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San Antonio hotels getting makeovers

Madison Iszler | Feb. 20, 2020 | Updated: Feb. 20, 2020 2:32 p.m.



Ian McClure, director of development at Phoenix Hospitality Group, stands outside the future bar and lounge area at Hotel Indigo.

Photo: Josie Norris /Staff Photographer

At Hotel Indigo on North St. Mary's Street, the owner is giving the property a modern sheen — refurbishing rooms, putting in a new installing a flashy 3D wall in the lobby.

The nearby El Tropicano hotel is also undergoing renovations to restore its midcentury luster. The creators of the 1962 hotel were : resorts in Acapulco, Mexico.



Phoenix Hospitality Group is renovating Hotel Indigo and El Tropicano.
Photo: Josie Norris /Staff Photographer

The property is getting “almost a total gut,” with fresh rooms, a redone pool area, a restaurant and bar, a spa with a salt cave and other amenities. McClure, director of development at Phoenix Hospitality Group.

At the hotels, both owned by Phoenix, the focus is on expanding food and drink options and opening up the buildings to the outdoors. The project cost around \$40 million, McClure said.

Ed McClure | Texas Power Brokers Successful San Antonio hotelier says it's all about the deal
Video: San Antonio Express-News

"I'd rather you want to stay here than go on the River Walk," he said.

Near San Antonio International Airport, a shuttered Holiday Inn is undergoing a \$36 million redevelopment to become a Marriott hotel led by the Bricton Group and the Gettys Group bought the property last year.

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"San Antonio's a dynamic, growing market," said Ed Doherty, Bricton's president. "We're very bullish on this city."

The group is "taking it down to the studs and starting over," Doherty said. When finished in November, the hotel will have refashioned space and other amenities.

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"This is probably about as expensive as you can get," he said.

Aging buildings need to be updated periodically, but the renovations underway at a spate of San Antonio hotels also reflect traveler expectations, said Paul Vaughn, senior vice president at local hotel consulting firm Source Strategies.

"The hotel visitor of today has different expectations than the visitor of 20 years ago," he said.

Customers want free Wi-Fi, better food options and surroundings that reflects the local area. They also want to be able to check in using their phone.

“Everybody has a smart phone now and wants to be able to leverage it,” Vaughn said.

With any renovation, design and technology are “just your entry point,” said Terry Dammeyer, president and CEO of investments at White Lodging.

The Merrillville, Ind.-based company bought the Marriott Plaza hotel on South Alamo Street last year, and is planning an “extensive renovation to begin this summer. It’s also proposed building a new hotel with a rooftop bar nearby.”



White Lodging wants to build a 9-story, 275 room hotel with a rooftop bar on South Alamo Street.
Photo: Courtesy of HKS Architects

“That may have differentiated you before, but guests expect — and deserve — that and so much more,” Dammeyer said. “They expect service and food that connect people and create stories they can tell while traveling, on social media and after they return home.”

A multimillion-dollar renovation of the Marriott Rivercenter hotel is nearly finished, a spokesperson said. The work includes redoing meeting space, a restaurant and cafe.

At the Courtyard by Marriott on South Santa Rosa Avenue, guest rooms will be redone, the hotel’s entrance redesigned and a Jacuzzi, exercise space. Linens, furniture and other room furnishings typically have a life span of five to seven years, said Trey Whiddon, the manager.

“It’s very important to keep current and fresh,” he said. “We don’t sell a tangible item, we sell an experience.”

The investments also signal companies’ confidence in the San Antonio market.

Revenue per available room, or REVPAR — a key measurement of hotels’ performance — was \$77.25 in the third quarter, up \$2.44 from last year, according to Source Strategies. Local hotels generated about \$363 million in revenue, up from \$342 million, and occupancy stood at 85 percent.

While other metrics aren’t “blowing doors off,” the area’s consistently high REVPAR is appealing to developers and owners, Vaughn said.

Along with existing properties getting overhauls, a number of new hotels are in the works in the San Antonio area.



Work continues Thursday, Jan. 24, 2019 on the Arts Residences at the Thompson building, left, at 123 Lexington Ave in downtown San Antonio. Development firm DC Partners is from a \$10 million incentive package from the Center City Housing Incentive Policy, a program that gives developers property tax rebates and construction loans to build housing policy was a key component of Julian Castro's "Decade of Downtown."

Photo: William Luther, Staff Photographer / San Antonio Express-News

Construction of The Arts Residences at the Thompson San Antonio, which will include luxury condominiums and hotel rooms, is expected to start in the second quarter. The high-rise, developed by Houston firm DC Partners, is between El Tropicano and Hotel Indigo.

The Canopy by Hilton hotel on East Commerce Street is expected to open this year, and Winston Hotels is turning the Riverview Tower on Soledad Street into a dual-branded AC Hotel by Marriott and Element Hotel by Westin.

Local developer GrayStreet Partners is planning a 20-story hotel and office tower on Broadway near the Pearl, and luxury chain Waldorf Astoria is planning a location in the building.

Most recently, New York-based Dream Hotel Group announced plans to open a boutique hotel along the River Walk, though the company hasn't announced who's developing it or where it will be.

"We're seeing some nice higher-end products coming in," Vaughn said. "You look at the success of Hotel Emma (at the Pearl), and it's exciting for our imaginations."

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