



# City of Frederick Downtown Hotel and Conference Center Demand Analysis



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## **Table of Contents**

Executive Summary	3
Market Segment Analysis	5
Weddings and Special Events	5
Local Business	6
Regional Nonprofits and Organizations	6
Government	7
Competitor Analysis	8
Local Competition	9
Frederick Holiday Inn and Conference Center	9
Mount St. Mary's University Conference Center	9
Hood College	10
Regional Competition	11
Rocky Gap Resort	11
Hyatt Regency Chesapeake (Cambridge)	11
Hunt Valley Inn (Baltimore County)	12
Annapolis Westin	13
Loews Annapolis Hotel	13
Strategic Recommendations	14
Key Targets for Relationship Building	14
Market the Area First, Then the Venue	15
Position for the Return of Government Demand	16
Exhibit 1: DHCC Logic Model	18
Exhibit 2: Surgeons General Letter	20
Exhibit 3: Federal Acquisition Regulation Memo	21
Exhibit 4: Sample Federal Clearance Facility Letter Request	22
Exhibit 5: Cambridge Hyatt Legislative Report Highlights	23
Exhibit 6: Potential DHCC One-Year Event Calendar	24

## **Executive Summary**

The City of Frederick is pursuing the development of a downtown hotel and conference center (DHCC). The City has tapped as its project lead the Plamondon Companies, a local developer with a wealth of relevant experience in the hospitality industry. Plamondon has proposed a 207-room hotel bearing the Marriott brand and an attached conference center of about 23,500 square feet. The City and its Department of Economic Development are pursuing necessary approvals to build on the proposed site but it also must convince key stakeholders of the project's viability. Development of the conference center portion of the DHCC will require significant public subsidy from the City, Frederick County, and the State of Maryland. The local business community, particularly existing hoteliers, will be greatly affected by the DHCC. What types of meetings and events will the DHCC host? And will the conference center attract visitors who fill not only the Marriott's beds, bars, and dining tables, but induce spillover business for the other restaurants, hotels, and local attractions already established in and around Frederick?

The DHCC faces competition locally and across the State from facilities similar to that proposed by Plamondon. But Frederick, the project's developer, and its eventual operator, can leverage the City's existing strengths and position the DHCC to be an economic engine for the City. First, the City and DHCC should forge connections with key nonprofits and regional organizations as well as meeting planners, who are the gatekeepers to much of the conference center industry and are invaluable advocates for locations such as Frederick. Building these relationships and dutifully maintaining them will keep Frederick in the rotation as groups like the Maryland Economic Development

Association and Maryland Municipal League schedule regular meetings across the State. Second, the pitch to these groups must be about Frederick—not ballrooms or hotel suites. The lively downtown, historical sites, nearby natural beauty and other attractions can differentiate Frederick from other cities with similar conference facilities. And third, the City and DHCC should make a play for government business in the long-term. Tighter budgets in Washington and meeting and events restrictions following a string of conference scandals across a number of agencies have slowed the federal meeting business to a trickle. But Fort Detrick cannot be ignored. Its unique and essential leadership in biotechnology could bring the DHCC some business in the short-term. It is, however, much more likely to yield greater dividends in the long-term as spending once again opens up. Positioning the DHCC to capture the eventual increase in demand from the Fort and other local agencies will help ensure the long-term viability of the facility.

Pursuit of the strategies outlined above will put the DHCC on solid footing to attract meeting and event business from its four core market segments. Special events, such as weddings, are a natural source of business for the Center and will likely fill much of its calendar. Local businesses led by the largest employers in the County are a key driving force behind the project and will use the DHCC and Marriott regularly for a number of purposes. The DHCC and City as a whole will have the opportunity to attract significant conference and meeting business from regional and statewide nonprofits and organizations. And while demand will be slack in the short-term, government business could be a boon for the DHCC as the federal dollars start to flow once again.

## **Market Segment Analysis**

The team analyzed four main sources of anticipated demand for the DHCC: weddings and special events, local business, regional and statewide nonprofits and organizations, and government agencies (Exhibit 1).

### **Weddings and Special Events**

The DHCC, located squarely in Frederick's vibrant downtown and along the revitalized Carroll Creek Park, will be an anchor for the area and a top destination for groups holding weddings, proms, homecoming dances, parties and other high-margin special events. The combination of the Marriott name—a well-known and respected hotel brand—and a large and versatile meeting space will position the DHCC to host many local weddings, which require event space, large blocks of hotel rooms and catering services. Its central location within a short walk of the burgeoning drinking and dining district will make it a prime destination for the other types of events as well, as it can offer a fuller entertainment experience than any other conference center in the area. These events serve as important complements to the core business that will come from the other segments. They will, by and large, be held on weekends and at night, bringing in conference center business and hotel bookings when corporate demand is low.

These events, however, will likely not spur as much spillover business as other segments will because wedding room blocks would be limited to the attached Marriott. And while guests may leave the DHCC for a meal or a drink, the one-day events will not provide them the opportunity to visit many of Frederick's attractions compared to a two- or three-day conference. As these events are also drawn largely from the local market, the DHCC is unlikely to induce additional demand in Frederick.

## **Local Business**

The DHCC is the top priority of the largest businesses in Frederick County. A survey of the Major Employers Group (MEG) of the Frederick County Chamber of Commerce identified as a top priority the development of a facility to hold meetings and host guests. The MEG members all have more than 400 employees and, collectively, count more than 23,000 people on their payrolls. They need a large meeting center space to hold company-wide events, as well as bring in employees, customers, partners or others from out-of-town. Their interest in the project can also be leveraged by the City to bring events hosted by affiliated companies and organizations to the DHCC.

The prestige of a brand like Marriott is of interest to members of the MEG. The hotel will be an important recruiting tool. As Frederick's biotechnology cluster grows, the County's businesses find themselves competing for top talent with the likes of Boston, San Francisco, and Paris, according to the Chamber. The full-service Marriott would allow companies in Frederick to put guests up in accommodations comparable to those in competitor cities and use conference space that lends a sense of gravitas to important meetings with customers, suppliers, and partners. It would, however, behoove the development team to conduct a more rigorous examination of the requirements of MEG businesses before outfitting the conference space.

## **Regional Nonprofits and Organizations**

Regional nonprofits and other similar organizations should be a top target of the DHCC. They hold annual meetings, regular events, and other gatherings as a matter of course. These draw crowds of 200 or more from across the State and region, pumping outside dollars into the local economies that host them. The Frederick area does not yet

have a conference center that can consistently attract denizens of this market segment, meaning the addition of the DHCC could draw significant new business to the area and crowds of conference-goers who will occupy hundreds of area hotel rooms. Targeting regional nonprofits and membership organizations headquartered in and around Washington, D.C. would have the added benefit of attracting spending from outside of the State, not just the City.

According to multiple interviews with meeting planners, nonprofits and other organizations, such groups are drawn to particular conference centers not because of the facilities themselves, but because of the surrounding areas. Frederick has much to offer groups whose members seek unique and high-quality dining and entertainment options, historical attractions, natural beauty and other activities. Many groups are committed to supporting smaller Maryland communities outside the I-95 corridor, as well as the small businesses that make these areas unique. Their conferences serve in and of themselves as marketing opportunities for the areas that host them. Partner businesses and organizations that nonprofits host at their conferences could return with meetings and events of their own.

## **Government**

Government business is not a short-term solution for the DHCC. Tightened federal spending following the Great Recession depressed demand for conference and meeting services, a trend compounded by repeated, high-profile scandals involving government events. The first and most notable arose following a General Services Administration (GSA) conference in Las Vegas in October 2010. The lavish event—one of many later faulted by auditors—cost more than \$1 million, including a \$75,000 bicycle

building exercise, and ultimately led to the indictment of a top GSA official. Lawmakers have cracked down on government travel and meetings, requiring high-level approval for any meeting with price tags north of \$100,000 and notification of any event that costs more than \$20,000 to inspectors general (Exhibits 2 and 3).

The Cambridge Hyatt Regency offers a cautionary tale for any conference facility in the area relying on government business. The State project has consistently lost money and, in early 2014, state legislative auditors wrote:

*Occupancy and associated revenues have been in decline, largely due to the impact of federal sequestration and the general decline of business travel. Last year, [Maryland Economic Development Corp.] reported that the hotel would require at least another two years to stabilize. (Exhibit 5)*

The proximity of Fort Detrick to the DHCC, however, should not be discounted. The growth at the base and surrounding health and biotechnology businesses will likely drive some demand for meeting space at the DHCC in the near-term. The conference center could see government demand grow as the economy and federal fiscal picture improves and agencies have more money to spend on meetings. But even then, the impact of a government meeting on the community will be less than others hosted by the DHCC. Per diem rates and longstanding travel rules and restrictions will keep hotel occupancy and room rates lower than private-sector events of comparable size.

### **Competitor Analysis**

The team analyzed competitors for local demand, largely weddings and special events and local business meetings, and those that will compete with the DHCC for meetings and conferences held by regional nonprofits and organizations.



## **Local Competition**

### ***Frederick Holiday Inn and Conference Center***

The Frederick Holiday Inn is currently the only full-service hotel and conference center in the Frederick area. As such, it will be the main local competitor of the DHCC. It has little more than half the conference space (13,000 square feet) of the proposed downtown facility, but is easily accessible from major population centers to the east and south along I-70 and I-270 and offers 500 parking spaces. The hotel is adjacent to the Francis Scott Key Mall, the largest mall in Frederick, but lacks the walkability aspect of the DHCC. The Holiday Inn has brand recognition, but does not connote the same quality as Marriott.

The conference center is not only smaller than the proposed DHCC, but less flexible as well, with one large ballroom and three smaller meeting rooms. The Holiday Inn is by far the largest conference space in the area, but it cannot accommodate more than 800 convention guests and its hotel has only 150 rooms. It could not attract any corporate customers larger than regional businesses.

#### Strengths:

- Largest local conference space
- Onsite restaurant
- Recognizable brand name
- Ease of access (parking and proximity to I-270)

#### Weaknesses:

- Guests must drive to reach downtown area and other points of interest
- Maximum capacity of 800 convention guests
- Only three breakout rooms

### ***Mount St. Mary's University Conference Center***

Mount St. Mary's University is located just south of the Pennsylvania border in Emmitsburg, MD, but has a satellite campus in Frederick, which has conference space

along I-270 across from the Frederick Holiday Inn. Its largest conference space can accommodate 200 people, but it has a large number of breakout rooms for smaller group events. Parking is available for more than 200 guests. The venue offers catering options, but does not have any other amenities. Mount St. Mary's conference center is suited for day-long events for local businesses, but not multi-day conferences.

Strengths:

- Ease of access (parking and proximity to I-270)
- Price
- Multiple breakout rooms

Weaknesses:

- No overnight accommodations
- Limited size
- Driving distance to downtown Frederick and other points of interest

### ***Hood College***

Hood College has several meeting spaces for rent. The largest is an auditorium that holds up to 400 people, but there are also several conference rooms with a 150-person maximum. Hood is located in downtown Frederick within walking distance of many points of interest. Similar to Mount St. Mary's, it offers catering but does not have any overnight accommodations. Given the current lack of hotel space in downtown Frederick, Hood College cannot offer conference space to anyone but local, day-long business events.

Strengths:

- Price
- Multiple breakout rooms
- Walking distance to downtown Frederick

Weaknesses:

- No overnight accommodations
- Limited size

## **Regional Competition**

### ***Rocky Gap Resort***

Rocky Gap is a full-service resort located little more than an hour west in Cumberland. It offers a golf course, spa, multiple restaurants, a casino and conference space. Despite all it has on-site, it is not close to a metropolitan area or other attractions. The conference space holds up to 350 people in its largest room and offers four smaller breakout rooms. It is likely not large enough for a multi-day, multi-company conference. It could support smaller multi-day conferences but due to its location it is not likely to be a candidate for many single day events held by local companies. Once owned and developed by the State of Maryland, the site was losing money until the casino was built, at which point it was sold to the casino ownership group and began a trend towards positive annual net income.

#### Strengths:

- Full resort (golf course, spa, etc.)
- Casino (draw and greater financial viability)
- Location

#### Weaknesses:

- Accessibility
- Size
- Price

### ***Hyatt Regency Chesapeake (Cambridge)***

Like Rocky Gap, the Cambridge Hyatt is a full-service resort. While it lacks a casino, Cambridge is located on the scenic Choptank River just miles from the Chesapeake Bay. Owned by the State, it has nearly 40,000 square feet of conference space as well as a spa, golf courses, multiple restaurants and a marina. Similar to Rocky Gap, it is difficult to get to Cambridge. It is at least a half-hour drive farther from

Baltimore and Washington than Frederick. Further, Cambridge does not have a downtown area or growing tech community comparable to those in Frederick.

The State-owned site has been consistently in the red and has required financial support from Annapolis. Indeed, legislative analysts and the property's owner—the Maryland Economic Development Corp.—have raised concerns about the facility's performance in recent years and taken steps to improve its income statement and balance sheet. The Cambridge Hyatt has lost money for at least the past three years. Analysts reported net losses of \$3.6 million in 2011, \$3 million in 2012 and \$5.6 million in 2013 (Exhibit 5).

#### Strengths

- Large space (37,000 sq. ft.)
- Full resort (spa, golf, marina)
- Location
- State support

#### Weaknesses

- Accessibility
- Lack of local points of interest
- Lack of “downtown area” in neighboring city
- Price

#### ***Hunt Valley Inn (Baltimore County)***

The Hunt Valley Inn is located 20 minutes north of Baltimore City. It is a full service Wyndham affiliate hotel with over 30,000 square feet of meeting space. There are 18 separate event rooms in the hotel. The largest ballroom can accommodate more than 1,000 people. The hotel itself has almost double the number of guest rooms as the DHCC and far more on-site parking. It is well positioned to host large, multi-day conferences.

The hotel's location north of Baltimore makes it a 30-45 minute drive from Baltimore-Washington International Thurgood Marshall Airport (BWI). There are many attractions in the area, but none of them are within walking distance. Most of the

attractions touted by the hotel are in Baltimore city or surrounding areas.

The Hunt Valley Inn is a competitor for regional associations and nonprofits.

Strengths

- Ample meeting space (in both size and flexibility)

Weaknesses

- Location
- Local attractions

***Annapolis Westin***

Maryland's capital, a bayside city and home to the U. S. Naval Academy, Annapolis carries strong cachet and a deep sense of history. Local attractions are plentiful in the form of shopping, restaurants, sailing, and sports events. The downtown area has many qualities that Frederick prides itself on. As such, it is a direct competitor of Frederick.

The Westin is a full service hotel located in downtown Annapolis. It has 18,000 square feet of event space, more than 300 guest rooms, and a restaurant and bar. It relies heavily on the nearby State House to bring travelers and businesses into the area. BWI is 30 minutes away. Weddings, which are expected to be a major draw for the DHCC, are big business for Annapolis area hotels. The Westin is no exception.

Strengths

- Location
- Local attractions
- Size

Weaknesses

- Price

***Loews Annapolis Hotel***

The Loews Hotel is a full-service hotel located in downtown Annapolis. It is very similar to the nearby Westin. It offers 20,000 square feet of meeting space, 198 guest

rooms, and an on-site restaurant. It is a close match to the proposed DHCC. The main difference between the two is the number and type of local attractions.

Price will likely be a deciding factor for organizations deciding between the two cities. Annapolis is generally a more expensive area than Frederick; government per diem rates can be up to 20 percent higher in Annapolis. Nonprofits and regional associations are usually price sensitive, which could help Frederick attract more customers.

#### Strengths

- Location
- Size
- Local attractions

#### Weaknesses

- Price

### **Strategic Recommendations**

The DHCC faces competition from local and regional conference centers. But there exist opportunities to capture demand from both. Local businesses clearly do not have the meeting space they need and the DHCC is primed to fill that void. Regionally, there is greater competition in sites and cities similar to the DHCC and Frederick. Annapolis is a primary competitor with an idyllic downtown area, extensive shopping, diverse restaurants, and strong local businesses—attractions that mirror those of Frederick. As the DHCC looks to expand its client base to the surrounding counties and states, it must market the facility and City aggressively and wisely. Doing so will yield a robust events calendar (Exhibit 6).

### **Key Targets for Relationship Building**

Meeting planners are the DHCC's conduit to the events business. Instead of wooing individual organizations, the DHCC should focus much of its attention initially

on the professionals who facilitate conferences across the region. Tapping into the networks of meeting planners will position Frederick to attract conferences from groups around the State as well as regional organizations that may otherwise look to Pennsylvania, Virginia, Delaware, or West Virginia when planning events. Further, the DHCC should pursue relationships with key nonprofits and membership organizations around Maryland to attract annual conferences and meetings. Examples include the Maryland Economic Development Association, the Maryland Municipal League, the Maryland Association of Counties and Maryland Nonprofits. These groups are committed to showcasing different parts of the State, especially those with new venues that are fresh to the convention circuit. They also bring with them members of other organizations and partner businesses that host conferences of their own. These attendees could be convinced to return with their own events. Other early targets should include nonprofits with interests relevant to Frederick and the surrounding area, including the Maryland Wineries Association, Maryland Military Historical Society, and the Maryland State Arts Council and its affiliates.

### **Market the Area First, Then the Venue**

The DHCC will serve as the anchor for major meetings and conventions. But it won't bring them to Frederick on its own. Only by marketing all that Frederick has to offer will the City find the DHCC's calendar full of organizations from across the region. According to multiple planners, the events professionals and organizations that host meetings typically select cities or areas first. Only then do they choose specific venues. Outreach from the City's economic development arm and tourism office can augment the DHCC's own marketing. And partnerships with other local businesses can make the

DHCC even more attractive to conference planners.

Frederick has much to entice organizations looking for meeting locations. The downtown is lively and walkable, with a bevy of dining, drinking, and entertainment options. The arts scene is thriving. The City itself is replete with history, from the Francis Scott Key connection to the cluster of Civil War sites located nearby, including two of the most famous—Antietam and Gettysburg. There are also wineries and breweries, and natural attractions to keep convention-goers occupied when they aren't attending meetings. Organized tours of local vintners, brewers or battlefields, all starting and ending at the DHCC are an amenity with which few other conference centers could compete. Frederick's dining, drinking, and arts scenes, too, could be leveraged. Discounts for conference-goers would encourage them to explore the City's downtown. Well-structured incentives would entice them to frequent even more local businesses and attractions, offering a fuller experience for visitors and forging a stronger bond between them and the City. The Marriott, too, could partner with up-and-coming local chefs to showcase their fare at a lunch or dinner during large conferences.

### **Position For the Return of Government Demand**

While the first two recommendations target immediate sources of demand, a targeted effort to bring government meetings to the DHCC is a long-term undertaking. Demand is slack and likely to remain so for the foreseeable future. It is, however, bound to return when spending increases and restrictions on government meetings are loosened as the GSA scandal recedes farther in the rearview mirror. Fort Detrick has the potential to be an immediate source of limited demand and the source of much greater demand in the coming years. Its position as a leading force in biotechnology innovation and

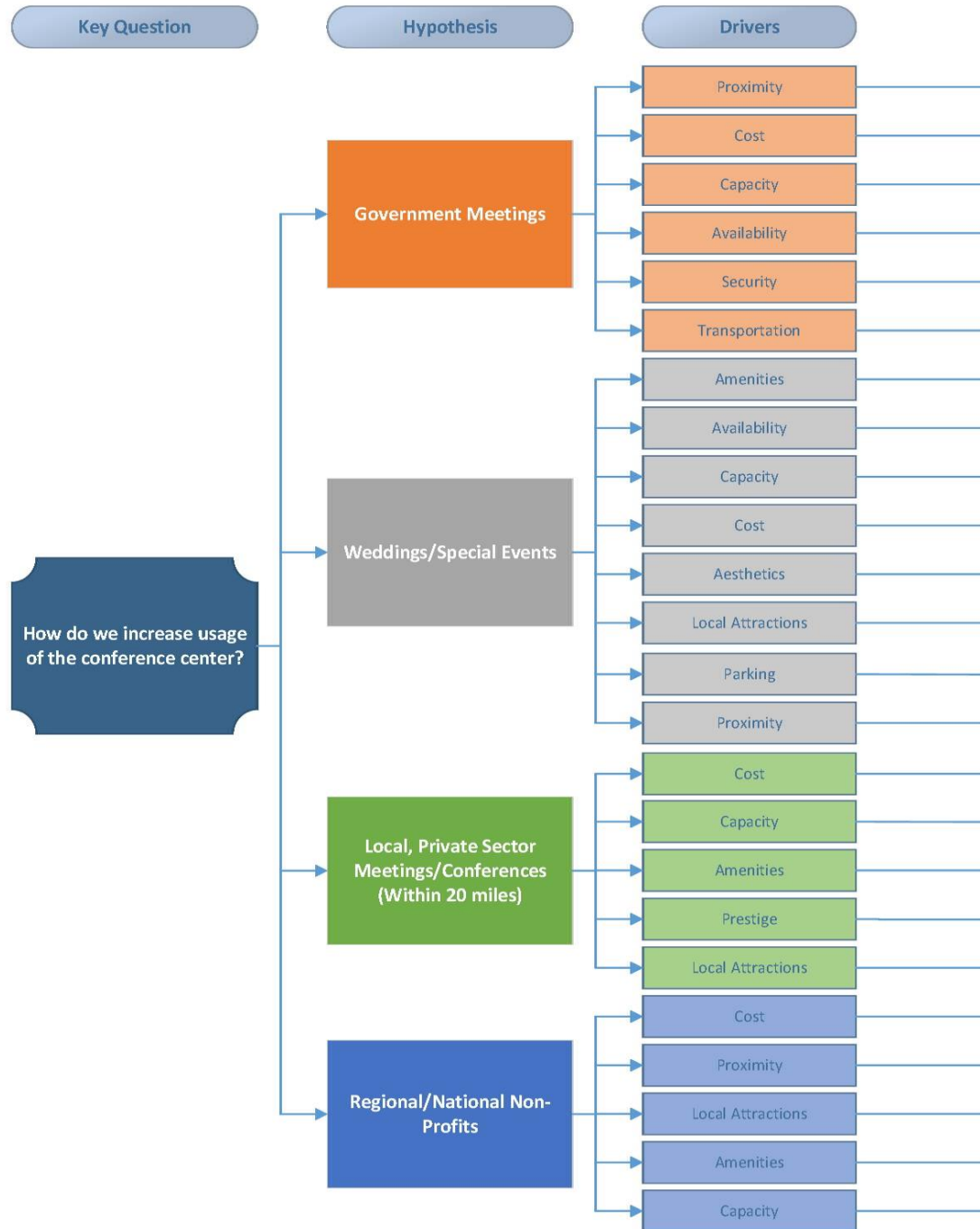


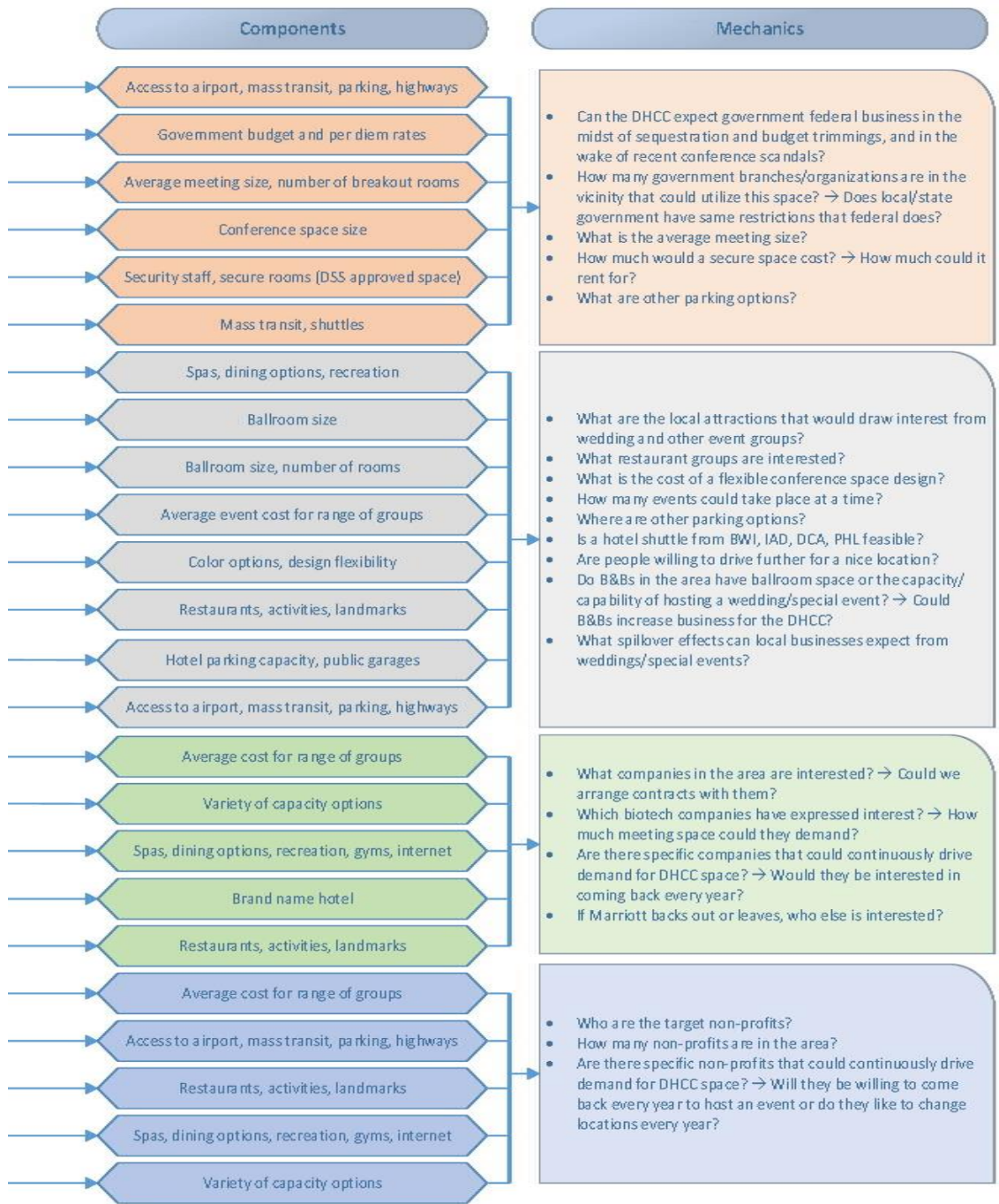
biological and chemical countermeasure development will see activity increase at the base and among the area businesses associated with its work. The relationship with the Fort should be of prime importance to the DHCC.

Government meetings often require specialized technology and amenities. A “clean” meeting room certified by the Defense Security Service to hold classified meetings would make the DHCC stand out from other competitors in the region and, likely, leave it as one of very few options for agencies and businesses with classified work to discuss. Obtaining a DSS-approved room will require planning and sponsorship from a government entity to establish a need (Exhibit 4). Once a need has been verified, DHCC will have to adhere to all National Industrial Security Program Operating Manual (NISPOM) requirements, which will allow the space to have discussions up to a Confidential, Secret, or Top Secret level. Fort Detrick or its tenant agencies are prime candidates for such a partnership.

More generally, as conferences rebound, the DHCC must be prepared to attract government business with an all-encompassing approach similar to that outlined above and supplemented by specialized services like the proposed “clean room.” As recommended in relation to the MEG, the DHCC should carefully survey agencies at Fort Detrick and elsewhere to develop a clear picture of their needs when hosting conferences. Only then will the DHCC be positioned to capture this source of long-term demand growth. As government demand returns, the DHCC can expand its target government market beyond the agencies located immediately in and around Frederick and compete for conference business down the I-270 corridor, into Montgomery County and even Washington D.C.

**Exhibit 1: DHCC Logic Model**





## Exhibit 2: Surgeons General Letter



AMSUS-ApprovedDH  
A.pdf



PERSONNEL AND  
READINESS

**UNDER SECRETARY OF DEFENSE**  
4000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-4000

NOV 17 2014

MEMORANDUM FOR JONATHAN WOODSON, M.D., ASSISTANT SECRETARY OF DEFENSE  
(HEALTH AFFAIRS)

SUBJECT: 2014 Association of Military Surgeons of the United States Annual Continuing  
Education Meeting

I have reviewed the request for attendance at the Association of Military Surgeons of the United States (AMSUS) annual Continuing Education Meeting scheduled for December 2–5, 2014, at the Walter E. Washington Convention Center, Washington, DC. The AMSUS Continuing Education Meeting provides a forum for senior leaders and Federal health professionals from the Military Services, Veterans Administration, the Public Health Service, and international medical leaders to exchange knowledge and collaborate on critical issues affecting the delivery of health care to our Active Duty Service members, family members, and veterans. The purpose of AMSUS is to advance the knowledge of health care within Federal agencies, and the agenda is dedicated to all aspects of military operational medicine—professional, scientific, educational, and administrative. Annual meetings and training requirements have been scheduled in conjunction to save additional travel and training costs to other venues. AMSUS will provide approximately 38 hours of Continuing Medical Education credits to Department of Defense medical professionals for licensure and certification.

The estimated cost of attendance for 667 medical personnel from the Office of the Assistant Secretary of Defense for Health Affairs and from the Defense Health Agency is \$430,448. I am satisfied exceptional circumstances exist whereby spending in excess of \$100,000 on this conference is the most cost-effective option to achieve its compelling purpose. Cost savings efforts have included negotiating hotel lodging prices below per diem rates, and reducing the number of government attendees.

I therefore approve attendance at this event in accordance with the Deputy Chief Management Officer's "DoD Conference Guidance" dated November 6, 2013. This approval is contingent on your continued efforts to ensure the best use of government funds and adherence with all applicable policy.

The point of contact for this issue is Colonel (COL) Guy Kiyokawa, Chief of Staff, Defense Health Agency. COL Kiyokawa may be reached at (703) 681-5907.

  
Jessica L. Wright

cc:  
Surgeon General of the Army  
Surgeon General of the Navy  
Surgeon General of the Air Force


### Exhibit 3: Federal Acquisition Regulation Memo



OMB Memorandum  
m-12-12.pdf



FMM-2013-013-Guid  
ance-on-Conference-




**UNDER SECRETARY OF DEFENSE**  
4000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-4500

NOV 17 2011

MEMORANDUM FOR JONATHAN WOODSON, M.D., ASSISTANT SECRETARY OF DEFENSE  
(HEALTH AFFAIRS)

SUBJECT: 2014 Acquisition of Military Equipment of the United States Annual Procurement




**EXECUTIVE OFFICE OF THE PRESIDENT**  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

May 11, 2012

M-12-12

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: JEFFREY D. ZIENTS, ACTING DIRECTOR 

SUBJECT: Promoting Efficient Spending to Support Agency Operations

The Federal Government has a responsibility to act as a careful steward of taxpayer dollars, ensuring that Federal funds are used for purposes that are appropriate, cost effective, and important to the core mission of executive departments and agencies (agencies). From the beginning of this Administration, the President has been clear that wasteful spending is unacceptable, and that the Federal Government must strive to be more efficient and effective. That is why the President and the Vice President launched the Campaign to Cut Waste and charged agencies with going line-by-line through their budgets to identify areas of unnecessary spending or opportunities for greater efficiency or cost savings.

As part of this effort, on November 9, 2011, the President signed Executive Order 13589 "Promoting Efficient Spending." In that Executive Order, the President directed each agency to reduce its combined costs in a variety of administrative categories by not less than 20 percent in Fiscal Year (FY) 2013 from FY 2010 levels. Agencies have since developed plans for achieving these cuts, and the President's FY 2013 Budget identifies \$8 billion in reduced costs as a result of Executive Order 13589.

To achieve these savings, many agencies have identified and implemented creative and innovative practices to reduce costs and improve efficiencies in such areas as travel, conference expenditures, real estate, and fleet management. There are also other practical steps agencies can take to improve operations, increase efficiency, and cut unnecessary spending. Accordingly, this memorandum describes a series of policies and practices related to activities and expenses in these areas, building on measures already in place at various agencies.

**Section 1 – Travel**

Travel is often necessary for Federal employees to discharge their duties effectively and the travel industry plays an important role in creating jobs and supporting local economies; however, as good stewards of Federal funds, agencies must do all they can to manage their travel budgets efficiently. Accordingly, in FY 2013, each agency shall spend at least 30 percent less on travel

## Exhibit 4: Sample Federal Clearance Facility Letter Request



fcl\_sponsorship\_requ  
est\_letter.pdf

<b>On Agency or Contractor Letterhead</b>	
<b>Facility Clearance (FCL) Request</b>	
	Date of Request: _____
Defense Security Service ATTN: Facility Clearance Branch 27130 Telegraph Road Quantico, VA 22134 Scan and Email: <a href="mailto:occ.facilities@dss.mil">occ.facilities@dss.mil</a>	
***Please be advised, a company must have a valid procurement need to access classified information at the time of FCL sponsorship in order for DSS to accept this request. If the sponsored company is in the pre-award stage, access to classified information must be required in the pre-award stage in order for DSS to accept this request. Also, the access to classified information is required in the performance of the contract and not solely based on a need to access an area or building***	
Additionally, if the company being sponsored is performing on a service contract, please review the following link for DSS guidance on Facility Clearance (FCLs) for service contracts, Industry Security Letter (ISL) 2006-02 #8, prior to submission.	
Link: <a href="http://www.dss.mil/documents/pressroom/isl_2006_L_2_august_22_2006.pdf">http://www.dss.mil/documents/pressroom/isl_2006_L_2_august_22_2006.pdf</a>	
Please process the following facility for a Facility Clearance (FCL):	
Legal Name of Facility:	_____
CAGE Code:	_____
CAGE Website:	<a href="http://www.sam.gov">www.sam.gov</a> (For detailed information on obtaining a CAGE Code)
Physical Address (no P.O. Boxes):	_____
City:	_____
State and Zip Code:	_____
Sponsored Company Website:	_____
Is the Facility located on a Government Installation?	Yes <input type="radio"/> No <input type="radio"/>
Does the Facility hold a Facility Clearance with another government agency?	Yes <input type="radio"/> No <input type="radio"/>
If yes, please specify which government agency and level of facility clearance: _____	
Level of Clearance Required:	_____
Is Safeguarding Required?	_____
	If so, what level? _____
Point of Contact (POC) at the Sponsored Facility:	_____
	(Someone knowledgeable of Request)
POC Telephone:	_____
E-mail:	_____

## Exhibit 5: Cambridge Hyatt Legislative Report Highlights

Maryland General Assembly Analysts raised concerns in early 2014 about the performance of the State-owned Chesapeake Bay Conference Center in a regular [review](#)\* of the facility's parent, the Maryland Economic Development Corporation (MEDCO). Portions of the review are included below.

### *T00A99 – Maryland Economic Development Corporation*

According to the corporation's financial statement, there are four operating projects identified in fiscal 2013 as "watch" projects for failure to meet debt coverage ratios. Each of these and all other MEDCO projects need to be considered on its own merits because no MEDCO projects are cross-collateralized, and each project must support itself with its own revenues.

- Chesapeake Bay Conference Center:** The Chesapeake Bay Conference Center is located in Dorchester County. It houses a hotel, golf course, and conference facilities. The project has been designated as a "watch" project for the last four years. **Occupancy and associated revenues have been in decline, largely due to the impact of federal sequestration and the general decline of business travel. Last year, MEDCO reported that the hotel would require at least another two years to stabilize. MEDCO secured a management consultant to suggest changes in pricing and expense reductions in order to bring the ratio closer into compliance.**

### Exhibit 3 MEDCO Operating Income (Loss) by Project Fiscal 2011-2013

	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>University Student Housing</b>			
Morgan State University	\$1,560,344	\$2,851,454	\$1,434,152
Bowie State University	567,778	1,149,554	668,185
Frostburg State University	986,950	593,641	355,184
Salisbury University	512,435	417,575	1,448,194
Towson West	909,926	984,468	2,027,330
University of Maryland, Baltimore	998,838	1,330,651	1,420,285
University of Maryland Baltimore County	1,494,918	1,568,526	1,397,647
University of Maryland, College Park	4,865,552	6,089,032	5,500,544
University Village at Sheppard Pratt	1,133,079	1,169,786	1,293,828
<b>Subtotal</b>	<b>\$13,029,820</b>	<b>\$16,154,687</b>	<b>\$15,545,349</b>
<b>Other Facilities</b>			
Chesapeake Bay Conference Center (Hyatt Cambridge)	-\$3,577,916	-\$3,001,517	-\$5,557,686

\*<http://mgaleg.maryland.gov/pubs/budgetfiscal/2015fy-budget-docs-operating-T00A99-MEDCO.pdf>

**Exhibit 6: Potential DHCC One-Year Event Calendar**

	Weddings/ Events	Local Business	Nonprofits/ Associations	Government (Short Term)
January		-Holiday parties -Annual meetings (Jan. 1 fiscal year)		
February	Maryland Wine Passport Experience	Annual meetings (Jan. 1 FY)		
March	Frederick Restaurant Week			
April	-Weddings -Prom		Maryland Nonprofits meeting	
May	-Weddings -Proms -Graduations			
June	-Weddings -Graduations -Frederick Festival of the Arts			
July	-Weddings -Civil War (Gettysburg, Bull Run)	Annual meetings (July 1 FY, healthcare)	Maryland Municipal League	
August	Weddings		-MACO -Maryland Chamber Fall Conference	End of Fiscal Year
September	-Weddings -Homecoming -Civil War (Antietam, South Mountain)	Annual meetings (Sept. 1 FY, government contractors)	-Maryland Nonprofits meeting -Maryland Chamber Economic Conference	Start of Fiscal Year
October	-Weddings -Homecoming	Annual meetings (Sept 1 FY, government contractors)	-MEDA -Maryland State Rifle and Pistol Association -MSEA	
November			United Women's Democratic Club of Maryland	
December		Holiday parties	Maryland Republican Party Fall Convention	



