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Unfamiliar hotel brand coming to Santa Clara near Levi's Stadium

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More supply is coming to Santa Clara's hot hotel market, and it can't come soon enough.

Earlier this week, the city's Planning Commission approved construction of a 175-room Element by Westin hotel at the corner of Montague Expressway and Mission College, about a mile south of Levi's Stadium.

The city's Convention Center area hotels, which Element will be one of, boasted an 86 percent occupancy rate in July. A hotel market in "equilibrium" would run around 75 percent, according to [Alan X. Reay](#), president of Atlas Hospitality Advisors.

"They're running 86 percent not because they have low rates, (but) because there's tremendous demand and room shortages," he said.



COURTESY IMAGE

A rendering of the completed makeover of part of Washington Holding's Mission Park at Montague Expressway and Mission Boulevard in Santa Clara. Three office buildings will be torn down to make way for an 175-room Branded Element by Westin extended-stay hotel (left) as well as five retail spaces (right) totaling 25,000 square feet. The retail will serve as an amenity for tenants of the remaining 560,000 square feet of office space on the property, and the hotel, whose rooms include kitchenettes, is targeted towards corporate travelers staying in the area for one week or more time periods.

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The hotel site is part of the 46-acre Mission Park office complex, located across the street from Intel's headquarters and owned by Irvine-based The Koll Company, according to First American Title, in partnership with Washington Holdings.

The complex, whose tenants include Bandai Namco and Tektronix, currently has 650,000 square feet of office space. That number will be reduced to 560,000 when three buildings are torn down to make way for the hotel as well as 24,000 square feet of retail space. Construction is scheduled to start in the second quarter of 2017 and be completed in mid-2018, according to a release from Seattle-based Washington Holdings, and the company is currently interviewing contractors.

Casey Holt, Washington Holding's vice president and general manager, said a cost estimate for the project is "still in the works."

The retail space will consist of five buildings ranging from 1,300 to 7,200 square feet, the majority of which will be filled by quick service restaurants, according Holt. He said the amenities will make the complex more attractive for prospective employees of tenants, who have to compete with companies like Google and Apple that provide onsite food and service options.

San Francisco-based BCV Architects is designing the retail spaces, which will be marketed for lease by James Chung and Todd Beatty of Cushman & Wakefield.

While the retail is aimed at improving the office complex itself, the hotel is aimed at serving the entire region.

Element by Westin is an extended-stay hotel brand, owned by Starwood Hotels & Resorts, that targets business travelers who may book stays for several weeks. Element markets itself as a modern, upscale and environmentally friendly hotel, and Los Angeles-based architecture firm Gene Fong Associates is designing the Santa Clara location.

Reay, who advises hotel buyers and sellers, said he likes the brand but was surprised to learn it was coming to Santa Clara. According to its website, Element

only has 20 open locations in North America, and none in California.

"Travelers don't know what Element is because they haven't heard of it," said Reay, adding that frequent travelers who use loyalty programs want to know their brand of choice will have locations in the cities they visit.

The hotel website does list three other California cities it plans to open in: Palmdale (2017), Ontario (2018) and Mountain View (2020).

Santa Clara has a different project in the pipeline that calls for adding 700 hotel rooms: Related Companies' controversial CityPlace. The timetable for completing that project has been thrown into uncertainty due to a lawsuit filed by the City of San Jose against Santa Clara that claims CityPlace's Environmental Impact Review was flawed.

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