MEDIA RELEASE

The City of Frederick Approves Two Memorandums of Understanding (MOU) to Advance the Downtown Frederick Hotel and Conference Center Project

Frederick, MD – December 4, 2015: On Thursday, December 3, 2015, The City of Frederick’s Mayor and Board of Aldermen approved two Memorandums of Understanding (MOU) regarding the Downtown Frederick Hotel and Conference Center Project (the Project) at public hearing. The first MOU unanimously approved defines the terms of the public-private-partnership between The City and Plamondon Hospitality Partners, the developer for the Project. The second MOU approved is between The City of Frederick and the Maryland Stadium Authority (MSA) and is required for the MSA to confirm construction costs for the Project.

“Approval of the MOUs is the next step in moving this project forward by bringing together the best of both the public and private worlds,” said Mayor Randy McClement. “The vitality of our local economy thrives because of creative alliances like this one. This is a very exciting next step for this project.”

For the developer, an approved MOU means they can begin the process of developing plans and gaining approvals so the project is shovel-ready.

“A project like this in a Downtown area is transformational,” said Richard Griffin, Director of Economic Development for The City of Frederick. “Because of the location, guests will go off property to shop and dine in the City. A rising tide lifts all boats, and our studies indicate this will happen when the Project is built in Frederick.” Griffin noted that because of the high cost to develop projects like this in an urban area, combined with the high public benefit, public-private partnerships are a common tool to bring downtown hotel and conference center projects to fruition.

With both MOUs approved, the City and its Partners can work through the MSA to seek approximately \$14.8 million from the MSA during the upcoming FY17 Legislative Session. By the MSA's own calculations, the state can safely invest up to \$17.8 million in taxable debt supported by the incremental revenue stream to cover debt service.

These initial services to review and confirm the construction cost estimates is a necessary step toward gaining legislative approval for MSA to participate in the design, funding, and construction of the public components of the Project.

One of the public components of this Project is parking. A recent study by Walker Parking Consultants calculated the demand from this Project and other planned development in this area. The study concluded there will be a shortfall of 250 parking spaces in the current system – requiring that the City build those spaces by developing Parking Deck 6.

“It is key to note that less than half of the spaces in the proposed parking garage will be used by the hotel. The remaining 300 plus spaces present a great opportunity to support our existing businesses and create new business growth that also will benefit Frederick overall,” said Kara Norman, Executive Director for the Downtown Frederick Partnership.

“Anecdotally, we hear all the time that visitors want to stay in Downtown Frederick, close to all of attractions the historic district offers,” said John Fieseler, Executive Director of the Tourism Council of Frederick County. “Having a full-service hotel with the level of amenities this Project will offer is attractive to both business and leisure travelers.”

Market feasibility studies indicate that the Frederick market is large enough to support the Project and the existing hotel properties in the area. More than 1.7 million visitors come to Frederick County each year, spending \$361 million during their stay, according to statistics released by the Tourism Council.

“The City, County, and Plamondon Hospitality Partners have made significant progress towards the realization of this transformative Project,” said Peter Plamondon, Jr., Co-President of Plamondon Hospitality Partners. “Together, the

public and private investment triggers an economic stimulus affecting our entire community and will positively impact our Region's destination appeal for meetings and tourism commerce."

About the Project

The Downtown Frederick Hotel and Conference Center project is proposed as a 207 room full-service Marriott hotel. The project will feature on-site parking, nearly 24,000 square feet of meeting space, and it will be located in Downtown Frederick, adjacent to Carroll Creek Park. Studies indicate the project will produce \$26 million in economic impact annually, support 110 direct and 280 total jobs, and provide \$1.5 million incremental tax revenue to the State annually.

For more information, contact Richard Griffin, Director of Economic Development, at 301-600-6360 or rgriffin@cityoffrederick.com.

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