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Rising to the Top Hilton names UrbanAmerica as its Developer of the Year.

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Looking back, the \$35 million renovation of the Doubletree Resort Orlando – International Drive has been nothing short of successful, culminating in owner UrbanAmerica being rewarded with Hilton’s Developer of the Year honor.

But achieving that success was a complicated road, as financing and other factors threatened to derail the project.

“One of the challenges we had with the property was that the owners had given up on the property, the staff had given up on the property, and even the convention bureau had given up,” UrbanAmerica President and CEO Richmond McCoy said. “We didn’t realize how bad the reputation of the asset was. We not only rehabilitated the property, we rehabilitated the image. We’re high up on everybody’s radar now.”



Rooms, after renovation.

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The hotel is the largest property in Doubletree’s global portfolio, comprising 1,094 rooms in multiple buildings on the 28-acre site.

UrbanAmerica bought the hotel in 2006. At the time, the hotel carried a Sheraton flag and McCoy said the previous owner had “come to the end of the lifecycle of the investment.” The most recent renovation had been four years earlier, so UrbanAmerica started planning a new renovation soon after acquiring the hotel. At that time, the concept was to convert the property into a condo-hotel.

“We renovated 100 rooms to show prospective buyers what the quality of product would look like,” McCoy said. “We were making good traction, then the debt market evaporated.”



UrbanAmerica President and CEO

The new economic reality prompted McCoy’s team to abandon the condo-hotel concept and proceed with a straightforward renovation into a three- or four-star flagged asset.

The financial difficulties continued when the bank that provided the construction loan was seized by the Federal Reserve.

“We had to convince them we had a bona fide property, we had a plan and a budget, and we would be able to achieve the ultimate objective in an environment that was spiraling downward,” McCoy said. “Based on our team and our plan, we got them comfortable to leave the loan in place. It was a lot of handholding.”

Richmond McCoy

The property continued to operate throughout the renovation, and the project finished in May 2009.

The honor from Hilton came this summer. Hilton Worldwide selects its annual Developer of the Year from all projects that open in a given year across its full brand portfolio. Hilton Worldwide presented the award during the National Association of Black Hotel Owners Operators and Developers International African American Hotel Ownership and Investment Summit in Miami.

McCoy gave Hotel Interactive a “before and after” look at several key components to the renovation.

Rooms

Considering the colors, finishes and lighting fixtures, McCoy described the property’s design as circa 1990. Nothing separated it from other hotels in the Orlando market.

“We decided we wanted to do something cutting edge and something that would be a style that people would appreciate for three to ten years,” he said. The team selected a Balinese-inspired theme with contemporary, dark wood furnishings and Indonesian design accents.

“When people come into the resort, they don’t feel like they are in Orlando or at a hotel,” he said. “They get the feeling of, ‘I’m at a resort property.’”

Food & Beverage

“That would go back to 1975,” McCoy said of the main on-site restaurant. “You walked in and were waiting for John Travolta to come out. That was the theme. It was very dated and dark with a lot of old-looking colors.”

What the restaurant did have was a lot of space on two levels. Now it’s separated into a high-end dining area primarily for adults and a separate area for families. The hotel also has outdoor dining options and an ice cream shop.

“We changed chef and changed menu to reflect the dining requirements of our guests,” he said. “Our revenues have gone up in a very significant way.”

Pool

With three pools spread over the 28-acre property, there was an opportunity to create unique identities for each. The pool situated near the nine-hole miniature golf course was designated for families. It has a shallower depth and seating for families. The pool closest to the lobby has a faster pace, with a bar and separate music. The third pool, on the opposite end of the property, is a peaceful area intended for sunbathing and reading. Guests are discouraged from using their cell phones.

Spa

The hotel already had a day spa when UrbanAmerica acquired the property, and McCoy said it’s being used by guests of the hotel as well as local Orlando residents. “It was not a Doubletree requirement, but it was something we had at the property,” he said. “It’s a great amenity and close to the health club that we put in with modern equipment.”

Initially, McCoy said his team had planned for a return “north of 20 percent” on the equity investment on the renovation. “We have reduced our expectations on that to something lower – low- to mid-teens -- which will be quite acceptable in this environment.”

Occupancy is at 68 percent, which McCoy reports is a 47 percent improvement year over year. The average

rate is \$77, which is up 36 percent over last year. He said the hotel is performing well in its comp set, and Orlando as a market is improving.

"We're committed to quality," he said. "Now it's showing up in the numbers."

The Doubletree also is taking advantage of its inherent assets. It's located adjacent to SeaWorld and its new Aquatica water park, and it has become one of SeaWorld's partner hotels. As a minority-controlled real estate private equity firm, UrbanAmerica is able to market the property as a minority-owned asset.

"What's awesome about the property is we can sell it to a number of different groups and users," he said. "Because of the amount of land we have, corporate users can be in the tower and have the ballrooms. But some of the more price-sensitive guests may be more comfortable in lower buildings. It gives us a lot of flexibility in meeting various customer needs.

"The guest response has been excellent," McCoy continued. "This is a peaceful place, way beyond our expectations."

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Bio: Beth Kormanik is managing editor of Buyer Interactive and editor of Hotel Interactive. She previously covered politics, government and higher education for the Florida Times-Union in Jacksonville, Fla. While at the Times-Union she won several state and regional awards, including the 2008 Freedom of Information award from the Florida Society of News Editors and the top honor in the 2007 Florida Bar media awards for large newspapers. Beth also was a ... [more](#)