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# Miami Beach's Seville Hotel gets a rebirth

Under Ian Schrager's direction, the now-closed 12-story Seville Hotel in Miami Beach would become a luxury Marriott boutique property.

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Ian Schrager, the celebrity hotelier who invigorated South Beach with his launch of the Delano hotel 15 years ago, is coming back to the beach.

Through a partnership with Marriott, Schrager is set to turn the shuttered 12-story Seville Beach Hotel into a boutique property under the new Edition brand.

The new venture, confirmed Thursday by Marriott, is just the second announced U.S. location under the new brand. The first is scheduled to open this fall in Honolulu.

Marriott spokesman John Wolf said the South Florida hotel, which sits on nearly three acres of beachfront property at 2901 Collins Ave., is expected to open in three years after significant renovations.

"Edition has tremendous growth potential and this hotel will be a flagship to showcase the brand," said Marriott International CFO Carl Berquist in a conference call with investors.

Thursday's announcement adds a new whiff of hip to the Beach scene, still basking in the glow of basketball star LeBron James' decision last week to call the area home. And it comes at a time when few comparable projects are on the horizon.

Schrager left Miami Beach a few years ago with the sale of his interest in the Morgans Hotel Group.

In recent years, Schrager has focused on luxury residences and a hotel in New York City and on the creating the Edition brand, aimed at sophisticated travelers.

His return to the beach is being heralded as a renewal after a tough patch for South Beach hotels, with several high-profile properties stressed by the economy.

"The Delano has the vibe or whatever . . . and Schrager was the marketing genius behind it," said Scott Brush, an independent hotel consultant based in Miami-Dade. "With him

involved with this, I don't think there's any way that it won't be successful."

Some of Miami Beach's hottest hotels, the W and the Gansevoort, are several blocks south of the Seville; the Fontainebleau Resort lies 15 blocks north. The action between is subdued.

"For locals, this was an area that you avoided," said Peter Zalewski, a principal at real estate consultancy Condo Vultures. "Or if you drove through it, you went really fast."

He wondered how easy it would be to translate a massive older resort into "boutique chicness," but called Marriott a pioneer for moving into the area.

"This is a tremendous economic boost," he said. "It's going to fill in the gap between south of Fifth and the Fontainebleau. This is the piece that's necessary to bridge."

The 278,547-square-foot Seville, built in 1955, previously attempted a comeback. In 2005, developers announced plans to turn it into a condo and fractional ownership complex with the Ritz-Carlton name, despite three Ritz-Carlton properties already in the area. Marriott owns the Ritz-Carlton brand.

Part of the old property would have been knocked down to make room for two 21-story towers, but the project couldn't get off the ground as lenders balked in an unfriendly credit market.

Marriott acquired the property recently in a \$57.5 million short sale from owner 2901 Beach Ventures, a partnership between Lionstone Group -- led by Alfredo Lowenstein -- and Fortune International Management, records show. That's nearly \$10 million less than a foreclosure lawsuit that had been filed on the property, which has since been dismissed.

Marriott does not expect to be the property's long-term owner, Berquist said Thursday in a conference call for investors.

Marriott owns few properties that bear its name, instead franchising or managing hotels for owners under long-term contracts.

Marriott's portfolio includes the luxury brand Ritz-Carlton, the upscale JW Marriott, "quality" brands including Marriott and Renaissance and moderate hotels Courtyard by Marriott and Fairfield Inn by Marriott. In addition to Edition, it also recently created the Autograph Collection, currently featuring 10 hotels with an individualistic ambience.

Edition seeks to set itself apart by creating individualized hotels in busy markets that reflect the cultures of their surroundings with an emphasis on sophistication and service. Other planned Edition locations include Mexico City, Bangkok, Istanbul and Barcelona.

Schrager and Marriott announced the partnership three years ago. Initially, plans called for the South Beach Marriott at 161 Ocean Dr. to become an Edition, but that failed to

materialize as the recession hit.

“We continue to explore other opportunities in the market, including the South Beach Marriott, but that project has been delayed due to market and other conditions,” Marriott spokesman John Wolf said.

Brush said he expects success from the hotel once it opens in a few years.

“It’ll be well into an economic recovery and there is very little opportunity for additional supply out on the beach,” he said.

*Miami Herald staff writer Douglas Hanks contributed to this report.*

<http://www.miamiherald.com/2010/07/16/1732723/under-ian-schragers-direction.html>