

Developers respond to idea for downtown Denver hotel

Project proposed near convention center

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Another hotel is being planned near the Colorado Convention Center.

Denver-based **Focus Property Group** wants to build a 22-story hotel on what's now a surface parking lot at 14th and Stout streets, across from the convention center.

The surface lot would be replaced by a seven-story, above-ground parking garage with 7,500 square feet of retail on the first level, making the entire structure 29 stories.

Focus Property Group owns the 25,000-square-foot surface lot and has hired Hospitality Real Estate Consultants (HREC) to find a developer to build the 400-room, \$100 million upscale hotel.

Roughly 50 developers, 12 of them Colorado-based, responded to an HREC request for proposals issued last month. A developer will be chosen in the next couple of months.

Focus will co-develop the property, owning the retail and garage portion of the project, and the chosen developer will find financing for the hotel portion, which will include 12,000 square feet of meeting space, said Bahman Shafa, Focus president.

"We have done a market study and there is a pent-up demand for downtown hotels, especially by the convention center," Shafa said.

In 2007, the average room rate for downtown Denver hotels was \$157.46, with 70 percent occupancy, according to the Colorado Hotel and Lodging Association.

The groundbreaking is scheduled for early 2009, and developers hope to open the hotel in late 2011.

"The proximity of this site is becoming more of an entry to the city," said Larry Kaplan, Englewood-based HREC vice president, noting that it's the gateway to downtown Denver from Interstate 25.

The parcel is located in the growing Denver Theater District, along 14th Street from Lawrence Street to Colfax Avenue.

City and downtown promoters envision it to be the "Times Square of Denver" with lit-up signs and video billboards that would occupy sides of buildings.

"Fourteenth Street is going to be one of the biggest streets in the city for out-of-town visitors," said Rich Grant, spokesman for the Denver Metro Convention and Visitors Bureau. "You're really only a couple of blocks from Larimer Square in LoDo."

The 1,100-room, \$355 million Hyatt Regency Denver at Colorado Convention Center opened in December

2005 at 650 15th St. It's the second-largest hotel in the metro area.

Grant also said recent development -- nearby hotels, condo projects and restaurants -- along 14th Street makes the project attractive.

Recent projects along 14th Street include:

- The Curtis Hotel -- a redevelopment of the old Executive Tower Inn -- opened in January 2007 at 1405 Curtis St. The pop-culture hotel has 336 rooms, 19,000 square feet of meeting space and a new ground-level restaurant called the Corner Office. Sage Hospitality LLC owns and operates it.
- Ground broke last September on a 45-story, 230-room and 102-condo Four Seasons Hotel & Residences at 14th and Arapahoe streets. The \$350 million project is being built to meet five-star, five-diamond standards -- a move that its developers, Jeff Selby and Michael Brennehan, say will boost the city's reputation.
- Two blocks away, a 41-story, \$175 million condo project called Spire is under construction at the corner of 14th and Champa streets.
- The Hilton Garden Inn-Denver Downtown at 14th and Welton streets opened last July. Englewood-based Stonebridge Cos. owns the 221-room, \$35 million hotel.
- The Oceanaire Seafood Room at 14th and Arapahoe streets opened July 10, 2007.

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