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Two new hotels open in Twin Ports

By RON BROCHU/BusinessNorth Oct 9, 2017

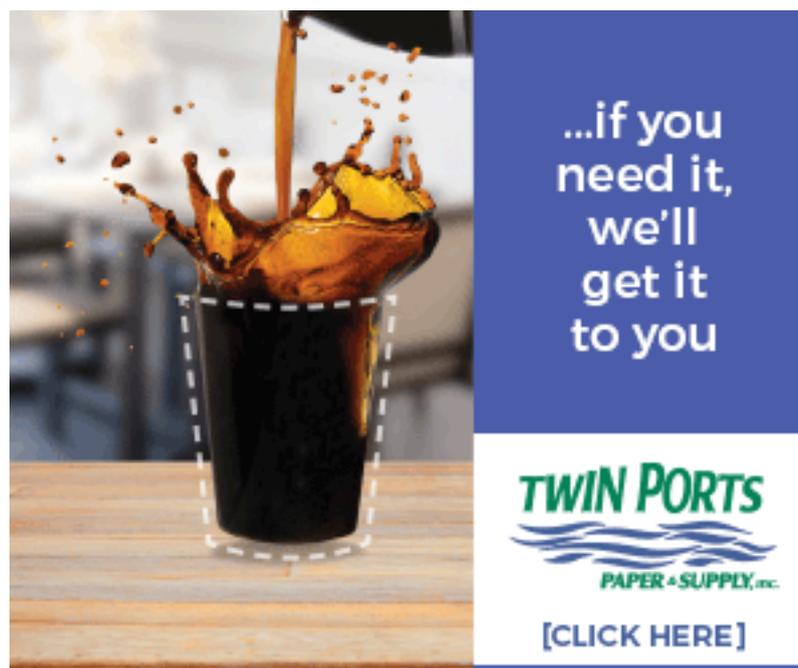
Alex Tessier is general manager at the Hampton Inn by Hilton at 66 E. Second St. in Superior. It opened this summer, along with a new Hampton Inn by Hilton on Miller Hill in Duluth.

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Two new lodging properties opened in the Twin Ports this summer after a year of construction. Both carry the Hampton Inn by Hilton banner, although they are privately owned by separate companies.

Oliver Companies developed the Superior Hampton Inn by Hilton, which is adjacent to the firm's Holiday Inn Express along East Second Street near the Richard I. Bong museum. Also in Superior, Oliver owns the Barkers Island Inn, and it has properties in Duluth, Minneapolis, Green Bay, Cedar Rapids, Eau Claire, San Francisco, Cape Canaveral, Denver and Phoenix.

The Koehler organization of Aberdeen, S.D., developed the Duluth Hampton Inn by Hilton near Home Depot. The company also owns the Duluth Residence Inn and other properties.



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As an affiliate of Hilton Hotels, Hampton Inn by Hilton participates in the Hilton Honors rewards system, which has proven to be an asset at both the new sites. About 65 percent of weekday Superior Hampton guests are Hilton Honors members, said General Manager Alex Tessier.

“We’re very corporate-driven during weekdays,” he said, and many corporate travelers participate in the rewards program. Like most hotels, both are driven by tourists and other leisure travelers on the weekends.

The Superior hotel has 83 rooms and offers a breakfast buffet and swimming pool. The Duluth hotel, which opened Aug. 8, is slightly larger with 91 rooms. It also has one meeting room, said General Manager Mike Stanton, along with a hot tub, swimming pool, full-size gym and a patio area with a fire pit and BBQ.

Although Canal Park and Downtown Duluth are recognized as popular lodging spots, Tessier and Stanton said they benefit from being away from those areas. A key selling point, Tessier noted, is the lower room rate he can charge in Superior.

“Some business customers have told me their companies won’t pay as much as they charge in Canal Park,” he said, adding “One thing many people don’t realize is that’s we’re only five minutes away from Canal Park.”

“Being on top of the hill away from the downtown area allows us a quieter scene,” Stanton said, and being half way between downtown and Duluth International Airport makes it convenient for business travelers.

It has been a busy year for hotel development in the Twin Ports. Pier B also entered the market, as did a new Holiday Inn and Suites in Hermantown, and more are planned. Joel Johnson is developing a Marriott on Minnesota Point, Hall Equities is reviewing Downtown Duluth property for a potential investment and Better City Superior seeks to identify a developer who will build a downtown hotel. The rapid growth has prompted some to question if the market is strong enough to support them all.

Stanton believes the market is reaching saturation but it’s not there quite yet.

“We can’t build enough hotels to meet summer demand,” he explained, but winter is a challenge for many hotels. At the Hampton Inn (by Hilton) Duluth, he’s pursuing discounted contracts with corporations that have employees who frequently travel to the city.

“That’s essentially how you get through the winters,” he said.

There also are sports tournaments, added Tessier. “We’ve already booked four hockey groups,” he said.

Both GMs have prior experience in the local lodging market – Tessier at Econo Lodge and Beacon Point – and Stanton at the Canal Park Hampton Inn by Hilton and the Residence Inn.