

W HOTEL SET FOR DOWNTOWN

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More hotel rooms. More condominiums. [Starwood Hotels & Resorts Worldwide Inc.](#) has joined the list of developers hoping to seize the momentum in downtown Atlanta's burgeoning residential and hotel markets.

Starwood (NYSE: HOT) signed a letter of intent earlier this month to build a 250-room [W Hotel](#), its urban boutique hotel, along with 75 luxury condominiums at Barry Real Estate Cos.' 45 Allen Plaza, part of the larger Allen Plaza complex.

It will follow the construction of nearby [TWELVE Centennial Hotel](#) and Residences, the second TWELVE concept from Atlanta developer Novare Group.

Novare plans to break ground this month on the first phase of TWELVE, which will include a tower for 517 condo units and a second tower for 102 hotel rooms. A second phase would include a second condo tower to mirror the first.

The two hotel/condo projects -- TWELVE and W -- are less than a block apart on the north end of Centennial Olympic Park. At the south end of the park, the [Glenn Boutique Hotel](#) is renovating a building at the corner of Marietta and Spring streets for 110 rooms.

A Barry Real Estate executive declined to comment about plans for the W. But Dan Graveline, executive director of the nearby [Georgia World Congress Center](#), is excited to see downtown growing again.

"We'd love to see those and 300 more," Graveline said. "We can use all the hotels they can build. More hotels, more variety."



Graveline notes that the proposed hotel rooms are "not a huge change in our total inventory," which is about 12,000 rooms.

"It certainly enhances the inventory but it doesn't add too much," he said.

There are five hotels in the convention market with more than 1,000 rooms: Marriott Marquis, 1,674; Westin Peachtree, 1,068; Hyatt Regency, 1,260; Hilton Atlanta, 1,224; and Omni Hotel, 1,067. The Sheraton Atlanta is also a significant player in the convention market with 760 rooms.

What the new players will offer is a better mix for visitors. The smaller hotels will offer unique services and various price points.

The W Hotel will target a wealthier crowd than TWELVE, for both its hotels and condos.

The target point for the condos will be \$375-\$425 per square foot. Residents will share a lobby and hotel services with the W.

TWELVE will split the lobbies, providing a private entrance for residents. The hotel will offer condominium-style suites with kitchens in each room.

Jim Veil, president of TWELVE, said he's excited about the development boom in downtown and welcomes the W to the neighborhood.

"It shows there is continued faith and confidence in that residential real estate market," Veil said.

There's currently more than \$1 billion being spent on new investment within a five-block stretch along Ivan Allen Boulevard, including the two hotel/condo projects.

At least \$200 million of that amount is for the construction of the Georgia Aquarium. The bulk of the money is for the construction of Allen Plaza, which sits on a high-profile three-block tract of land northeast of Centennial Olympic Park bounded by the Interstate 75/85 Downtown Connector, West Peachtree Place, and West Peachtree and Williams streets.

Once complete, Allen Plaza is expected to have more than 1.1 million square feet of office space in addition to the hotel and condo component.

More than 525,000 square feet is currently under construction. Southern Co.'s 30 Allen Plaza is scheduled for a January delivery while Ernst & Young's 55 Allen Plaza is scheduled for delivery in spring 2007.

Although Barry Real Estate's Allen Plaza has been an unequivocal success, at least one building in the complex has been more difficult to get off the ground than expected.

Barry hoped to land a prelease lead tenant for 50 Allen Plaza in time to start construction this summer with an anticipated delivery in spring

2007. That tenant has yet to materialize and the largest of the buildings -- with 550,000 square feet -- remains a rendering on the drawing board.

Sid Narang, the senior director for acquisitions and development for Starwood Hotel's W brand, said the company is in conversations on several sites in Atlanta.

"From a market standpoint, Atlanta is important to the brand group," Narang said.

Downtown may mark the third site for a W Hotel in Atlanta.

Starwood put one of its first W test properties in Atlanta's Perimeter area in 1999.

White Plains, N.Y.-based Starwood also has plans to build a 225-room W Hotel at the site of the old Lenox Inn, which was demolished in fall 2003. Starwood owns the 3.6-acre property at 3387 Lenox Road and initially intended to start construction in 2004.

-- Staff writer Rachel Tobin Ramos contributed to this report.

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