



The executive team of Grove Street Partners includes (left to right) Partner Jim Stormont, President Kevin Kern and Partner Chip Groome.

Grove Street growing two-fold in Orlando

BY STEFANI C. O'CONNOR

ORLANDO, FL— A pair of Marriott-branded select-service hotels will be coming out of the ground simultaneously here beginning next month thanks to multi-prong real estate developers Grove Street Partners (GSP).

GSP, which is based in Atlanta, will build a SpringHill Suites and a Fairfield Inn and Suites on a nine-acre parcel adjacent to the 59-acre Aquatica Water-

park that's slated to open this spring at SeaWorld Orlando Adventure Park.

Each of the hotels in the \$52-million project will have 200 units.

According to GSP Partner Jim Stormont, who handles hotel development for the company, the dual-property project will break ground in March with an anticipated opening of spring 2009 for both hotels.

"Between the fact that Orlando is already an incredible destination and

the fact that Marriott has a strategic alliance with Anheuser-Busch (which operates the SeaWorld Adventure Park) and SeaWorld, these two properties are going to be the closest limited-service properties to SeaWorld and the new waterpark. And they're only about three-quarters of a mile from the Orange County Convention Center, which is a huge draw in its own regard. It just seemed like a great

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HB HEARS

Las Vegas' Cosmopolitan Resort & Casino project defaults on its loan

The Cosmopolitan Resort and Casino project on the Las Vegas Strip has possibly suffered a setback, as Deutsche Bank has delivered a notice of loan default to the developer, 3700 Associates, according to Perini Building Co., Inc., the general contractor for the project. The project has been scheduled to be complete in December of 2009. Currently, Perini is in discussions with the developer and lender to facilitate an orderly continuation of construction on the resort. Construction is still moving forward at the moment, as Perini has been paid all costs that have been due. About \$1.4-billion worth of work remains.

Crescent adds three properties

Crescent Hotels and Resorts has added hotels in Atlanta, Orlando, FL; and Carteret, NJ, to its portfolio thus far in January. The three cover the luxury, upscale, and mid-price sectors. The luxury all-suite Georgian Terrace in Atlanta is a historic property built in 1911. The upscale Radisson Hotel in Carteret is near Newark Liberty International Airport, while the mid-price Baymont Inn and Suites is on International Drive in Orlando near to Walt Disney World.

Le Méridien's artistic merit takes next step at FL hotel

BY BRUCE SERLEN

SUNNY ISLES BEACH, FL— Le Méridien Hotels & Resorts' two-year effort to reposition itself as an art-driven brand took a major step forward in December when a site-specific art installation was unveiled at its 205-room hotel in this Miami suburb. New York-based artist Sam Samore created a permanent light and sound feature for the hotel's entrance, while Paris-based artist Fabien Verschaere created a temporary environment in the hotel's lobby level public spaces.

The event was timed to coincide with the increasingly popular Art Basel Miami, which brings artists and collectors to the city from around the world each December for exhibits and art-related performances.

The Le Méridien event, called "One Night Miami," followed similar art-inspired events organized by the brand in the past 14 months at Le Méridien hotels in San Francisco and Shanghai, China.

Yet Le Méridien Senior VP Eva Ziegler bristles at

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The new world of Web 2.0 HSMAT hones in on Internet's social media impact

BY BRUCE SERLEN

MCLEAN, VA— Heading into 2008, one of the areas Hospitality Sales & Marketing Association International (HSMAT) continues to focus on is the escalating power of the Internet. The hotel industry's Internet marketing efforts first concentrated on providing descriptive information and

then on creating powerful booking engines. But the battlefield today has shifted to getting the most mileage out of areas like social media and search engine optimization or what is now more commonly known as Web 2.0.

"All hotels and destinations need to be much more savvy about how they leverage the Internet as a marketing medium," said HSMAT's president and CEO, Robert Gilbert.

"Social media sites, *continued on page 42*



HSMAT President and CEO Robert Gilbert addressed changes in Internet marketing at a recent conference co-sponsored with the Caribbean Hotel Association.

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Joint SpringHill-Fairfield project gives Grove Street Orlando niche

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opportunity," said Stormont.

GSP, together with venture partner Ed Lee, LLC, came to the development deal via its relationship with Marriott International, which had purchased the land as a corporate investment. Ed Lee spent several decades with Marriott International in positions such as senior vp of Marriott operations for the southeast U.S. before retiring and has done other ventures with Stormont, who also worked at Marriott early in his 26-year hospitality career.

"We worked with Marriott to take assignment of their agreement with Anheuser-Busch Co. and buy the property, which we did," said Stormont.

GSP is developing the recently introduced Generation 4 SpringHill Suites, and as part of the campus strategy, there will be synergies between the two hotels. The properties will share a parking lot, a driveway, a swimming pool, a fitness center and a bar and grill area.

Engaging efficiencies

"I think it's a great concept in general," said Stormont. "It becomes, from a physical facility [standpoint], very efficient. Also operationally we'll have one management company (Marriott), the same security, human resources, accounting, administration, even sales and marketing. It's an efficient, lower-cost model than having two hotels with different brands even a half-mile away from each other."

While Stormont acknowledged there is some concern with hotel room supply in the Orlando area, he felt a lot of the full-service, "mega" properties will not have "as much" effect on a SpringHill Suites or Fairfield Inn.

"If somebody's family is looking to come to SeaWorld and they want a convenient, reasonably priced option, they're not going to go to some new Gaylord convention hotel or Hilton or the Hyatt. That's sort of a different world," asserted Stormont.

Even in terms of the Marriott brands selected for the site, he noted the maturing of the Orlando market, with its surfeit of brands, did not leave a lot of options. "Sometimes you've got to take what's left," he observed. "There's so many brands out there in the market and you take a company like Marriott; there's already a Residence Inn and

there's already a Courtyard bracketing this area. There's another Residence Inn going up by the convention center. There's a Renaissance right across the other side of SeaWorld. There's plenty of Marriott core brands in the market so really, it was a matter of infilling their brands into the Orlando market."

He also noted that the Renaissance spins off a lot of business from the convention center overflow to the nearby Hilton Garden Inn. With new siblings in town now, Stormont said, "We're going to pick up a lot of immediate business."

Although GSP has ownership of the Orlando project, Stormont

said they are not long-term holders. "We're not going to hold this," he said. "We're going to sell it for development profit."

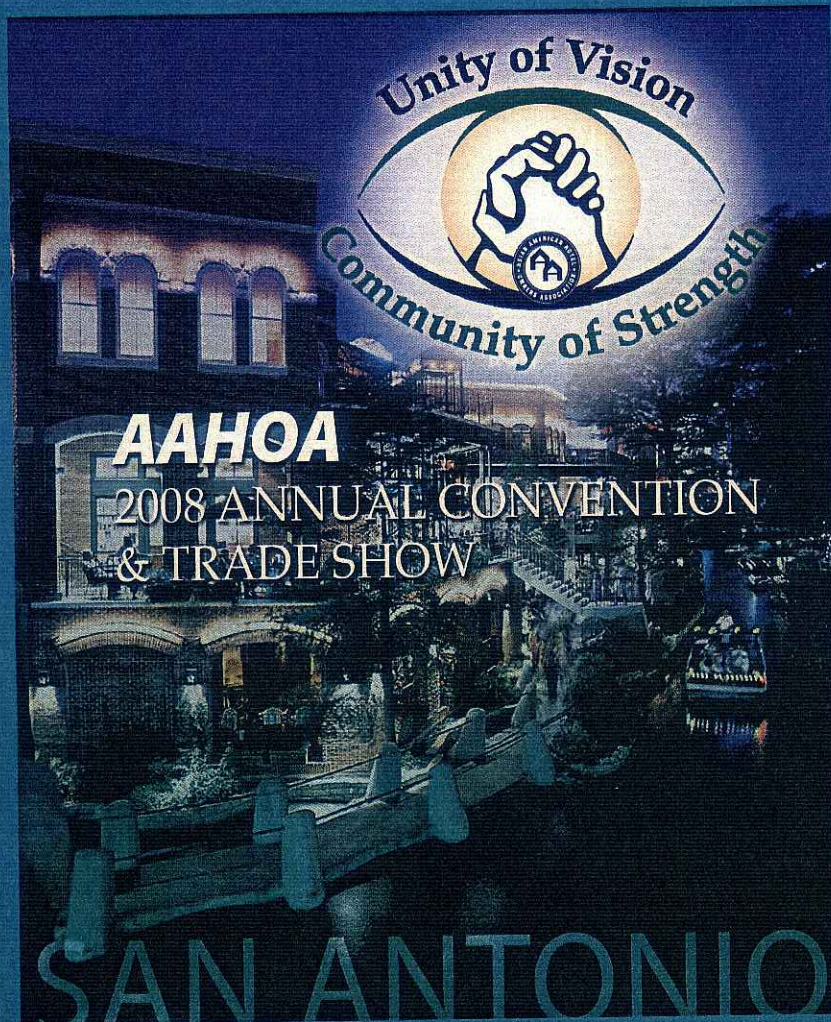
Grove Street is headed by partners Kevin Kern, Chip Groome and Stormont.

GSP also has other hotel projects under way: a 400-room

full-service hotel and a 150-room hotel on 28.8 acres that is part of a public/private partnership with the City of College Park in GA.

Additionally, GSP is planning a mixed-use project with office space and a 300-room hotel on land south of Atlanta's Cobb Energy Performing Arts Center. **HB**

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