

Local hospitality group buys Hotel Indigo downtown

➔ **SUBSCRIBER CONTENT:**

Nov 27, 2017, 5:23pm CST **Updated: Nov 29, 2017, 9:07am CST**

Boerne-based Phoenix Hospitality Group has closed on its purchase of the Hotel Indigo San Antonio-Riverwalk.

PHG partnered with 2GR Equity to buy the three-story, 149-room property for \$16.1 million from LNR Partners, LLC. The property is now the fourth hotel that PHG owns and manages in Greater San Antonio and its second asset downtown. The company also owns the Hilton Garden Inn in Live Oak, the downtown San Antonio Doubletree by Hilton and manages the Doubletree Suites in McAllen and the Embassy Suites San Antonio at Brooks.

For Phoenix Hospitality Group's CEO [Ed McClure](#), the purchase has been a long time coming.

"We have eyed this Hotel Indigo Riverwalk property since 2008, but the former owners were not open to PHG managing it, which was a deal breaker for us," said McClure. "It then went into receivership in 2012, and when it went on the market early this year, I put in a bid. Even though we weren't the highest bid, we were selected this past August, based on our successful track record in closing deals and turning similar properties around."

As with most of PHG's acquisitions, McClure considered rebranding the Hotel Indigo before eventually deciding against it.

"When PHG takes over a hotel, one of the first considerations is whether to change the hotel affiliation," said McClure. "In the case of Hotel Indigo Riverwalk, after exhaustive research including overnight stays at other Indigo hotels in Texas, we decided that InterContinental Hotels Group and the Indigo brand were an excellent fit for this distinctive property."

Now that the hotel has changed hands, McClure says his firm will put about \$5 million back into the property for various upgrades on guest rooms, public areas, its riverfront patio, pool area and food and beverage outlets, including new concepts for the restaurant and bar.

McClure also expressed interest in opening up the bar, restaurant and patio area for the public, especially for those who venture past the hotel's River Walk entrance. McClure even wants to change the hotel's theme to reflect its proximity to the downtown art corridor, though planning is still in its very early stages.

Renovations on the project will be done by [Alamo System Industries, LLC](#), a firm PHG has worked with on a few other projects. The architect will be Ignacio Aliaga of a+b architecture. McClure says renovations to the restaurant, bar and patio will happen first and could potentially be done by the time the Final Four rolls around in late March. The rest of the hotel won't begin its renovations until August.

Since 1987, Phoenix Hospitality Group has made a name for itself by taking under-performing properties and turning them around, especially properties within downtown San Antonio. Some of these notable projects include the complete renovation and rebranding of the El Tropicano Hotel into the Holiday Inn Riverwalk North and then Sheraton Four Points, the operations and culinary rebranding of the Havana Hotel, and the repositioning and resurgence of the Sheraton Gunter Hotel.



PHOENIX HOSPITALITY GROUP

Boerne-based Phoenix Hospitality Group has closed on its acquisition of the Hotel Indigo San Antonio-Riverwalk, and hopes to bring reposition the property as one of the finer hotels in Downtown San Antonio.