

## Sizing up the competition: Shawnee hotel operators prepare for new addition to market

by Brian Brus

Published: February 22nd, 2012



The Firelake Grand Hotel & Resort site in Shawnee. (Photo by Maike Sabolich)

SHAWNEE – The new 262-suite hotel planned at Firelake Casino on the western outskirts of Shawnee will be a boon to the local tourism industry, Shawnee Oklahoma Convention & Visitors Bureau officials said.

Some hotel operators are worried about another facet of development: The new Grand Hotel will increase total room occupancy in the area by 35 percent and will likely keep consumers away from the other businesses in town, said Teresa Reynolds, manager at the 63-room Hampton Inn.

“I’m not happy about it,” Reynolds said. “There’s enough business to keep us

steady, but it’s feast or famine. ... The casino could shut us all down. I understand that business is business, but there’s not enough traffic that comes to Shawnee that it’s not going to affect somebody. Or all of us.”

That perspective isn’t shared by everyone. La Quinta Manager Christine Clements said what’s good for Shawnee is good for her hotel, regardless of where visitors stay.

Work has already begun on the hotel, under the management of Flintco Inc. in Oklahoma City. Flintco’s other projects include the Devon Energy headquarters, National Cowboy & Western Heritage Museum and Oklahoma City Civic Center. Oklahoma City-based GSB Inc. is handling architecture expertise. The company’s other projects include Ritz-Carlton hotel resorts, Myriad Gardens Crystal Bridge Conservatory, University of Oklahoma Law Library and several Disney resorts in Florida.

Like the casino, the hotel will be owned by the Citizen Potawatomi Nation tribe. The 16-month project is scheduled to finish in early 2013.

“We are excited about our newest project here at the Grand Casino,” casino General Manager Steve Degraffenreid said. “The addition of the hotel and resort amenities will benefit our guests at the casino and tourists traveling through our state. It will also provide additional jobs in central Oklahoma.”

Peter Holmes, chief operating officer for Oklahoma City-based Hotel Broker One, also said that the hotel is being developed as a guest amenity, following the trend of other casinos in the state, and not necessarily to compete to generate revenues of their own.

“All casinos try to leverage some of their assets into other uses,” he said. “Most casinos try to get some group business, for example, but historically in Oklahoma that has not been a significant portion of their revenue. In this case it’s more of an amenity to the person who wants to go to Shawnee to gamble and have drinks without worrying about driving home. It will also attract more travelers who might not otherwise go to a casino for the evening because it’s still 45 minutes away from Oklahoma City.”

He also said the hotel probably won’t have a large effect on visitor traffic closer to the heart of Shawnee. Corporate travelers will still stay at a chain hotel that offers frequent-stay incentives.

“It lies farther away from Shawnee than most people will want to drive if they’re doing

business in Shawnee," he said.

But as far as Reynolds is concerned, she's still going to lose most of the gamblers who have been staying at her hotel as well as the casual traveler who doesn't have a long-standing relationship with any particular chain. And she's upset over what she sees as a lack of communication among city business leaders, the chamber of commerce and the visitors bureau.

"Everybody's in a panic about it," she said. "Because who's not going to want to stay there? They're going to come into the market hard, and they're going to have to make money on it. And because it's an Indian casino, they'll get some sort of tax right off and basically be able to give the rooms away. That's going to affect our rates."

At the visitors bureau, Executive Director Gordona Rowell said the hotel operators with whom she's spoken have said they've been OK with the development, even though it's two or three times larger than the average hotel in town.

"This is larger than anything we've seen in the area," she said. "The Citizen Potawatomi Nation have been very good partners for Shawnee and the visitors bureau. We understand that Firelake Casino is competing against other destination casinos in the state. And that's what their property is about. It's going to be more of a destination property, designed for a different demographic in general than what we serve."

Clements said she expects to lose a few La Quinta customers, but added that she's looking at the bigger picture.

"All of our hotels should work hand in hand together to better Shawnee," she said. "We'll all get revenues off of it from the tourism tax, and that all goes to help our town."

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