

DOWNTOWN HOTEL HAS BEEN EYED FOR MORE THAN A DECADE



Who: Dillon Development Partners/Little & Associates Architects
When: July 2007
Where: 200, 201, 212, 240 E. Patrick St. (four properties)
Details: 154-room hotel, 19,600 square-foot conference center, 268 residential units, retail, parking

Who: The Wormald Companies
When: March 2010
Where: Galleria property on East Street
Details: 183-room hotel, 21,500 square-foot conference center, 39 residential units, retail and on-site parking*



Who: MacRo, Ltd.
When: September 2010
Where: corner of East All Saints and South East streets
Details: 213-room hotel, 26,700 square-foot conference center, 750-space parking garage

Who: Plamondon Hospitality Partners
When: December 2013
Where: 200, 212 E. Patrick St.
Details: 200-room hotel, 25,000-square foot conference center, retail, parking



* details submitted in 2010. Wormald in 2014 submitted plans for a 220-room hotel with a 20,000 square-foot conference center in response to the city RFP.

A LONG TIME COMING

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Like many major construction and development projects, plans for a downtown hotel and conference center in Frederick have been a long time in the making, and have evolved significantly from the first few

proposals put forward more than a decade ago.

Before today's feasibility studies, memorandums of understanding between the city and developers, and state bond bills, there were mainly early concepts and ideas — at least seven of them, dating back to 2003.

These early concepts were

submitted to the city over the transom and unsolicited long before any official request for proposals was published years later.

The city recently shared copies with *The Frederick News-Post* of these early proposals after a reporter requested them.

Today's project proponents,

who include everyone from the Frederick County Chamber of Commerce, the Downtown Frederick Partnership and the local tourism council say these early unsolicited proposals played a central role in shaping the current plan.

(See **HOTEL A6**)

Hotel

(Continued from A1)

Richard Griffin, the city's economic development director, said these early concepts helped the city figure out what developers might actually be able to build considering some of the constraints of the project — that it was to be in the historic district, was right next to a major flood-control project, Carroll Creek, and would need additional, probably underground parking.

"We actually learned a lot about what the market supports and what the community wants [from the early concepts]," he said in an interview earlier this month. "It helped lead everybody to decide that putting a Request for Proposals out and having a selection process was really important."

From that RFP, a bid was awarded to Plamondon Hospitality Partners, a 20-year-old Frederick company that owns or operates six hotels in Frederick and Washington counties all branded with Marriott franchises. The latest version of the plan calls for a 200-room hotel with 24,000 square feet of conference center space with on-site parking and infrastructure improvements at the site of the old *Frederick News-Post* building.

The property at 200 and 212 E. Patrick St. is currently owned by a business entity formed by various members of the Randall family. The Randall family also owns the parent company of *The News-Post*.

The \$84 million project will be funded through a public-private partnership, with \$53 million put up by the developer and \$31 million from various public funding sources, including the city, county and state, according to the latest project cost estimates.

Proposals

Earlier ideas submitted to the city included everything from a creekside boutique hotel downtown to a hotel and conference center with a laboratory at Fort Detrick and a mixed-use redevelopment for an entire block of East Patrick Street.

The first concept dates to 2003, with a two-page site plan for a hotel and conference center east of downtown, between the Frederick Fairgrounds and Frederick Municipal Airport. Plans for the Frederick Arena, as it was called, were submitted by Frederick Industrial Park Associates. They called for a 125- to 150-room hotel with 51,000-square feet of conference center space and a 6,000-seat arena.

Albert Cohen, listed on the concept drawing as the contact with Frederick Industrial Park Associates, never pursued the plans, according to Griffin. Randy Cohen, the resident agent for the limited partnership according to state tax records and son of Albert Cohen, declined to comment for this story.

Cohen owns the FSK Holiday Inn out by the Francis Scott Key Mall. He plans to redevelop that property with two new hotels and a 34,000-square-foot conference center, according to plans approved in November 2015 by the Frederick County Planning Commission.

Cohen has voiced strong

City defends against criticism of selection process

A handful of local residents who are implacably against the downtown hotel point to the selection process for a private developer as one of their many objections to the project.

Specifically, they say the process was "rigged" in favor of awarding the project to Plamondon Hospitality Partners over the other company that responded to the request for proposals, The Wormald Companies. But city representatives have defended the process and maintain that the information on which critics have relied to justify their findings was taken out of context.

In multiple city meetings, Jane Weir, of Middletown, a vocal opponent of the project, has shared information she obtained through a Maryland Public Information Act request as evidence of a biased process. The information is invoices submitted to the city by JLL, formerly known as Jones Lang Lasalle, a private consultant hired to help craft the city's RFP and to review responses. Weir also shared copies of the invoices with *The Frederick News-Post*.

The invoices reflect consulting work done between May 2013 and December 2015. The specific hours billed are paired with short descriptions of the type of work, including time spent meeting with Plamondon and Wormald.

Weir has said that an imbalance in hours billed for each shows that the city was working with Plamondon well before the RFP was published and the official selection made.

By adding up individual entries on the invoices, *The News-Post* calculated that JLL billed 71.5 hours of work related specifically to Plamondon between November 2013 and May 2014. In the same time frame, the consultant billed 12.5 hours of work with Wormald.

Richard Griffin, the city's economic development director, acknowledged the imbalance based on the invoices. But he emphasized in multiple interviews this month that the number of hours the consultant spent with each company does not indicate the process was biased.

Instead, he framed it as an issue of timing. Griffin said the consultant spent additional time with Plamondon because of its detailed unsolicited proposal, sent in December 2013. Part of JLL's work was to vet any previous proposals and use those ideas in crafting the city's 2014 RFP.

Similar time and feedback was given to other groups that submitted ideas previously, including one Wormald sent in 2010. But those hours would not be reflected in the time period that Weir requested.

The city and members of the Downtown Hotel Advisory Committee reviewed prior proposals, Griffin said. Those hours aren't tracked under the JLL invoices because the consultant wasn't hired until 2013. He didn't know if the same number of hours went into reviewing other proposals, but he said some proposals required more review than others.

Griffin called the allegations of bias "fallacy." He said it was one of many examples of opponents taking information out of context to support their criticism.

He said he offered to meet with Weir and other opponents to provide that context, but they have declined.

In an interview on July 13, Weir countered that Griffin had not honored her requests for information, mentioning another PIA request she submitted that was denied.

Sandra Nickols, the city's attorney, decided the city was not obligated to fill that request because the information was exempt from public disclosure.

Weir said she had not asked to meet with Griffin specifically for explanation of the invoices because she found in past meetings that she was not given sufficient information. She has taken her complaint about her denied PIA request to an ombudsman with the Maryland Attorney General's Office.

"Rather than spend another three hours trying to get the information from [the city], I figured I would go to [the ombudsman]," she said.

opposition to the downtown hotel project's reliance on public funding compared with his project, which will be paid for entirely through private dollars. Cohen has also hired powerhouse Annapolis lobbyist, Bruce Bereano, to represent his interests in the state capital.

In the 10 years after that initial proposal by the Cohens, six additional hotel proposals were offered up for consideration. The proposals ranged from a single-page drawing of a 26-room boutique hotel in the Creekside Plaza building to a 20-page proposal to redevelop the 200 block of East Patrick Street with a mix of residential units, commercial space and parking, as well as a hotel and conference center.

The boutique hotel, coined "Voltique" was put forth by business partners Hilda Staples and Bryan Voltaggio, who own a series of area restaurants, including Volt and Family Meal.

The 20-page mixed use plan for East Patrick Street

came from Frederick-based Dillon Development Partners and Little & Associates Architects, of Arlington, Virginia. The 2007 proposal included conceptual drawings, parking and zoning data and site conditions for each of the four lots encompassed in the plans — the former offices of *The Frederick News-Post* at 200 and 212 E. Patrick St. and the U.S. Post Office distribution center and parking sites at 201 and 240 E. Patrick St.

This proposal was intended as a "potential solution of mixed-use buildings that is consistent with the ... zoning, sensitive to the scale of surrounding areas, and would develop a lively pedestrian-friendly link," the document stated.

Also in 2007, Fort Detrick was floated as a potential site for a hotel and conference center project.

In 2010, Rocky Mackintosh, president of MacRo Ltd., a commercial real estate firm, introduced his own plans for a four-property site centered around the Mackintosh property

at the corner of South East and All Saints streets.

Whittling away

These five early proposals all ended at the conceptual stage.

Fort Detrick officials decided a hotel and conference center wasn't the best use of land at the military installation, *The Frederick News-Post* reported.

City aldermen agreed to extend a long-term lease with the National Park Service for the 5 Commerce St. building included in Mackintosh's proposal, mixing that possibility.

As for the Voltique proposal, in a phone interview earlier this month, Staples said she barely remembered the details of the plan. She framed the concept as more of a conversation-starter than a well-defined plan.

Greg Dillon, founder of Dillon Development Partners, declined to comment when asked in a phone interview on Monday why his company never pursued its East Patrick Street redevelopment plans.

That left two other unsolicited proposals, submitted in 2010 and 2013 by The Wormald Companies, a 50-year-old home building company, and Plamondon Hospitality Partners, respectively. Of the original seven, only these two were left on the table as possibilities by the time the city published its RFP in February 2014.

The city gave JLL, formerly known as Jones Lang Lasalle, the consultant hired to help craft and work through the RFP process, a list of close to 100 development and commercial real estate companies and individuals to contact to gauge their potential interest in the project. A copy of the list was shared with *The News-Post*.

Several of those who submitted unsolicited proposals, including Randy Cohen and the owners of Frederick Brick Works, which Dillon Partners worked with, were on the list.

Side by side

Despite the lengthy list of contacts, and the 70 people that downloaded the RFP during the time it was open, only two companies submitted proposals: Wormald and Plamondon.

Plamondon's response to the RFP largely mirrored the unsolicited proposal to the city a few months before. Each version of the Plamondon plan called for a 200-room hotel with a 25,000-square-foot conference center at the former *News-Post* offices at 200 and 212 E. Patrick St.

The 53-page document listed credentials for an extensive project team that included architects, preservationists and experts in private debt and equity financing. It includes renderings, site drawings, references to relevant market studies and an informal list of construction cost estimates.

The Wormald Companies' response to the proposal included many of the same elements, though some were in less detail. The 2014 plans also amended the scope of their 2010 submission, although both used the company's Galleria property on East Street

along the south side of the creek as the project location.

The earlier 10-page document Wormald submitted in 2010 detailed a mixed-use project that included a 183-room hotel with 21,500 square-foot conference center, 39 residential units, retail space and on-site parking. Four years later, in response to the RFP, Wormalds narrowed its focus to a 220-room hotel with a 20,000-square-foot conference center.

Members of the Downtown Hotel Advisory Committee evaluated each proposal based on the criteria outlined in the RFP: financial capacity and experience of the development team; design, economic impact and scope of the project; schedule; and amount of private versus public funding required.

Both proposals were strong, Griffin said. But Plamondon "quickly became the clear choice" when scored on the relevant criteria.

Pete Plamondon Jr., co-president of Plamondon Hospitality Partners, estimated his company spent close to \$100,000 in what he described as the "due diligence" necessary to submit a proposal, a year-long process that involved multiple outside consultants.

Ed Wormald, owner and manager of The Wormald Cos., declined to give an estimate of the cost to put together his proposal, but said the work included a team of seven to 10 people over the course of a month.

Both company leaders emphasized the amount of work and level of experience necessary to respond to the RFP.

"It's not for the faint of heart," Plamondon said in a phone interview on Tuesday. "It costs a lot of money. It takes a lot of time."

He also said he wasn't surprised that the two submissions came from companies with Frederick roots. "You really have to have an understanding of the community," he said.

Griffin also emphasized the rigorous requirements of the RFP as one reason why the city received only two proposals.

The city would have welcomed, or even preferred more, he said. But the city also didn't want anything half-hearted or half-done, what Griffin termed "tire-kickers."

"We wanted companies that were up to the task," he said in an interview earlier this month.

Questions of scope

One of the limiting factors in the RFP is that the project had to be located on one of four downtown sites. Anyone who submitted a response to the RFP had either to own one of these properties, or persuade the existing property owners to partner with them.

Wormald owned one of the properties, a 1.7-acre site along East Street known as the Galleria property. Since the company submitted a plan for its own site, it was unlikely to offer it up to another development company.

That left three options: the old *News-Post* site; the Union Mills site on East Patrick Street, owned by Douglas Development Corp.; and the U.S. Postal Service site on East Street.

Not all were equally viable, though.

The post office site, in particular, may have been difficult for a private developer to purchase. U.S. General Services Administration guidelines allow Postal Service properties to be sold under two methods: Either the Postal Service's hired real estate agency, CBRE Group, can advertise the property for sale on the general market, or the service can enter into an exchange agreement with a local government, such as the city of Frederick or Frederick County.

William Correa, CEO of Paragon Project Resources, said his company quickly ruled out the post office site when examining the four potential options. The Dallas-based project engineering and development company, which also has offices in Annapolis, was interested in submitting a proposal, Correa said in a phone interview earlier this month.

But the company wasn't successful in persuading the owners of the remaining properties to get on board. "Unfortunately, they already had other arrangements," Correa said.

Property owners also had the option of joining with multiple developers to submit different plans for the same property. In fact, that would have increased the odds, at least from a statistical point of view, of having that property chosen for the plan, Griffin noted.

"We encouraged property owners that they were more than welcome to do that," Griffin said.

Griffin acknowledged that the four specific sites may have limited the number of submissions. But it was a deliberate decision based on intent for a central downtown location, he said.

Griffin referred to studies that show people will generally not walk farther than a quarter-mile to retail, dining and other entertainment options. To capitalize on the burgeoning availability of such businesses along Market and Patrick streets, the project team focused on potential hotel sites within that distance, he said.

"The ultimate decision was to limit [the sites] so we could make certain whatever project we got would achieve the goals related to investment in that retail corridor," he said. "The minute you get far enough that you can't walk and have to drive, you lose that."

Though he was unable to secure a site for a proposal, Correa said he thought the process was fair and the project that developed from it was a good one. "I think they're very capable and astute," he said of the parties involved in the current project plans.

Wormald agreed. He described the RFP process as "orderly and methodical."

Mackintosh, meanwhile, took credit for helping to get the project "off the ground" with his 2010 concept.

"We really just wanted to get the whole process jump-started," he said. "We did that."

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