

Dallas Drastically Ch Makes Destination A Me



Dallas continues to be one of the fastest-growing cities in the nation, a fact evidenced by the increase in its number of hotel rooms in recent months. new hotels came on line, representing a 20 percent increase in room inventory. By the end of the year, a total of 42,000 rooms will be available in slated for completion in 1984.

anged As Hotel Boom eting Planner's Delight

By Edward I. Placidi

Undeniably, Dallas is Texan through and through, and in true Texas fashion, Dallas has been boldly striking out to be bigger and better, riding the recession as if it were merely a pony.

The boom in Dallas is being felt in many sectors, not least of which is the hotel industry. The number of guest rooms in the area has grown tremendously in the past few years, leading to a highly competitive buyer's market — much to the delight of corporate travel planners.

In general, Dallas continues to be one of the fastest growing cities in the nation, the fulcrum of an 11-county metropolitan area which now has the third-largest concentration of national corporate headquarters in the United States. The Dallas/Ft. Worth Airport, already the world's fourth busiest, has made Dallas one of the most accessible cities in the country, and is currently undergoing a \$250 million expansion. Already the number-three convention city in America, Dallas is going after even more business with a current 300,000-square-foot, \$40 million expansion of the city's 600,000-square-foot convention facility. An additional major expansion is in the planning.

Dallas' growth, however, has been most evident with hotels. In fact, Dallas has so many new hotels, including major reconstructions of existing properties which had seen better days, that the city probably has the biggest glut of hotel rooms in the nation.

"Eleven new hotels have come on board since last September alone," says Charles Bass, director of the Dallas Convention and Visitors Bureau (DCVB). "This represents an overall increase of 20 percent in our room inventory. That's a hell of a lot of rooms in one small period — more than any city can absorb even in the best of times."

The 20 percent increase occurred just between September 1982 and May 1983.

Measured from 1980 through the end of this year, the overall increase will reach some 40 percent, to 42,000 rooms, with at least three more major properties scheduled for completion in 1984.

Wheeling and Dealing

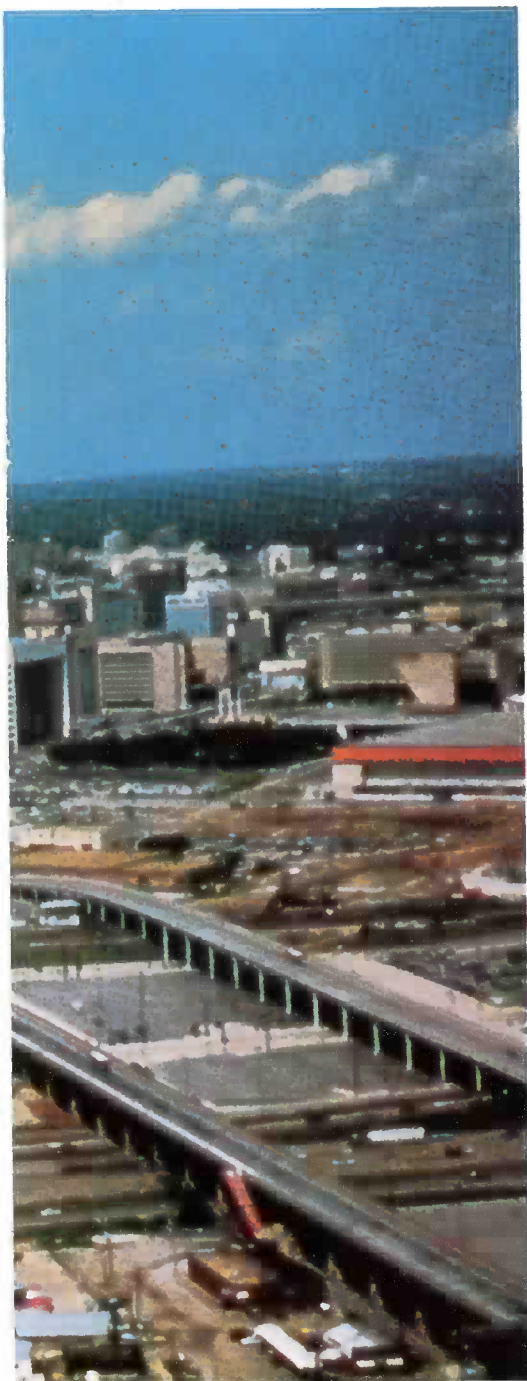
What does this hotel building phenomenon mean to meeting planners and corporate travelers? Dallas possibly has become the most competitive "buyer's market" in the land, and Dallas hoteliers are wheeling and dealing like never before. Some hotels report that rates have been frozen at 1982 levels, others have peeled back their rates and brand-new properties have been offering rock-bottom "introductory" rates, in some cases 40 to 50 percent below standard rack rates.

"We're open to negotiation, and we're starting out a lot lower than we used to," says Sally Gibbons, director of sales at the Plaza of the Americas. "Our group rate is less than it was when we opened two-and-a-half years ago."

According to Bob McGrail, vice president-marketing at Lincoln Hotels, which recently opened a new property in Dallas, "I would say that this is an outstanding time for any meeting planner to bring a meeting to Dallas because he's going to get a good deal and he can pick and choose from all these beautiful hotels with excellent facilities and outstanding restaurants. Any planner would be well advised to come in 1983."

Gibbons' and McGrail's comments are echoed by other hoteliers throughout the city. Everyone agrees that great bargains are to be had in Dallas, that properties are ready to deal and that flexibility is the key.

The hotel scene has been heating up for the last year, and it has been the brand-new properties in particular that have been ready to give planners and corporate



Between September 1982 and May 1983 alone, eleven Dallas, and at least three more major properties are

groups virtually everything but the linen off their dining room tables.

Get In The Doors

"The philosophy of new hotels is to just get people in the doors and show them the product," explains Mike Mosser, assistant director of sales for Loews Anatole Hotel. "If they like it they'll come back."

One newly opened hotel offering special opening rates, for example, is the Registry, one of the plushiest hotels in the city. "We have an introductory corporate rate," says Steve Gold, director of sales, "which is \$65 single and \$85 double, while our standard rack rates are \$95 to \$155."

Many hoteliers at established — as opposed to new — properties admit that they have been hurt by the new hotels, as some of their regular clients have been sampling the bargains being offered elsewhere. Faced with this competition, they've frozen or brought down rates and have been more flexible than ever before. But many, such as Cliff Dworkin, director of sales of the Adolphus Hotel, say that they have their limits.

"We'll deal to a certain extent, and we're very competitive, especially in the group market," Dworkin says. "But obviously we can't go down to meet the rates at some of the other properties, such as the newer ones. We've been reopened almost two years (after a complete renovation), and we don't have to compete with opening rates. We won't sink down to their level."

Dworkin, however, qualifies his comment: "We look at each piece of business on an individual basis before making any rash decisions."

Dallas has so many new hotels, including major reconstructions of some existing properties which had seen better days, that the city probably has the biggest glut of hotel rooms in the nation.



The Rodeway Inn in suburban Addison attributes the loyalty of its clientele to the special features it offers, such as a landscaped pool and spa in the center courtyard.

At the Summit Hotel, located in North Dallas, general manager Doug Lane says the impact of the most recent hotel openings was greatest in March, April and May. Year-to-date occupancy at the 377-room hotel for the first six months of 1983 was off by 13 percent.

"The new larger luxury hotels are presently competing with our rates. We've seen some of our group business drop as they try out the new hotels," explains Lane. "But we know they cannot continue to operate profitably at their introductory rate levels. And we are already seeing some of our lost business return. Occupancy for the summer months was higher than it has ever been."

A few miles northeast of the Summit, in the Dallas suburb of Addison, is the Rodeway Inn, which opened in 1981. This 168-room motor hotel is less than three miles away from four of the five new luxury hotels which opened this year.

"Ordinarily, we would not be competing for the same types of clients as the luxury hotels. But I have to admit that the new hotels' introductory rates are definitely competitive with our own, and we are bidding on the same corporate accounts," explains Paul Williams, general manager of the Rodeway Inn. Anticipating his new competitors' openings, Williams did not raise the Rodeway's corporate rates for 1983, and currently offers special weekend rates. The impact to date of increased competition in the area has been only a two percent decline in the hotel's normal high-seventies average annual occupancy.

Williams attributes the loyalty of the clientele more to the features and service available at the Rodeway Inn than to any special efforts made to counter new competition. States Williams, "We develop a one-to-one type relationship with our guests that is very hard for a large hotel to achieve. From the standpoint of value for the travel dollar, and friendly service, the Rodeway Inn has the best offer in the area."

In a similar vein, Jim Dowling, general manager of the Best Western Dupont Plaza Hotel, says, "The name of the game is to develop innovative ways of attracting, and keeping, guests at your property." Since Dallas is a prime location for business meetings and conventions, Dowling and his staff place a heavy emphasis on what is called their "Corporate Program," a marketing package designed to attract the business traveler, who comprises 95 percent of the property's occupancy level. The package includes free continental breakfasts, complimentary cocktails, discounts on conference rooms and other amenities that appeal to this

important segment of the lodging market. The cost of these "extras" is minimal, in comparison to the positive affect they have on the occupancy level of the Dupont Plaza.

Best Western's Northpark Inn is also surviving the highly competitive times in Dallas, with occupancy levels staying in the 50 percent range. Says director of sales Tim Laska, "To stay competitive, we have to come up with creative marketing programs and go after target markets that we haven't pursued before." The steady occupancy level of the hotel is directly attributed to the success that Laska has had in attracting the group and tour segment of the lodging market to the property.

Assessing each potential piece of business on an individual basis is a qualification that was voiced repeatedly by competition-minded hoteliers. The size of the group, how long it will be staying, its special needs and the time of its stay are central to the negotiations, they agree. In other words, though many hoteliers have drawn a line, that doesn't mean they won't step over it.

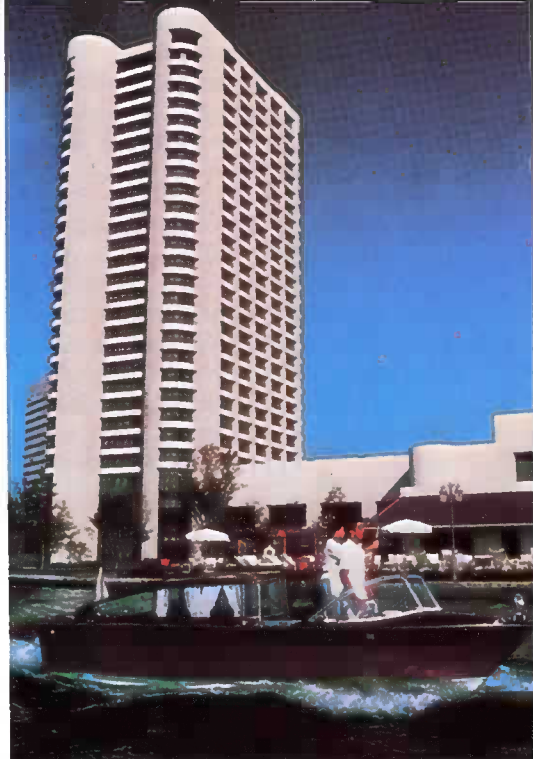
"If we are absolutely stone empty, we might almost give the rooms away rather than let them go empty," explains Tom Craft, director of public relations for the newly opened Mandalay Four Seasons.

All told, Dallas is serving up Texas-sized deals for hotel space. And the hotels themselves are spectacular — elegant, sophisticated establishments of striking architectural design and opulent interiors, with a full range of fine amenities and facilities.

In downtown Dallas, among the "new" showplaces is the 437-room Adolphus, originally built in 1912 by brewer Adolphus Busch. After having fallen into disrepair, it was closed and recently reopened after a \$45 million reconstruction project. Considered one of the finest rebuilds in U.S. hotel history, the project included the addition of Belgian tapestries, gilded woodwork and Queen Anne-style furniture in guest rooms. "We just got a five-diamond rating from AAA, and they only give it to about 40 hotels in the country," notes Dworkin.

Another redevelopment is the 545-room Sheraton Dallas, which will open this fall. The old structure was gutted, and \$30 million is being poured into making it an ultra-modern property. The exclusive Towers section will provide special accommodations with separate registration for top executives.

The modernistic 442-room Plaza of the Americas, a Trusthouse Forte property, is located within a lively office, shopping and entertainment complex, with a walk-



The 27-story Mandalay Four Seasons borders a man-made lake and a booming business district/shopping center.

way suspended over an indoor skating rink connecting guest rooms and meeting space. Guests can enjoy a health club and




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The Wyndham not only offers luxury accommodations at affordable prices, but prides itself on its personalized services for business and meeting travelers. Eight meeting salons and a grand ballroom accommodate groups from 10 to 500. The Wyndham offers Bay Tree, for an elegant dining experience, and The Cafe, featuring fast 24-hour service. Four distinctive lounges and a rooftop athletic club complete the picture.

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In the dynamic, master-planned community of Las Colinas, near the airport, is the brand new Mandalay Four Seasons, a lavish hotel in a unique setting. The 27-story property towers over a man-made lake feeding canals that dissect a booming business district and shopping complex done in an old Spanish motif. Crystal chandeliers, Royal Doulton china, motorized launches that transport guests to local boutiques and the spectacular \$48 million Las Colinas Sports Club, which is open to hotel guests, set the scene here.

New Notables

In the area of the Dallas Market Center, the country's largest privately owned exhibit and convention facility, there are several new notables. The 542-room Wyndham, which opened in January, is a sleek, elliptically-shaped, 30-story tower — one of the most striking new high-rises in the city. It is filled with valuable art and faced with polished pink granite inside and out.

Another extraordinary hotel in the Market Center area is the four-year-old, 900-room Loews Anatole, which is currently undergoing an extensive addition that will make it the Southwest's largest convention hotel, with 1,620 guest rooms and a total of 165,000 square feet of meeting and banquet space. Filled with beautiful art objects and boasting 18 restaurants and lounges, a seven-acre park, a health/fitness center, eight tennis courts and three swimming pools, the Anatole is a world-class luxury property.



The 522-room Lincoln Radisson claims to have the largest selection of meeting rooms in North Dallas, from boardrooms seating 14 to areas with a reception capacity of 1,875.

An area that has been booming and has become a second downtown is North Dallas. And the boom shows no signs of letting up either — bringing millions of square feet of new office space, some of Dallas' largest shopping malls and Dallas' largest concentration of national and regional corporate headquarters. And, not surprisingly, this is where some 70 percent of the new hotels in the city have opened.

"We are in the best location in Dallas, an area that is still growing," says Lincoln Hotels' Bob McGrail, referring to the newly opened 522-room Lincoln Radisson. "People who are coming here are amazed at all the construction still going on." Amidst landscaped terraces, gardens and a sparkling lake, the plush new Lincoln has North Dallas' largest selection of meeting rooms, from boardrooms that accommodate 14 to areas with a reception capacity of 1,875. The Lincoln City Club offers the most comprehensive health and exercise facilities in North Dallas.

The elegant 570-room Registry, which opened in April, offers a wide variety of smaller meeting rooms, a 19,000-square-foot exhibit area and a 25,400-square-foot ballroom claimed to be the largest in the Southwest. The Registry also boasts Dallas' largest disco and a 700-seat show-room presenting name entertainment for both dinner and cocktail shows.

The elliptically-shaped Wyndham adds a striking new profile to the city. The 542-room hotel is faced with polished pink granite inside and out.

The splendid 560-room Sheraton Park Central, which came on board in December 1982, is located amid the office buildings, restaurants, theaters and shopping centers of the Park Central complex. Within this property, two floors reserved for special guests are reached by an express elevator and feature a separate registration desk and full-time concierge.

Ambitious Development

The luxurious 440-room Westin Galleria, which opened its doors in January, is a cornerstone of one of Dallas' newest and most ambitious developments. Covering 43 acres, the Galleria project combines luxury office and retail space, including another of Westin's exclusive and magnificent Galleria shopping centers. The hotel was designed to handle small to moderately large meetings and conventions and offers extensive athletic/health facilities.

Another newcomer to the North Dallas skyline is the 563-room Marriott Quorum, which opened in January. Located in the Quorum Center office park, it offers upscale recreational, meeting and guest-room facilities. North Dallas also has a new Hilton, the 298-room Richardson Hilton, with executive boardrooms equipped with wall beds for instant transition from sleeping to meeting. Special features include two floors, called the Hilton Towers, with separate concierge and an on-site heliport.

Of course, there are a multitude of well-established hotels in Dallas which prom-





Located just minutes outside downtown Dallas is the Regent Hotel, offering 14 meeting rooms that accommodate up to 550 for a formal banquet.

ise to give all the newcomers a run for their money. These include:

• **AMFAC Hotel & Resort** — Located at the Dallas/Fort Worth Airport, this property has 1,400 guest rooms, plus 65 meeting rooms accommodating groups of 12 to 3,000. Sports facilities include a health club, golf, tennis, handball courts and swimming pool.

• **Doubletree Hotel** — A 302-room property near the North Park Mall, the Doubletree has tennis, shuffleboard, Jacuzzi and putting green. Eight meeting rooms accommodate groups of 60 to 800.

• **Fairmont Hotel** — This luxurious downtown hotel offers 600 guest rooms and 24 meeting rooms with maximum capacity of 2,500. A gym/health club, sauna and pool are among the recreational facilities.

• **Hilton Hotel** — A 20-story tower in the heart of downtown Dallas, this 782-room Hilton offers guests such features as a sundeck with hot tubs and several lounges featuring live entertainment. Groups from 25 to 2,000 can meet in any of 33 meeting rooms.

• **Hilton LBJ** — Located in North Dallas, this 314-room property has 14 meeting rooms with the largest holding 500. A sauna, spa and pool are offered.

• **Hilton Inn Mockingbird** — Sixteen meeting rooms accommodating 40 to 900 are available at this recently redecorated North Dallas property. The hotel has 400

"We are diversified, so we continue to attract people to do business here."

guest rooms, a pool and a tavern featuring live entertainment.

• **Centre Plaza Holiday Inn** — Another North Dallas hotel, this property offers 298 guest rooms and 14 meeting rooms with the largest holding 1,000. Recreational facilities include jogging track, two pools, sauna and whirlpool.

• **Hyatt Regency** — This 947-room hotel is part of a 50-acre complex which includes a park, the 50-story Reunion Tower and the renovated Union Station. There are 25 meeting rooms, a revolving restaurant, several other restaurants and lounges, health club, sauna, tennis courts, pool and jogging track.

• **Marriott Market Center** — Directly across the street from the Dallas Market Center, this hotel has 476 guest rooms and 17 meeting rooms, the largest of which accommodates 1,500. Two pools and a game room provide recreational opportunities.

• **Marriott Inn North** — This North Dallas property has 445 rooms, a restaurant, lounge, pool with Jacuzzi and 33 meeting rooms for groups of 10 to 650.

• **Regent Hotel** — Thirteen meeting rooms seat groups of 10 to 750 at this 350-room hotel. A variety of restaurants and lounges, a disco and an outdoor pool are among the special features.

So many new or renovated properties have come on the scene throughout the metropolitan area, that it's valid to ask why so many came at once.

"The hotel boom coming all at one time in my book was just developers' egos," says the DCVB's Bass. "Business was super, things were on the increase and obviously a lot of people decided at the same time that they were going to jump in on it. And whether or not they were all aware of the others' plans or not, I don't know."

Mosser of the Adolphus agrees that "all the hotel companies — like a swarm of locusts — just wanted to jump on the bandwagon," but adds, "I think their feeling was that despite the competition, with all the business coming into Dallas they would catch up in a year or two. But what happened was so many hotel companies decided to go in at the same time that it's going to take much longer to absorb all those rooms."

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construction been undertaken in North Dallas? "Business was very good in North Dallas and occupancy was very high with existing hotels," reports Bass. "So a lot of developers thought that if they were going to build a hotel here, North Dallas was the place to do it."

Jim Dunford, director of sales of the

Westin Galleria Hotel, explains that "North Dallas was starting to blossom four or five years ago when they started planning to build these hotels, and plans are of course based on the economy of the time and projections. And they were right — today North Dallas is the city's major shopping area, a major business center, the

When InfoMart is completed next year, it is expected to bring some 200,000 additional business travelers to Dallas annually.

most affluent residential area and it's still booming out here."

Weathering Recession

For that matter, apparently all of Dallas has been faring well despite several years of recession which now seems to be coming to an end. The reason: Dallas has a diversified economy. Contrary to the popular misconception, fostered by the TV series *Dallas*, Dallas' economy, unlike Houston's, doesn't hinge on oil. Therefore it wasn't hard-hit by the slump in the oil business.

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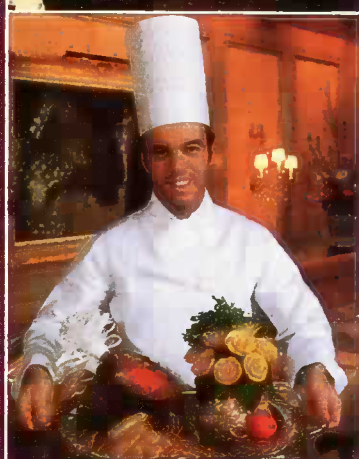
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ture. We are diversified, so we continue to attract people to do business here," explains Bass.

Another apparent boost to the city's economic health, according to Mosser, is that Dallas has taken on a new role: "Dallas is now being looked upon as a destination city. We've got some of the finest shopping in the country and one of the biggest concentrations of amusement parks and special attractions anywhere. We are now attracting those family vacations and conventions that in the past went to Florida, California and Arizona."

One noted statistical testimony to Dallas' economic health is offered by Bass: Room tax collections in 1983 (as of the end of May) were up about nine percent over the same period in 1982 (indicating that the pie is growing considerably, though it's being divided up by many more hotels). Bass also reports that the number of meetings held in Dallas has risen substantially over the last few years, with some 100,000 more attendees lodged in 1982 than in 1981, and the 1983 picture looking even better.

A tremendous, though short-lived boon to the city's economy and its hotels will be Dallas' hosting of the 1984 Republican National Convention. Virtually all the hotels in the city, as well as many others within a 50-mile radius, are expected to

be filled up. Another boon to the city will be the InfoMart, a 1.2 million-square-foot addition to the Market Center and the first computer mart in the world. With its completion in the spring of 1984, it is expected to bring some 200,000 additional convention attendees and business-related visitors to Dallas each year.

Buyer's Market Longevity

With Dallas' economy apparently in gear and the city attracting an increasing number of meetings and business travelers, combined with the general economic upturn underway in the country, the obvious question is: How long will the "buyer's market" last in Dallas?

At one extreme is the Adolphus' Dworakin, who predicts that "it will take at least until 1987 or 1988 until hotels start coming into normalcy in occupancy figures." At the other is Dunford of the Westin Galleria Hotel, who believes that "the buyer's market will dry up in about eight months."

More or less agreeing with Dunford is Gibbons of the Plaza of the Americas. She says that "in less than a year, things should start to turn around," yet she doesn't expect Dallas' hotels to ever reach high occupancy levels because she sees Dallas' hotel boom (and glut) as part of a nationwide situation.

The obvious question is: How long will the "buyer's market" last in Dallas?

"It's happening all over the country, not just Dallas. There are so many hotels everywhere. People have so many choices for meetings, conventions, whatever. And the hotels want the business so much that they are bombarding people with sales calls, direct mail and advertising. Everybody is after it! When before we sat back and thought we didn't need to knock on doors, now we really have to go after the business."

In-between estimates come from Craft of the Mandalay Four Seasons and McGrail of Lincoln Hotels, who both expect things to remain highly competitive for the next 18 months or so. Says Craft: "It's probably going to be a struggle for a lot of properties over the next year, but 18 to 24 months down the pipe everybody's going to be successful."

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The 440-room Westin Galleria is a cornerstone of one of Dallas' newest and most ambitious developments, covering 43 acres and combining luxury offices and retail space. The hotel opened in January.