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Work on Candlewood Suites to start in August

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Construction on a new Candlewood Suites extended-stay hotel north of the JFK Parkway/Harmony Road intersection is expected to get under way in August.

The hotel, part of what is being called The Plaza at Pavilion Lane, will be developed by Spirit Hospitality on the northwest corner of Pavilion Lane and JFK Parkway on land previously owned by Goodwill Industries.

Goodwill Industries sold part of its property after opening a new store in August on the south side of Pavilion and JFK.

Realtor Dave Pettigrew of Prudential Rocky Mountain and Bill Albrecht of Fort Collins bought the property early this year for \$1.17 million hoping to build a hotel and complementary businesses such as a restaurant, offices, fitness center or spa.

The development won planning and zoning board approval in late January and is just about ready to begin infrastructure work, Pettigrew said.

He is hoping to convince a locally owned Old Town restaurant to open an additional location at his project off Harmony Road.

"There are some good restaurants downtown that need to take a serious look at the Harmony Road corridor," Pettigrew said.

"Old Town is a great place to go ... but there are lot of people on the south side of the city that would like to have something closer rather than having to go downtown."

Candlewood Suites would be the second extended-stay hotel to open on Harmony Road in a year.

Fort Collins Homewood Suites by Hilton at the corner of Harmony Road and McMurry Avenue opened in May.

Spirit Hospitality partner Rob Uehran said Candlewood Suites would feature full kitchenettes, free laundry and video rentals and family room space for small gatherings; it would also be a less expensive alternative than other extended-stay hotels, including Homewood Suites and Residence Inn.

A five-night stay is expected to cost about \$400; shorter stays could run between \$100 and \$120.

Spirit Hospitality is owned by Uehran and Albrecht, Pettigrew's partner on the real estate development side of the project.

The Pavilion Lane Candlewood Suites would be Spirit Hospitality's seventh hotel, including a new Candlewood Suites in Loveland near the Budweiser Events Center. Another hotel is planned in Greeley after the Fort Collins hotel opens.

With several hotels planned or opening at Crossroads Boulevard on Interstate 25 between Fort Collins and Loveland and more planned on I-25 and U.S. Highway 34, it begs the question of how many hotels can the region handle.

Occupancy rates hovered at 59 percent last year, up from 55.8 percent in 2006, according to the 2007 Rocky Mountain Lodging Report.

Rates dropped, however, between 13 percent and 14 percent, in November and December, said Jim Clark, executive director of the Fort Collins Convention & Visitors Bureau, who remains concerned the supply is far outstripping demand.

Occupancy rates between 64 percent and 70 percent are considered healthy, Clark said.

Supply of hotel rooms in Fort Collins grew about 10 percent last year, he said, but room demand is down.

"The market is softening and we're seeing the beginning of a down economy and seeing dips in occupancy," he said.

Rates, however, are holding their own at about \$90 a day.

"New hotels are coming on line with no meeting space so they're relying on the business and leisure traveler," he said. "If that dries up, what will they do? That's my concern."
