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### Time seems ripe for a Denver Ritz

#### Partners in talks to rebadge downtown Embassy Suites

By John Rebchook, Rocky Mountain News

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Downtown Denver may be putting on the Ritz.

A team of Denver developers and oilmen, including two of the owners of the JW Marriott in Cherry Creek, are negotiating to convert the Embassy Suites Hotel in the Denver Place Tower Plaza into downtown's first Ritz-Carlton Hotel, several sources say.

Real estate circles have been buzzing about plans to bring the Ritz to Denver since a partnership led by Charlie Biederman, Steve Roitman and Jim Cobb bought the Embassy Suites Hotel complex about a month ago. Records indicate they paid about \$77.75 million for the 367-suite hotel at 1881 Curtis St., the 193-unit Apartments at Denver Place above the hotel and the 50,000-square-foot Athletic Club at Denver Place.

In addition to the Ritz conversion, the three are expected to sell the apartments. A new owner likely would convert some or all of them into condominiums, sources said. The apartments could rent for as much as \$3,525 a month. Prices have not been set for the condos, but experts estimate they would fetch close to \$400 per square foot.

Biederman is a longtime developer and hotel operator. Cobb, formerly a real estate investment banker with LJ Melody, recently joined oilman Roitman's Denver company, BWAB Inc.

"Ritz-Carlton is a prestigious brand," said John Montgomery, president of Horwath Hospitality Consulting/Montgomery & Associates. "Getting a Ritz sends a signal that your city or community has sort of reached a certain status; it sends a message that your downtown or community has really arrived."

The Ritz is among about a half-dozen hotel developments either under way or planned that ultimately would bring about 1,800 new hotel rooms downtown.

"I think Denver is ready for this new wave of hotels, with the occupancies and room rates rising," Montgomery said. "I wasn't convinced the time was right five or 10 years ago."

Over the past dozen years or so, various developers have unsuccessfully tried to bring a Ritz-Carlton to downtown, Montgomery said, including a proposal for a 500-room Ritz. Montgomery said that at the time he advised the client that 500 rooms was too big for the market.

Under Biederman's plan, the number of hotel rooms downtown actually would decrease, according to sources. The current Ritz-Carlton is expected to have fewer rooms, but they would be bigger and more lavish than those at the Embassy Suites, although details are still being worked out.

"I think Charlie is going to be able to do this because of his relationship with Marriott," said one real estate official. "But he wants to make sure he has all of his T's crossed and I's dotted before he announces it. Until the ink is dry on a contract, there's no deal."



Rick Giase © Special to the News

Talks reportedly are under way for a deal in which the new owners of the the Embassy Suites at 1881 Curtis St. would convert the hotel into a Ritz-Carlton Hotel. A portion of the building could be sold as condos.

Biederman, in about a half-dozen conversations with the *Rocky Mountain News* since the Embassy Suites purchase, has emphasized that he has no deal with Ritz-Carlton or any other hotel operator.

"It may not happen," Biederman cautioned Thursday afternoon. "We're talking to several companies, and none of them are firm."

Vivian Deuschl, spokeswoman for the Ritz-Carlton Hotel Co., based in Chevy Chase, Md., on Thursday said: "At this point, there is no signed contract. From our standpoint, until something is signed, it is not a done deal. That does not mean it will not happen."

Asked if she knew if Ritz was in negotiations with Biederman, she said she had not heard that but added she is often not privy to that type of information.

"We talk to people all of the time," she said. "It's entirely possible we're talking to people and I'm not aware of it. But I do not want to say that it is not happening. I'm just saying until we have a signed contract, it is not a deal."

People aware of the talks said if Biederman is able to bring a Ritz downtown, the building will undergo a massive renovation that would include new ballrooms and restaurants.

It's expected that it would cost at least \$250,000 per room to meet the Ritz-Carlton standards.

Jeff Selby, who plans to develop a 230-room Four Seasons that would include 140 private residences, declined to comment on Thursday.

The real estate community is divided on whether the Ritz-Carlton would mean the death of the Four Seasons, proposed to be built on a parking lot at 14th and Arapahoe streets across from the Hotel Teatro.

But Byron Koste, director of the CU Real Estate Center in Boulder, said that a Ritz downtown wouldn't affect the planned Four Seasons.

"Both Ritz and Four Seasons have been sniffing around a number of sites in downtown for the past four years, including the Tabor II tower, vacant sites along 14th Street and just about every old high-rise and semi-high-rise building downtown," Koste said.

Koste said he thinks that the Four Seasons site is better for an upscale hotel than the Embassy Suites because of its proximity to the Denver Performing Arts Complex and lower downtown.

He said that there is room in downtown for both upscale hotels.

"There are very few markets that are so small that it has to be one or the other," Koste said. "In fact, they like to have (each other) in town. All of a sudden you have two five-star hotels."

Hotel consultant Montgomery agreed.

"The Four Seasons would be more of a condo project with a hotel, while the Ritz sounds more like a hotel with condos," Montgomery said. "And condos over a hotel like a Ritz-Carlton or a Four Seasons would carry a very significant markup. By being in the same building as a first-class hotel, and having all the amenities like room service available, is a very powerful selling tool."

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