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Akron hotel project at Greystone Hall would cost \$40 million, bring 160 rooms downtown

City officials hope downtown Akron will be able to compete for conventions with 160-room facility

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When the University of Akron said it planned to close its last rooms at the Quaker Square Inn to the public this summer, downtown Akron went out of the running for an Ohio Bar Association event.

The group was looking for a city that could host the gathering and house its members in a quality hotel.

That is the type of missed opportunity city officials and local business leaders hope will be served by a new downtown hotel planned for the heart of the city, attached to the historical Greystone Hall at Mill and High streets.

“We think the market is out there,” Mayor Don Plusquellic said after a Tuesday news conference to reveal details of the project. The site is across from the John S. Knight convention center, a point made several times at the announcement made inside the city-owned Greystone.

A key part of the estimated \$40 million project — the financing — is still being worked out, with developers hoping to secure the money in the next six to eight months.

“It will cost more to rehabilitate Greystone than it would to start from scratch,” said David Marshall, chairman of the Philadelphia-based Amerimar Realty Co., which would have a majority ownership in the new hotel. “But this is a gem of a project. It will be worth it. I think this will make the best location for the best hotel in the city.”

Plans call for the seven-story Greystone building to be renovated and a new glass and brick, 160-room hotel constructed next to it on the site of the former High Street Christian Church, whose congregation has moved to Green. The church would be torn down.

A glass atrium would connect the city-owned Greystone and the new building, which would house the hotel rooms, a swimming pool and a fitness center. Greystone, which dates to 1917 and is full of architectural details, would house a restaurant and meeting facilities. The city-owned deck adjacent to the property would provide parking.

Developers declined to give a room cost, though they said it would be competitive with rates in the area.

Currently, downtown has just one hotel — the aging Akron City Center Hotel, which has previously carried the Radisson and Ramada names, off Main Street.

“This is a wonderful day for downtown,” said Gregg Mervis, CEO of the Akron/Summit Convention & Visitors Bureau.

Money matters

Financing likely will include a mix of private money, conventional loans, bonds issued by the Development Finance Authority of Summit County, and federal and state tax credits.

Chris Burnham, who heads the Development Finance Authority, formerly the Summit County Port Authority, said revenues from the hotel development would repay bond holders.

No public money would be used for debt repayment should there be a default.

On the private side, both local and out-of-state investors are involved.

Greystone Partners LLC, made up of five local business people with a variety of real estate, construction and development experience, has a memorandum of understanding with the city for the purchase of Greystone and has secured the rights to buy High Street Christian Church.

Greystone has partnered with Amerimar, which owns and manages more than 3,000 hotel rooms across the country.

Bill Ginter, one of the leaders of Greystone, said he and his associates thought the site would be the perfect spot for a “destination-quality” hotel. Ginter is a retired top executive with the former Advanced Elastomer Systems in downtown Akron.

The Greystone group also includes: Steven Coon, owner and founder of Coon Restoration and Sealants Inc.; David Jursik, former vice president of real estate development at Tell Cos.; Joseph Parsons, a real estate consultant who previously was president at Albrecht Inc.; and Donzell Taylor, owner, president and CEO of Welty Building Co.

“This will not simply be a place to sleep,” Ginter said. “It will not look like any other hotel.”

The new hotel wouldn’t have affiliation with a national name, or a flag, which some think is key to a hotel’s success, and would be operated as an independent, with a company such as Leading Hotels or Preferred Hotels handling registration and promotion.

Marshall said Amerimar operates both independent and flag hotels.

Greystone was originally built as a gathering spot for the fraternal group called the Masons. The city took over ownership in 2001, and the building is now operated by the Knight center as a meeting and special-event facility. Greystone would still be operated during the updates to its plumbing, wiring, and heating, air conditioning and ventilation systems.

City’s part

The city plans to retain partial ownership of Greystone, under a still-being-crafted economic development plan.

“We will keep an interest so — if they sell down the line and make money — the citizens will get something out of it,” Plusquellic said.

The mayor said Akron likely will not recoup any money from a sale of majority ownership in the property. He said such a transaction would serve as the city’s investment in the project.

“The difficulty is that this building needs a boatload of money to renovate it up to standards,” Plusquellic said, drawing parallels between Greystone and the Mayflower, a former downtown hotel, now an apartment building, that the city is hoping to acquire and renovate for a new use.

One of the potential new purposes that has been mentioned for the Mayflower is a new hotel. City officials are still waiting to find out if they get a federal loan to move forward on that.

Asked if he feels confident that the investors will be able to secure the financing for the Greystone hotel project, Plusquellic said there’s “no assurances in this world of anything.” But he thinks the involvement of Marshall and Amerimar make success more likely.

“I have confidence he [Marshall] knows what he’s doing,” he said.

Council President Garry Moneypenny, a member of the convention center board, said council members are well aware of the need for a new downtown hotel. He said new Akron Aeros baseball team owner Ken Babby told him the team must reserve hotel rooms for away teams during home games — and finds them in Fairlawn.

Other projects

The announcement comes during a changing time in Akron’s hotel landscape.

UA closed the Quaker at the end of June to the public, dedicating all rooms to student housing.

Bob Bowman, Akron’s deputy mayor of economic development, said Jack Saheid, operator of the Akron City Center Hotel,

is trying to renovate it and has already made several improvements. But Bowman said the facility still needs a lot of work.

“It is not at a level to satisfy the convention business person,” he said. “We needed a higher-end hotel.”

Saheid became operator of the 243-room property in 2011, striking a deal with Akron entrepreneur David Brennan. Terms of the deal weren't disclosed.

Bowman noted that Saheid, after gaining affiliation with Ramada in 2011, let the flag go. Bowman said Saheid no longer wanted to pay the surcharge for the flag. Such branding comes with access to a national reservation system and, typically, a customer rewards program attractive to many guests.

Saheid, also general manager of the Akron City Center, didn't return a phone message Tuesday seeking comment.

The hotel opened in 1971 as a Holiday Inn, and lost its Radisson affiliation in 2008.

On the east side of Akron, a 136-room, five-story Hilton Garden Inn is planned on a 3-acre parcel off East Market Street between Goodyear Hall and the Ganley car dealership campus. The approximately \$18 million project, expected to open in June 2014, is mainly expected to cater to visitors of the new Goodyear Tire & Rubber Co. headquarters.

In another initiative, Joel Testa, a Cuyahoga Falls developer, is still moving forward with a proposed 10-story, 120-room Courtyard by Marriott hotel — first talked about three years ago — at his property at downtown Akron's northern edge. He said Tuesday that he hopes to break ground in 90 days at the site, next to Testa's Northside Lofts condominiums and DBA restaurant, off Howard Street.

Testa said the project has been delayed by several factors, including bringing in a new partner — hotel management company Concord Hospitality Enterprises of Raleigh, N.C. — and redesigning of rooms to meet a new Marriott prototype.

Testa said he's not worried that another new hotel concept for downtown Akron has emerged. He said his hotel and the Greystone project would be sustained by different clientele.

“The market [downtown] can definitely absorb two hotels,” he said. “And I do believe the market needs a convention center hotel.”

Testa said his hotel's primary market would be the “business and leisure traveler” attracted to nearby restaurants and attractions.

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