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Asheville downtown makes room for new hotel

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ASHEVILLE — As debate continues over a 23-story hotel and condominium building downtown, developers of a similar, 13-story structure are already laying plans for construction to start early next year.

The boutique Hotel Indigo will be built where the former Asheville Area Chamber of Commerce building now sits on Haywood Street. The building will contain 100 hotel rooms and 12 condominium units.

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It will apparently be the first new hotel construction downtown since the Haywood Park Hotel

opened at the corner of Haywood Street and Battery Park Avenue in the mid-1980s.

Since then, downtown has changed from a business center that mostly shut down after working hours to a virtually 24-hour-a-day shopping, entertainment, residential and office district.

When people visit Asheville, "Everybody goes to the Biltmore and everybody goes to the downtown, and it's such a great downtown," said Dennis Goodwin, head of Hospitality Lodging Investors II, based in York, Pa. He and a partner have developed and operate several hotels together.

Unlike the 23-story Ellington proposed for Biltmore Avenue, the Hotel Indigo is not large enough to require City Council approval. Commercial buildings smaller than 100,000 square feet require only staff approval, Interim Planning Director Shannon Tuch said, and developers "very purposely stayed just under" that limit.

The chamber building is to be demolished in the next 60 days and construction on the Indigo should begin in January or February, Goodwin said. Opening would be about a year after that.

Boutique brand

Hotel Indigo is a relatively new brand of InterContinental Hotels Group, a United Kingdom-based company whose chains include InterContinental Hotels and Holiday Inns. The Hotel Indigo chain of boutique hotels has nine properties open and says another 50 are under development.

The chain is "very artsy and eclectic," and Hotel Indigos are designed individually instead of employing chainwide cookie cutter designs, Goodwin said. The Asheville Hotel Indigo is designed by Calloway Johnson Moore & West, which has offices in Asheville, Winston-Salem and other cities.

Rooms at the Asheville Hotel Indigo might rent for \$100 to \$150 a night, he said. Prices for the 12 condominium units have not been set.

Buncombe County hotel and motel revenues have risen substantially in recent years — sales went from \$14 million in July 2002 to \$19 million in July 2007, for example. Goodwin and two other local industry observers say there is demand for rooms downtown and for upper-end properties.

Asheville, Goodwin says, “grows faster than the national trends. ... It’s a very good hotel market.”

Downtown demand

The market for rooms downtown is “pretty tight. There’s plenty of business out there,” said Victor Trantham, general manager at the 33-room Haywood Park.

Trantham said Haywood Park rooms go for more than the Hotel Indigo is likely to charge and said the new hotel would benefit the Haywood Park because it will keep people downtown who otherwise would have to stay in outlying areas.

“There’s a need for that price range downtown. That will be an asset for us,” he said.

Kelly Miller, executive director of the Asheville Convention and Visitors Bureau, said upscale properties like Hotel Indigo are in more demand as baby boomers hit their peak earning years.

“As young folks we did the Motel 6s of the world, and now when we have the opportunity to travel, ... we spend more money,” he said.

He too sees a strong demand for a property like Hotel Indigo.

“The invisible hand of the marketplace, its timing usually meets market demand. You would think it would have happened earlier,” Miller said.

Plans show a structure in a modern style with one level of underground parking. The Grove Arcade and the Civic Center are a block away.

“People will be able to come to our location — it has easy access off the Interstate — then they can walk all over downtown,” he said.

A few people who live or work in the area had mostly ambivalent reactions to artist’s renderings of the hotel.

“I think we have to have infill building in Asheville” instead of suburban sprawl, said Gillian Coats. But, she would like to see steps to make the building environmentally friendly.

Lindig Harris said the building “has this looming presence. It looks like it’s going to fall over” onto Interstate 240.

But Frank Smith said he is glad to some activity where the empty Chamber building now sits.

The site is a difficult one to build on, but, “They’ve got to do something to that old building up there,” he said.

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