



BYRON E. SMALL

\$134M in financing gets 2 airport hotels moving

By J. Scott Trubey

STAFF WRITER

Nearly a year after the credit crunch delayed its financing, the partners behind the new hotel complex at the **Georgia International Convention Center (GICC)** are forging ahead with construction.

◀ **Grove Street team:** Chip Groome, from left, Kevin Kern and Jim Stormont Jr.

Grove Street Partners LLC and the city of College Park have obtained a combined \$134 million in financing from several lenders to build a 403-room Marriott full-service hotel and a 147-room SpringHill Suites by Marriott hotel on a site adjacent to the GICC. Construction started Sept. 10.

Fidelity Investments of Boston and **Williams Opportunity Fund** are also partners in the project.

▶ See **HOTELS, 20A**



SPECIAL

Under construction: A new hotel complex at the GICC will feature a Marriott full-service hotel and a SpringHill Suites by Marriott hotel on an adjacent site.

\$134M gets two airport hotels moving

Continued from 3A

The two hotels, within a quarter-mile of **Hartsfield-Jackson Atlanta International Airport**, are the anchors of the Gateway Center, a planned 1 million-square-foot mixed-use office and retail complex. They will be the only hotels with a direct rail link to the airport via Hartsfield-Jackson's new automated people mover. The tram, which will have a stop at the GICC, is part of the airport's new Consolidated Rental Car Facility, which is expected to open in November 2009.

Grove Street and College Park officials signed a memorandum of understanding to build the project in January 2007, and had hoped to break ground last September. Kevin Kern, the president of Grove Street, said sound projects can still acquire financing.

"In early 2007, it was a different market with numerous sources who wanted to finance the hotels," Kern said. "And then when the credit crunch hit in August [of 2007] that changed and it went from numerous sources of lending institutions interested in the deal down to a select few. But I think what [this deal] does speak to is good deals that make sense can get financed."

The first phase includes the two hotels, to be operated by **Marriott International Inc.** (NYSE: MAR), and a separate restaurant. Of the \$135 million, \$31 million comes from bonds issued by the **College Park Business Industrial Development Authority**.

Six banks, led by Minneapolis-based **US Bank** (NYSE: USB) supplied the financing. The others are **SunTrust Banks Inc.** (NYSE: STI), **Wachovia Corp.** (NYSE: WB), Citizens Trust Bank, **Proficio** and **Touchmark**.

Atlanta-based architecture firm **Smallwood, Reynolds, Stewart, Stewart & Associates Inc.**, designer of the GICC, Cobb Galleria Center and TWELVE Centennial Park, designed the seven-story Marriott. **Goode Van Slyke Architecture**, also of Atlanta, designed the SpringHill Suites. Birmingham, Ala.-based **Brasfield & Gorrie LLC** has been selected as the general contractor on both hotels, which will be LEED-certified.

The SpringHill Suites is expected to open in February 2010, with Marriott to follow in August 2010.

"[The hotels] are perfectly positioned to serve both the convention and business meeting audience as well as the general public traveling through the Atlanta airport."

Roger Conner
Marriott International Inc.

The flagship Marriott will have its own restaurant and about 20,000 square feet of meeting space that should help supplement conventions at the GICC, said Jim Stormont, Jr., a 24-year veteran hotel developer and partner in Grove Street.

With the new properties, Stormont said, Marriott, which already has a flagship hotel and several limited-service products nearby, will solidify the brand's market share in the airport marketplace.

Roger Conner, vice president of corporate communications for Marriott, said in a statement that the hotels "are perfectly positioned to serve both the convention and business meeting audience as well as the general public traveling through the Atlanta airport."

The official groundbreaking will be Oct. 16. Kern said with financing for Phase I in place, Grove Street is focusing its attention on Phase II, which includes 400,000 square feet of class A office space and about 50,000 square feet of retail.

"Hopefully by the end of the year we will start developing the office and retail plan," Kern said, adding that tenants for the office, retail and restaurant spaces have not been identified.

Hugh Austin, the executive director of the GICC, said the hotels will be a boon to Georgia's second-largest convention center. He said he expects a 30 percent to 40 percent increase in trade-show bookings in terms of total space and occupancy once the hotels come on line.

The Gateway Center, with its rail link to Hartsfield-Jackson, will allow College Park and GICC officials to "realize the true potential of this facility," he said.

Reach Trubey at strubey@bizjournals.com.



Austin
Georgia International
Convention Center