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Omni group planning \$8M Stow project, Michigan condo-hotel

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An Omni Hospitality Co. partnership plans to build an \$8 million Staybridge Suites Hotel in Stow and to convert a recently acquired hotel in Traverse City, Mich., to a condo-hotel.

Plans for the 92-unit Staybridge Suites will be submitted next month to the Stow Planning Commission, said Joseph Moffa, president of Medina-based Omni Hospitality, the hotel subsidiary of realty company Pride One Omni. Depending on when the plans receive approval, the company hopes to start construction in September and shoot for a spring 2007 opening, Mr. Moffa said.

The extended-stay hotel is planned for the northwest corner of Steels Corners Road and state Route 8, Mr. Moffa said. The site is part of an existing, 30-acre Pride One Omni commercial and residential project, and also is near a year-old Hampton Inn in Stow that Omni manages.

Omni's partner in the Staybridge Suites and the Hampton Inn is Hotel Development Services, a hotel construction and development company in Oxford, Ohio. Omni will manage the Staybridge Suites, Mr. Moffa said.

Part of the Holiday Inn reservation system, Staybridge Suites is a new flag for the area. Another Staybridge Suites is under construction in Mayfield Heights. The Stow Staybridge Suites will consist of one- and two-bedroom units with a living room and kitchen area, Mr. Moffa said.

Omni Hospitality also is tackling a larger project in Michigan. On May 1, it paid \$10 million to acquire the 76-unit, 5-year-old Cherry Tree Inn on the Traverse Bay waterfront.

Mr. Moffa said Omni plans to convert the bulk of the hotel to a condominium form of fractional ownership, which offers buyers the opportunity to buy shares of rooms at the inn. Omni plans to offer buyers quarter-shares of suites, which entitles them to 12 weeks annually, at \$29,000 to \$99,000, depending on the size of the unit. The inn will rent the rooms to vacationers when owners don't use them, Mr. Moffa said.

The project's target market is vacationers who spend a week or more in the Upper Peninsula of Michigan. Omni and its Pride One Omni parent became interested in the project because three of its four principals vacation regularly in the area, Mr. Moffa said.

Condo-hotels are popular in Florida and Las Vegas but are rare in the Midwest. David Sangree, president of the Hotel & Leisure Advisors consulting firm in Lakewood, said 80% of the condo-hotels under development are in sea-coast areas and Las Vegas. However, Mr. Sangree said he believes the concept makes sense in the Traverse Bay area because of its popularity.

Mr. Sangree said condo-hotels, like vacation condo rental services, offer buyers a chance to rent out their suites and produce revenue when they are not using them. For developers, condo-hotels offer higher returns than hotels plus future management fees for the property.