

## SQUARE FEET

CHECKING IN

# A Place to Stick Around After Those Dull Meetings

By ALISON GREGOR

**W**HEN the Gaylord National Resort and Convention Center opens along the Potomac River in Prince George's County, Md., it will be one of the largest hotels on the East Coast, with 2,000 rooms and 470,000 square feet of convention space, as well as restaurants, a nightclub and a spa.

This \$800 million complex will be the centerpiece of a veritable small city called National Harbor, being developed on the river near Washington by the Peterson Companies of Fairfax, Va. But the Gaylord National's opening, set for April 2008, will also show the continued growth of a class of hotels: the convention-resort destination.

"About six years ago, we said we can take this model and go across the country with it," said John Caparella, the chief operating officer of Gaylord Hotels, which opened the 2,881-room Opryland USA complex at its Nashville headquarters in 1977.

In recent years the company has developed the 1,406-room Gaylord Palms resort outside Orlando, Fla., and the 1,511-room Gaylord Texan resort in the Dallas-Fort Worth area. It is also developing plans for another megahotel on the Chula Vista, Calif., bayfront near San Diego.

"Meeting planners and convention planners have told us what they want: first-class meeting space with great entertainment and great restaurants," Mr. Caparella said.

The Gaylord National, which will occupy about 40 acres, will include an exhibit hall with 17 loading docks and three ballrooms, along with an Old Hickory Steakhouse and other restaurants, a salon and fitness center and an 11,000-square-foot marina and pier on the Potomac.

The rest of National Harbor will be built over the next five years; it is to include 2,500 residential units, more than 500,000 square feet of office

space and about one million square feet of retail shops on more than 300 acres, according to Milton V. Peterson, the founder and chairman of the Peterson Companies. The main thoroughfare of the development is being modeled after Las Ramblas in Barcelona, Spain.

Other hotels at the \$4 billion National Harbor development, Mr. Peterson said, will include a 195-room Westin, a 162-room Marriott Residence Inn, a 151-room Hampton Inn and Suites, and, to open near the end of 2008, a 186-room Aloft brand hotel from Starwood Hotels and Resorts Worldwide and a 250-unit Wyndham Vacation Ownership time share, for a total of 2,944 units, including those at the Gaylord National.

By the time National Harbor is completed, Mr. Peterson says, he hopes that there will be 4,000 hotel rooms under various brands. He says he has had no trouble attracting hotel companies.

He notes that Washington is one of the most popular cities for tourism in the country. "People love to come to the world's capital, and now their families can come, too," he said. "The conventioneer gets a two-fer."

(National Harbor is about 15 minutes from Ronald Reagan Washington National Airport and about 45 minutes from Washington Dulles International Airport.)

Gaylord expanded its projected room count for the Gaylord National to 2,000 from 1,500, Mr. Caparella said, in response to brisk advance bookings after the company announced the proposed hotel in October 2004. Already, he said, the hotel has booked enough business to keep it full for a year and a month.

The Goodyear Tire and Rubber Company, which typically attracts about 2,500 people to its conventions, is among the regular clients at Gaylord hotels and has reserved space for February



The Gaylord National Resort and Convention Center, under construction, will be the centerpiece of National Harbor, a large mixed-use development on the Potomac River outside Washington. National Harbor's developer says he hopes that it will eventually have 4,000 hotel rooms under various brands.

2009 at the Gaylord National.

"The one-stop shopping is a real plus for us," said Armand Castro, director of customer relations, who coordinates all of the company's dealer meetings. "It's savings for us. We get all the folks to the destination, and they never have to leave."

Though conference-goers may stay on site for the duration of the event, some will come early or stay late, "to take advantage of the attractions around the hotels," said Charles L. Sinclair, a spokesman for Goodyear Tire.

The Gaylord National will make Prince George's County more competitive with Washington and other areas, said Kwasi Holman, president and chief executive of the Prince George's County Economic Development Corporation. Some hotel managers and convention industry leaders in Washington, meanwhile, have expressed concern that the convention-resort-destination model will hurt their business.

The district has lost myriad rooms at larger hotels in recent years to condominium conversions, and while 2.3 million square feet of convention space is now available at the new Washington Convention Center, there is no affiliated hotel to serve it as yet. A 1,434-room, \$550 million hotel is being developed by Marriott and is set to open

next to the convention center around 2010, according to Norman Jenkins, senior vice president for North American lodging development at Marriott International.

In the meantime, however, the district's largest hotel, the 1,300-room Marriott Wardman Park, has lost several conferences to the Gaylord National, according to William A. Hanbury, president and chief executive of the Washington Convention and Tourism Corporation.

Joe Stern, senior director of sales and marketing at the Grand Hyatt Washington, which has 888 rooms and 40,000 square feet of meeting space, says he perceives the Gaylord National as "a destination competition more than a hotel competition."

"The reality is, the National Harbor project, which is in Prince George's County and not Washington, D.C., is a mini-city and convention center," he said.

Mr. Stern said he worried that relatively few guests at the Gaylord National would venture in to visit the district's restaurants. If the district loses conventioners, it also loses revenue from the 14.5 percent lodging and sales taxes.

Gaylord's hotel in the Dallas-Fort Worth area

has lured many more area residents than anticipated to its restaurants and nightclub, according to the company. And a recent report by PricewaterhouseCoopers found that the proposed Gaylord hotel near San Diego would siphon off business from the city's convention center and downtown hotels.

But Mr. Caparella says a significant part of the advance business booked at the Gaylord National consists of repeat customers of Gaylord hotels. "The fact is there are conventions that take place in Washington, D.C., that are looking at our property as well," he said. "But 45 percent of the business we have booked is business that already comes to our other hotels, so we're obviously bringing new business to the region."

Mr. Jenkins says Marriott is not worried about the Gaylord National draining business from its Marriott Wardman or the convention hotel planned for the district's downtown area. "A lot of people want to be in Washington," he said. "Everyone wants to be at the center of government, and I think that all these hotel rooms are just going to unleash some pent-up demand."