

Hotel Business®

THE NEWSPAPER FOR LODGING DECISION MAKERS

NOVEMBER 2007

VOL. 16 NO. 19 OCTOBER 7-30, 2007

BRIEFS

Procciandi Group buys two New York hotels

The Procciandi Group has acquired two hotels in New York: the 300-room Tudor Hotel at the United Nations and the 227-room Holiday Inn SoHo.

The Tudor Hotel is listed on the National Register of Historic Places. The Procciandi Group plans to invest \$8 million to \$10 million in the Tudor. The Holiday Inn SoHo is located in downtown Manhattan.

Inland poised to acquire RLJ Fund for \$920M

RLJ Development LLC's RLJ Urban Fund, which owns 22 hotels, is about to be acquired by Inland American Real Estate Trust, Inc. for approximately \$920 million, according to *The Chicago Tribune*.

Credit crunch a harbinger or just a hiccup?

Greater debt market's problems seep into hotels

By STEPHAN L. O'CONNOR

NATIONAL REPORT— The profitability of the lodging industry has buoyed the sector for what feels like so long now that the idea that it may all come crashing down—soft landing or not—seems like a premise for the far-off future. But hospitality veterans know the cycle turns down. It's just a question of when.

One comparison used by players is activity in the overall real estate cycle, which has seen boom times

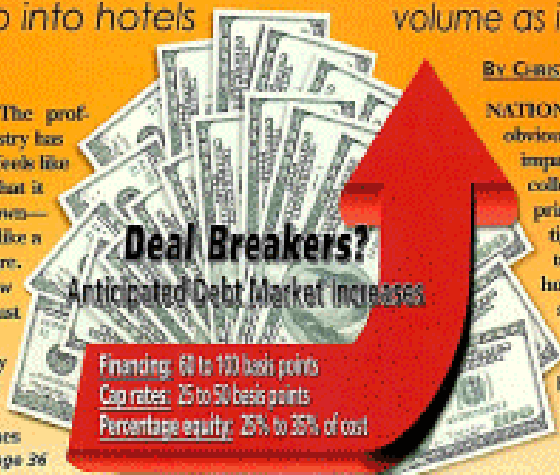
continued on page 36

Brokers see slowdown in volume as issues emerge

By CHRISTOPHER OSTROWSKI

NATIONAL REPORT— Though it obviously has more of an acute impact on their capital markets colleagues, the infamous subprime mortgage-based debt tightening has now officially trickled into the lives of hotel brokers, who have subsequently seen a sudden pause in the once unstoppable momentum of the hotel investment rush—a rush significantly fueled by cheap and plentiful debt.

continued on page 8



HD Boutique exudes green; owners taking time buying in

IN-FOCUS ON THE SCENE

By CHRISTOPHER OSTROWSKI

MIAMI BEACH, FL—It was in no way a surprise that the 2007 HD Boutique Exposition & Conference here draped itself thoroughly in green or what is more technically defined as environmentally sustainable design. But what may have been a surprise is how quickly many of the primary participants in this annual conference have embraced the trend, with architects and designers exhibiting more and more green expertise by the day and hotel industry suppliers heavily marketing their burgeoning green initiatives.

For all the influence that these hotel architects, designers and suppliers have, though, the ultimate test of green design's permanence will, of course, be the end users—the owners and, finally,

continued on page 45

America's Best Franchising hits expansion stride

By STEPHAN L. O'CONNOR

ATLANTA— With 15 years of operations under its belt—from as Buckhead America Corp. and now as America's Best Franchising, Inc. (ABF)—the dual-brand company headed by its president and CEO, Doug Collins, finds itself on a roll as the momentum that's been building behind ABF during the past 24 months accelerates.

Last year it inked 30 franchise agreements and added

25 hotels between its proprietary brands Country Hearth Inns and Suites and Ameri-



As part of a brand standard, the 54-room America's Best Inn in Augusta, GA, features a selection of EcoRooms.

ca's Best Inns and Suites. Both brands also branched out into international territory with CHI adding two properties in Canada and ABI opening an equal number in Argentina.

According to Collins, this year looks to be even better. ABF has a goal of both selling a franchise and opening a hotel a week throughout 2007.

"We believe we are ahead of that goal and anticipate ending the year opening between

continued on page 32

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Baymont raises bar with new standards

By STEFANI C. O'CONNOR

PARSIPPANY, NJ— Wyndham Worldwide Inc.'s Hotel Group is raising the bar on its Baymont Inn and Suites chain and is launching a systemwide upgrade that will enhance guest bedrooms and bathrooms and bring in free wireless Internet access to all guestrooms and public spaces beginning Jan. 1.

Acquired in April 2006 by Wyndham (then Candiant Hotel Group) from The Blackstone Group, the limited-service, midscale brand has been growing as it has been integrated into the multi-brand franchisor's portfolio, and as of June 30, numbered 169 properties representing 14,986 rooms. It got its first boost almost immediately following its purchase when the corporation decided to fold its AmeriHost franchise system into the Baymont brand and as of June 30, 27 AmeriHosts had been converted to Baymonts.

"We've spent a lot of time integrating the Baymont systems into the Wyndham systems, and now that most of that work is behind us—and a lot of that is invisible to the franchisees—now is the time to work on those items that impact the franchisees, and most important, impact the consumer," said Patrick Breen, brand senior vp for Baymont Inn and Suites. He noted among the "invisible" items were

transitioning the CRS and installing new PMS's in all the acquired Baymonts.

"We did not wish to push to adopt new standards during that time period," said Breen, noting that a soft rollout of bed, shower curtain and rod, linen and terry got under way earlier this year. "We wanted to wait until our Baymont owners conference (in August) to really give it the flash it



The 88-room Baymont Galveston in Texas will benefit from the brand's new upgrades.

deserved. It was the first time in a couple of years that the Baymont franchisees have been together."

Rather than stagger the implementation region by region, Breen said the initiative would roll out nationally. "One of the benefits of the Baymont brand right now is that it's a relatively modest-size brand, so I have the ability to impact virtually every property in a relatively short period of time," he said.

Breen noted bedding for the Baymonts will go from traditional, "pre-Heavenly Bed" style to a

contemporary design. Installed will be major branded mattresses and box springs, triple-sheet bed-topping and improved linens. "We are upgrading the linens to what is now a residential standard of 200-thread count," said Breen. "The finishing piece is the triple sheeting. When a guest walks in a room, what they see is not a traditional bedspread, but a clean, white, sparkling vision of a pristine bed. That is really what we're looking to accomplish. Some of our franchisees have already done it. What I want to do is create a standard that is uniform within the entire system."

He noted most Baymonts already have a multi-function showerhead in the guest bathroom and those with a quality standard device will be allowed to retain them. "The properties now coming into the system will be adopting the Moen Revolution showerhead," said Breen. Similar standards apply to the curved shower rods, as a new flat shower bar has been indicated. Hookless shower curtains with a clear, window panel and upgraded terry (13.5 pound, 24-inch by 54-inch) also will be installed.

Also, said Breen, the amenities were "a little bit dated looking and we wanted to modernize them...we've adopted some vibrant colors for the amenities

continued on page 46

HB HEARS

Best Western rolls out new prototype

Best Western International has introduced a new contemporary prototype called Atria. As a membership association, Best Western doesn't dictate brand standards, including a building design, to its owners the way a franchisor would mandate standards to its franchisees. But in recent years, the brand has developed a series of prototypes for developers who are interested in constructing a new build.

IHG launches new global website

InterContinental Hotels Group (IHG) has launched a new interactive global website designed to give hotel developers additional information about IHG and its brands. Through the use of video, downloads and creative displays, the site gives hotel developers an overview of the IHG brand value proposition and the operating system that consumers demand such as Global Sales, Distribution Marketing, Priority Club Rewards, Global Technology, Procurement and Food & Beverage.

Gateway to bring Aloft brand to Glendale

Starwood Hotels & Resorts Worldwide, Inc. and its new lifestyle brand, Aloft hotels, is partnering with Gateway HL LLC to open a hotel in Glendale. The 120-room Aloft Glendale is expected to open its doors in early 2008. It is located at the intersection of Glendale and 99th avenues and near Jobing.com Arena, home of the NHL's Phoenix Coyotes. The hotel will be owned in a joint venture by an affiliate of the San Diego-based American Property Management Corp.

LodgeWorks has plans for lifestyle brand

Owner/developer LodgeWorks, LLC, plans to begin construction this year on the first four hotels of its new upscale lifestyle brand called Avia. The four will be located in Long Beach and Napa, CA; Savannah, GA; and The Woodlands, TX, outside Houston. Each will be 150 rooms or less. The first hotel is expected to open in late-2008 or early-2009.

Interstate forms JV to acquire three hotels

Management specialist Interstate Hotels & Resorts has formed a joint venture to acquire three hotels from affiliates of The Blackstone Group, L.P. The partnership is with Investcorp International's U.S.-based Real Estate Group and the aggregate price of the three hotels is \$118 million. The properties are the 321-room Hilton Seelbach Louisville in Kentucky; the 226-room Crowne Plaza Madison in Wisconsin; and the 228-room Sheraton Columbia in Maryland.

IN-FOCUS
ON THE
SCENE

Hilton breaks into Branson, MO, with two hotels and a convention center



At the Branson ribbon-cutting last month: (Left to right) Hilton Senior VP Jeff Diskin; former Branson, MO, mayor Lou Schaefer; current Branson Mayor Raeanne Presley; and HCW Development CEO Richard Huffman.

By BRUCE SERLEN

BRANSON, MO— The opening of the 294-room Hilton Branson Convention Center Hotel here last month significantly raised the lodging industry threshold in this popular entertainment destination nestled in the Ozark Mountains.

But it also marked an important milestone for Hilton Hotels Corp.'s core Hilton brand in the U.S. because along with the debut of the Hilton, Branson's new 230,000-square foot convention center that's adjacent to the hotel opened as well, marking the first time Hilton is managing a publicly owned meeting and exhibition facility.

While the convention center is owned by the city of Branson, the convention center hotel was developed—and is owned—by the locally based HCW Development Co. At the ribbon-cutting,

HCW CEO Richard Huffman noted the significance of a nationally known brand such as Hilton coming to Branson, which up until now has been dominated mostly by independent, family-run hotels and resorts. "Given the power of the Hilton name, it really raises Branson's profile a notch," he said.

Not is Hilton's commitment to Branson limited to the convention center hotel. In February, Hilton opened a sister property, which is also owned and was developed by HCW, across the street from the convention center and convention center hotel, the 242-room Hilton Promenade at Branson Landing. The two properties will be marketed together as the Hiltons of Branson. Huffman estimated the size of the entire investment, with the convention center included, to be between \$420 and \$455 million.

continued on page 39

Hilton ups commitment to Branson, MO

continued from page 2

Both hotels are mixed-use developments. "The convention center hotel's top floors—where all the suite inventory is located—are being marketed as condo hotel units," Huffman explained. Likewise, condo hotel units are included in the room count at the Promenade property. Owners are required to place their units in the hotel rental program, though they're able to occupy them up to three weeks a year. In addition, one section of the Promenade consists of wholly owned residential condominiums. Huffman described the condo sales as strong.

In addition to the residential components, the Promenade includes a significant amount of retail space, which extends to the rest of the Branson Landing part of the development.

"While we've developed resort properties, most of HCW's experience has been in the residential and retail areas, so that held us in good stead here," Huffman said.

Branson in the past 20 years has become well-known for its live entertainment—and particularly family-oriented shows featuring country music—while attracting roughly seven million visitors a year. Jeff Diskin, a senior vp of the Hilton brand, pointed out Branson's "long history of entertaining guests," adding that the two brands complement each other. "We're both about hospitality," he said. "Hilton now becomes a steward of the great tourist destination the Branson community has built."

But the demographics behind Branson's growth have begun to shift in recent years and, as the city looked to the future, local government officials realized that Branson needs to evolve with these changes. So Mayor Roseanne Presley and her predecessor, Lou Schaefer, favored the possibility of the city un-

derwriting a major convention facility that would attract corporate and association groups. "Years of planning went into what turned out to be a public-private partnership," Presley said.

As a second-tier regional destination, the Branson Convention Center competes against facilities in cities like St. Charles, MO; Tulsa, OK; Little Rock, AR; and Overland Park, KS, according to William Tirone, director of sales and marketing for the Convention Center as well as the two hotels.

"It's essentially a drive-in market, though construction has begun on a local airport 10 minutes from the convention center," Tirone said. The airport is scheduled for completion in mid-2009.

"What distinguishes Branson, of course, is its reputation as an entertainment venue,"

Tirone continued.

Another advantage is that Hilton is managing both the hotels and the convention center, he added. "The goal for us is to provide groups with a seamless experience between the hotel and convention center," he said.

"We can offer a single point of contact and simplified billing. The hotel is also in charge of catering, which means the food and beverage should be of a higher, more consistent quality than typical convention center catering."

While different design firms designed the interiors of the convention center and the two hotels, the three designs share certain criteria. "First and foremost was the use of local, natural materials, particularly stone and wood. In an attempt to bring 'the outside in,'" Tirone said. "There's tremendous natural beauty in this area, what with the forested mountains and lakes, and we wanted the design to reflect that."

The 294-room Hilton Branson Convention Center Hotel, which opened last month in Branson, MO, is connected to the new 228,000-square-foot Branson Convention Center. Meanwhile, the 243-room Hilton Promenade at Branson Landing (inset), along with its sister convention center property, constitutes the Hiltons at Branson.



The JW Marriott Hotel Miami has partnered with Ralph Lauren on a lineup of signature furnishings, some of which are positioned in the lobby of the hotel.

JW Marriott makes most of promotions, partnership

continued from page 3

frequent the property the JW Marriott Hotel Miami has launched a promotion titled the "Check In Your PDA Challenge." Any guest that checks in his or her PDA at the front desk during a three-day stay will get a fourth night free. The promotion runs from Thursdays through Sundays until Dec. 27.

Tebaldi noted the property's demographics were ideal for such a promotion. "We're located in the financial district. There's a lot of people traveling with blackberries," she said.

Another major part of the modernization program was an expansion of the conference and meeting space from 18,000 square feet to 24,000 square feet. In addition to the 4,000 square foot increase of the ballroom space, the hotel now offers four business suites for conference meetings of up to seven guests.

Also recently remodeled is the property's hotel's restaurant, which specializes in American breakfast cuisine. The hotel also features casual fare at La Terraza café and Bar and has a truly fine dining experience at a private room called the Tropicale Room, which even caught the attention of Bill Marriott, Jr., chairman and CEO of Marriott International, when he stopped by last year on one of his signature visits.

"He likes that every time he comes there's something new," said Tebaldi of the Tropicale Room, which was added in 2006.

Something else that was recently added is a new "pillow menu," which allows guests to request certain types of pillows whether they're down/feather or foam. "The guests really appreciate it," she said.

Guests also seem to appreciate the clear focus of the property, according to Tebaldi. By comparison, many newly built hotels, particularly in this market, are part of mixed-use developments or condominium projects. While such projects make sense economically, they may not always make sense to the guest.

"When they enter, it is a hotel. I think that's an advantage. Some of our competitors are mixed use. The ambience here is completely different," she said.

As further proof of how much guests like the JW Marriott Hotel Miami, Tebaldi noted that occupancy for the hotel comes in north of 70% annually despite its seasonal nature. She added that peak seasons for the hotel are January through March and November and December.

Statement Required by the Act of August 12, 1970, Section 3685, Title 18, United States Code Showing the Ownership, Management and Control.

1. Publication Title: *Hotel Business News*
 2. Publication No.: 0888-8320
 3. Filing Date: September 24, 2007
 4. Issue Frequency: Semi-Monthly
 5. No. of Issues Published Annually: 24
 6. Annual Subscription Price: \$20.00
 7. Complete Mailing Address of Known Office of Publication: 100 South Main Street, Suite 100, East Windsor, NJ 07030-4001
 8. Complete Mailing Address of Headquarters or General Business Office of Publisher: 100 South Main Street, Suite 100, East Windsor, NJ 07030-4001
 9. Full and Complete Mailing Address of Publisher: Editor and Managing Editor: 100 South Main Street, Hospitality Group by Choice, 100 South Main, Suite 100, L, East Windsor, NJ 07030-4001
 10. Complete Mailing Address of the Individual or Corporate Owner: 100 South Main Street, Suite 100, L, East Windsor, NJ 07030-4001
 11. Full and Complete Mailing Address of the Individual or Corporate Owner: 100 South Main Street, Suite 100, L, East Windsor, NJ 07030-4001
 12. Complete Mailing Address of the Individual or Corporate Owner: 100 South Main Street, Suite 100, L, East Windsor, NJ 07030-4001
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