

ST. LOUIS **BUSINESS** JOURNAL

EXCLUSIVE REPORTS

From the April 22, 2005 print edition

Marriott Downtown for sale

[Heather Cole](#)

The 680-room St. Louis [Marriott Downtown](#) is likely to sell in the next few months, with St. Louis hotel operator [Lodging Hospitality Management](#) on the list of prospective buyers.

[Cornerstone Real Estate Advisers](#), a subsidiary of the hotel's owner, [Massachusetts Mutual Life Insurance Co.](#), has the property on the sale block for about \$25 million. Ben Matanga, vice president with Cornerstone, said he expected a sale within the next 90 to 180 days. He declined to name possible purchasers.

Bob O'Loughlin, president of Lodging Hospitality Management (LHM), said he had a preliminary conversation with the owner of the hotel, but declined to comment further on talks.

O'Loughlin is teaming up with developer McGowan|Walsh Historic Renovators on the purchase of a neighboring building, the two-story former Mark Twain Bank building at 620 Market St. Ownership of the hotel could tie in with the plans for the 620 Market building, which call for leasing the street level to Mike Shannon's restaurant, O'Loughlin said.

LHM is the only local hotel owner taking a serious look at the St. Louis Marriott Downtown, according to hotel industry sources, even though the asking price is a bargain at a little more than half what it cost developer Don Breckenridge to build the Marriott Pavilion Hotel, as it was called, in 1976.

Breckenridge Hotels Corp. was among those who looked at the building, but decided against making a bid, Breckenridge said. "There was too much work to be done."

The Marriott Downtown started a \$17 million renovation project in 2003. A new owner would need to invest between \$5 million and \$10 million, Matanga said. The new owner also would determine whether the hotel remained a Marriott. The Marriott Downtown's general manager, Dan Gustafson, said it was too early to tell whether to expect changes, because the owner still had to find the right buyer.

A name change could benefit the Marriott-operated Renaissance Grand and Suites convention center hotel a few blocks away, because Marriott's reservation system could concentrate on that hotel instead of splitting reservations between the two, Breckenridge said. "I'd love to see a name change, and have Marriott concentrate on the Renaissance. A lot of

people, including the city, have a lot invested in the Renaissance, and it's incumbent on them to see that it works."

Between the two hotels, there are too many rooms downtown for Marriott's reservations system to support, said Gary Andreas, hotel consultant and president of H & H Financial Group. Currently, Marriott's system is throwing support to the 1,056-room Renaissance, which is hurting the Marriott Downtown. In turn, the Marriott Downtown is lowering rates for groups, which is pushing down rates for the market, he said.

Massachusetts Mutual acquired the former Marriott Pavilion in 2002 when Host Marriott Corp., a real estate company, handed the title over to the lender.

hcole@bizjournals.com

© 2005 American City Business Journals Inc.