

## Planned downtown hotel's upgrade to luxury brand may be coup for convention market, experts say

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In a major change for its project and a coup for Austin's convention market, the developer of a 1,003-room convention hotel set to rise on Congress Avenue says the hotel will be a JW Marriott a luxury brand that is a significant upgrade from the Marriott Marquis previously planned.

The change will give the 30-story hotel a higher profile and added cachet, industry experts say, and potentially catapult the city into an elevated tier for attracting convention business.

The developer, Indiana-based White Lodging Services Corp., was scheduled to announce the change today. It plans to break ground in June on the \$300 million hotel, which will be on Congress between Second and Third streets. Richard Suttle Jr., White Lodging's Austin attorney, said a site plan will be submitted to the city today.

The hotel is slated to open in January 2015. The Austin City Council approved waiving \$4.3 million in development fees for White Lodging to build the hotel.

"We believe this project will make a very positive statement for the city in the eyes of national meeting planners and, in turn, will induce more incremental group and convention business to downtown Austin," said Deno Yiankes, White Lodging's president and CEO of investments and development. "This will be anything but another 'cookie cutter' hotel."

Located two blocks from the convention center, the upscale JW brand will boost Austin into a new level in the national convention and meeting market, White Lodging officials and hotel industry experts said.

**"It says they look at this as a premium market, meriting a premium brand," said Randy McCaslin, vice president and practice leader for the Texas and Louisiana markets of PFK, a hospitality industry consulting firm.**

The JW name "will increase the quality of the groups" that will book convention business in Austin because it will link the Austin hotel to other JW Marriott properties, including JW Marriott resorts in San Antonio, Arizona and Florida.

"That name and premium puts it into a new category and raises the bar for this hotel," McCaslin said. "They're not going to give a JW Marriott brand to just any market."

JW Marriott is part of Marriott International's luxury portfolio and consists of properties in gateway cities and resort locations around the world.

The Austin hotel will feature oversize guest rooms and suites, upscale interior design finishes, more than 110,000 square feet of meeting, banquet and exhibition space, food and beverage venues, underground parking and a 4,500-square-foot fitness center. It will employ more than 750 people, bringing the headcount for White Lodging — Austin's largest hotelier with 21 existing properties — to more than 1,700 employees.

White Lodging opened the 340-room Westin Hotel at the Domain in March 2010 and broke ground in October on a 296-room Hyatt Place at Third and San Jacinto streets downtown.

**The JW Marriott convention hotel is expected to generate 2,500 construction jobs during its two-plus-year construction process.**

Mayor Lee Leffingwell has previously said that he would be willing to support the same fee waivers for another downtown convention hotel project that is being planned by Manchester Texas Financial Group at Cesar Chavez and Red River streets.

Leffingwell has been pressing for a second convention hotel, along with the existing 800-room Hilton Austin, saying more hotel rooms are needed to make full use of the expanded convention center and to help Austin attract more — and bigger — conventions.

McCaslin said that the number of hotel rooms that can be booked for convention activity "is pretty much at capacity until new hotel rooms are added."

Douglas Manchester, president of Manchester Texas Financial Group LLC, said in an email Tuesday that the project is moving forward.

"We have done our due diligence assembling a world-class team and are looking forward to breaking ground as scheduled by July of 2012," Manchester said.

Manchester's project calls for two hotels under one roof — one four-star hotel of about 30 stories and, above that, a smaller, luxury hotel. Both would be managed by the same operator, which Manchester has not yet announced.

Yiankes said White Lodging has had a "very positive" experience with the JW brand in Indianapolis, where it developed a 34-story JW Marriott that is considered the "crown jewel" among five Marriott hotels connected to the Indiana Convention Center, according to Marriott's website.

In addition, "the local community overwhelmingly showed support for the brand as it brings quite a bit of prestige with it in terms of unique design and quality," Yiankes said .

"So, as we got further into the architectural design and related upgrades from a traditional Marriott hotel, we felt the JW Marriott name would better reflect the upgraded design and exterior presence the hotel will offer."

White Lodging first announced plans for a convention hotel on Congress in 2006, envisioning three hotels with 1,000 rooms in all.

White Lodging shelved plans at the site in December 2008, when the economic downturn made it nearly impossible for developers to obtain financing for hotel and other projects and left others facing dramatically altered terms for projects where they already had commitments.

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(continue below)

**White Lodging's planned JW  
Marriott convention hotel**



**Manchester's planned  
convention hotel**

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Courtesy of JB Goodwin