

Mid-price hotel rising near Brickell in a high-end corridor

BY YUDISLAIDY FERNANDEZ

Longtime hotel developer Bernard Wolfson's latest project has finally taken off — a 221-room, mid-priced hotel near Brickell.

The under-construction Hampton Inn & Suites Brickell at 50 SW 12th St. is to encompass 221 guest rooms and 3,500 square feet for meetings, a 210-space parking garage and 10,800 square feet of retail.

When the hotel opens by October 2011, rates are to range from \$100 to \$220 per night depending on the season, said Mr. Wolfson, president of Miami-based Hospitality Operations.

The mid-priced hotel will fill a need in the Brickell area, he says, citing high-end hotels like the Conrad Miami and JW Marriott Hotel Miami on Brickell Avenue that cater to more affluent travelers.

"The corridor is missing a modestly-priced hotel," Mr. Wolfson said. "We designed the hotel to suit that market."

For that same reason he says he's not worried about the two upscale hotels that MDM Development Group is close to finishing in Wells Fargo Center, an office and hotel complex in downtown Miami.

The first-to-market JW Marriott Marquis Miami and Hotel Beaux Arts Miami are to open in October with 80,000 square feet of conference and meeting facilities.

Mr. Wolfson's hotel is to service business, international and leisure travelers.

"We are going to be within walking distance of 6 million square feet of offices," he said.

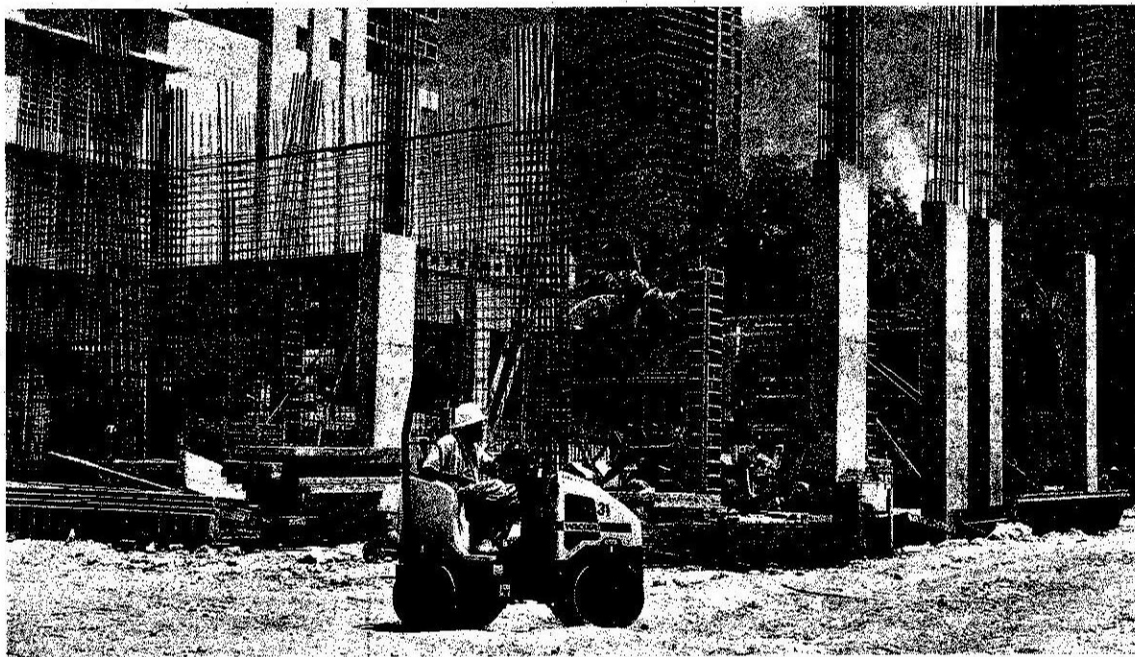


Photo by Maxine Usdan

Construction continues at 221-room Hampton Inn & Suites Brickell that is due to open in October 2011.

"We are going to be catering to the Brickell corridor."

This Hampton Inn occupies a unique spot in the Brickell market because of the lower rates it's to offer guests and the little competition it has, said Guy Trusty, a hospitality consultant.

"A lot of people come to Brickell because of the commerce and banks and not everybody can afford to stay at the Four Seasons," said Mr. Trusty, president of Lodging & Hospitality Realty.

In these challenging times, business travelers looking to stay three or more days don't want to pay too much for hotel accommodations, he said.

Fifty-one-year-old Hospitality Operations is the general partner of four other Hampton Inns: in Coconut Grove, near Miami International Airport, in Pembroke Pines and in Fort Lauderdale.

"The guest list at this hotel will be very similar to our other two locations" in Miami-Dade, Mr. Wolfson said. "We know the market. We know what people expect."

The 15-story hotel, with amenities such as a lobby bar, pool, gym and business center, is to create new jobs in the area once it opens, hiring 135 full-time employees.

And by year's end, Mr. Wolfson plans to begin marketing the 10,800 square feet of retail.

"We might put one or two restaurants... We'll approach restaurateurs or other users who might want to come to the neighborhood," he said.

Development is to cost \$36 million, including \$18 million in hard costs, \$8 million in soft costs and financing, \$6.06 million for the land and \$3.94 mil-

lion in furniture and equipment.

Mr. Wolfson hopes to close on an \$18 million construction loan from Wells Fargo Bank at month's end. Another \$5 million subordinated loan has been secured and the rest is made up of investor equity.

Hotel construction began in May — making it the only hotel being built in the Brickell area today.

John Moriarty & Associates of Florida is general contractor for the project, designed by Architect Israel Bigelman.

Sixty to 70 construction workers on-site are putting together the steel bars, Mr. Wolfson said, and pouring concrete for the columns.

About 350 people, he added, are to be involved in building the hotel, for which he's seeking silver-level certification in Leadership in Energy and Environ-

mental Design.

Originally, Mr. Wolfson had plans to build Brickell View, a 277-unit condominium, on the parcel, which he bought in late 2007 for \$6.06 million. But in 2008, seeing all the condo inventory coming online, he scrapped the condo high-rise and opted to build a modest-sized hotel.

By delaying its start, he said, he was able to take an advantage of lower construction costs, which dropped to \$18 million from a projected \$35 million.

Once completed, the hotel is estimated to generate \$713,000 annually in property tax revenues and \$1 million in hotel occupancy taxes and other fees.

Two other hotel projects planned nearby are the Hilton Garden Inn proposed on the south side of the Publix at 134 SW 13th St. and an Embassy Suites south of Mary Brickell Village, but neither is approaching construction, said Mr. Trusty, the hotel consultant.

These three projects could have been built a long time ago, because the downtown and Brickell areas have a demand for mid-priced hotels, Mr. Trusty said, but land prices were so high because of demand from condo developers that it didn't make economic sense for a hotel builder.

But that's not the case now.

Mr. Wolfson is building at the right time and the hotel is to be delivered well into the economic recovery, Mr. Trusty said.

"His advantage right now is that he's not competing with anybody," Mr. Trusty said. "Even though he's aware of all these other projects, he's the first one on the ground."