

The SpringHill Suites & Residence Inn Bayfront Downtown



## HB ON THE SCENE

# Marriott hits milestone with San Diego dual-brand opening

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SAN DIEGO—The opening of a campused property is a significant event in its own right, but the grand opening of the SpringHill Suites & Residence Inn Bayfront Downtown here gave franchisor Marriott International a milestone as well, with the SpringHill marking the 3,000th select-service property for the global chain.

The design-forward project, which includes a 147-key Residence Inn and 253-key SpringHill Suites, came out of the ground via a partnership among developers Portman Holdings, Lankford & Associates, Inc. and Hensel Phelps Construction.

The hotels are part of the first phase of a redevelopment plan known as BRIC—for its location at the intersection of Broadway and Pacific—that includes restaurants and retail.

Portman Holdings, Lankford & Associates, Inc. and Hensel Phelps, together with majority stakeholder AIG, own the \$130-million project. A second phase, tagged at approximately \$200 million, is slated to include a 400-room InterContinental Hotel.

The 19-story structure's exterior features two different checkerboard designs separated by a striking bright yellow column that helps pinpoint the properties' location in the city's

trending North Embarcadero district.

"It's a lifestyle/destination-type neighborhood," said Loren Nalewanski, VP/global brand manager, SpringHill Suites and TownePlace Suites. "In this building alone, we have a yoga studio proposed, F&B outlets and retail as part of the hotel on the first and second levels facing the bay."

"We are seeing in both of these two brands an increasing amount of urban development," said Diane Mayer, VP/global brand manager, Residence Inn. "So, while there's more and more dual-packs, the majority are in urban markets. While upper-midscale brands and upscale brands have been traditionally in suburban markets, office parks, highway cloverleaves and places like that, developers recognize the amount of demand for those products in urban markets. And, as the penetration of full-service gets saturated there—plus the expense to build—we're seeing disproportionate growth in both of our brands in urban markets. So, there's a huge opportunity in markets like this for brands at this quality and price tier. For customers who are looking for a high-quality product, especially focused on [the] room—don't need a ballroom, don't need a massive amount of ancillary services—these brands fit that customer demand very, very well, and they're much more efficient to build from a development perspective."

In this particular case, the developers were able to take advantage of the Unified Port of San Diego's release of land parcels in an effort to redevelop the area's waterfront. The hotels are on a 66-year ground lease with the port.

The location also offered a certain amount of freedom in terms of the project's design, handled by Georgia-based John Portman & Associates.

While there's no huge ballroom, there is 11,000 sq. ft. of meeting space, including the Ted Williams Room, a nod to the baseball Hall of Famer, who was born and raised in San Diego.

Bayview Terrace offers views to Lane Field Park, a public green space adjacent the property, created by members of the hotels' development team to commemorate the site of the original Depression-era ballpark where Williams developed his style. The property also incorporates a fifth-floor outdoor pool and a fitness center.

A blue, green and white palette dominates throughout the hotel, with pops of yellow used as accents. Window walls are a signature guestroom feature that offers cityscape or bay views. Concrete walls evoke an urban feel and the artwork delivers a sense of place.

"It's definitely not prototypical," said Mayer. "It's custom. Particularly with higher-ADR markets and higher-profile projects, we are very much encouraging custom."

As long as brand standards are met, such as SpringHill's bathroom barn door, she said custom hotels are welcome. "They add variety to the brand and they add interest from a consumer perspective. Consumers want consistency in the offering but they don't want cookie-cutter appearance

everywhere they go," said Mayer.

Janis Milham, SVP/modern essentials and extended stay for Marriott, noted all the chain's so-called dual-pack properties are custom projects. "It doesn't make sense to take two prototypes and stick them together," she said.

What does make sense, she observed, are the synergies in campusing brands. For example, the San Diego property has one general manager, Michael J. Murphy, and shared staff. "There's a lot of upside, but there's some downside. Typically, there's more financing that's required because there's two buildings and, if you ever want to uncouple the brands, that's going to be difficult. So, it's not for everybody; it's about 10% of our pipeline," said Milham.

Portman Holdings and its partners have been wrangling the project since joining together in 2012 to reconcept what originally was to be a full-service property and an all-suites property.

"The entitlements for the whole parcel were 800 rooms, but a full-service hotel of that size with the other hotels in the marketplace would be very difficult to make work from an economic standpoint," said Roger Zampell, SVP/development, Portman Holdings.

"There's a lot of full-service product. What we determined was missing were the more limited-service brands, which is what we ended up building here. Even though this may be considered an emerging area, it's on the waterfront. Hotels on the water fill up first and the compression goes inland from there. So with the waterfront location we just felt like we couldn't go wrong." **HB**

*For more photos from the event, see page 34.*



The lobby of the SpringHill Suites