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Business

Garden Inn takes root at Seasons

Work on Hilton hotel project gets underway with eye to 2017 opening



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An artist's rendering of the Hilton Garden Inn to be built in southwest Winnipeg. Construction of the 127-room facility is expected to cost \$35 million.

Another key piece has been added to one of the city's most talked-about new commercial developments.

Winnipeg's SK Developments Inc. has confirmed it will build a \$35-million, four-star Hilton Garden Inn on the northeast corner of the 117-acre Seasons retail/office/hotel/residential development in southwest Winnipeg.

Work on the hotel project got underway Friday.

Project manager Kyle Kostenuk of Thomas Design Builders Ltd. said the 127-room, six-storey hotel is expected to open in August next year.

Although it will initially have 127 rooms, the plan is to add another 44 rooms within two years of the facility opening.

A hotel was high on the wish list for Seasons co-developers Regina-based Harvard Developments Inc. and Forster Projects Inc. Although it's been known for some time it would be a Hilton hotel, the exact brand of Hilton and the name of the developer had not been released.

The Seasons development, formerly called the Outlets of Seasons, will be anchored by the province's first premium-fashion outlet mall: the \$200-million Outlet Collection at Winnipeg. Work is well underway on the 385,000-square-foot enclosed mall, which is expected to open in May 2017.

The new Hilton hotel will be situated on the northeast corner of the Seasons site, immediately east of the outlet mall and adjacent to a new St. James Audi dealership.

Seasons is one of two large, mixed-use developments at the corner of Kenaston Boulevard and Sterling Lyon Parkway. It's on the north side of Sterling Lyon. The other development, called Seasons of Tuxedo, is on the south side.

The Seasons of Tuxedo development includes a 400,000-square-foot IKEA store, a 70,000-square-foot Cabela's outlet, a 189-unit apartment complex, a Montana's restaurant and more than 15 other smaller retail tenants.

SK Developments is a new company owned by Winnipeg developer-hotel operator Darshan Kaila and his family. It will develop, own and manage the new Hilton.

Kaila said the company is also interested in developing other hotels in the city if the opportunity arises.

Kostenuk said the new Hilton Garden Inn will feature a full-service restaurant and bar, with an outdoor patio, meeting and banquet rooms, a business centre, indoor pool and a fitness area.

It will be the fourth Winnipeg hotel Kaila has owned and operated.

(The others are the St. Regis Hotel, the McLaren Hotel and the former Leland Hotel. Of the three, the St. Regis is the only one the family is still involved in. They will continue to operate it until the new owner — Toronto's Fortress Real Developments — demolishes it to make way for a proposed eight-storey parkade and commercial complex.)

In addition to owning and operating hotels, Kaila co-developed the Reenders Shopping Centre in east Winnipeg, the Waterford Green residential development in northwest Winnipeg and three condo developments in the city: Aspen Meadows, Mystic Pointe and Ascent Condos at Fairfield Park.

He also developed a small commercial project in Oak Bluff, which includes a gas station and a Tim Hortons coffee shop.

Kaila said he has been interested in building a new hotel for a number of years and liked the Seasons site because of its close proximity to IKEA and the new fashion outlet mall.

He was also a longtime client of Capital Commercial Real Estate Services Inc., the leasing agent for the Seasons of Tuxedo development that brokered his deal with Seasons.

Capital Commercial principal Derrick Chartier said Capital had been negotiating with Kaila before Harvard and Forster acquired the Seasons property.

He said it was Kaila who approached Hilton Hotels about making it a Hilton Garden Inn franchise.

Veronica Eno, development manager for the Seasons development, said Harvard and Forster are thrilled the new hotel will be a Hilton Garden Inn.

"It's a great brand, and I think it will fit in really well with what we have on the site," Eno said.

"It's becoming a bit of a super-regional node here... so having a hotel here goes along with that. I suspect there will be lots of people wanting to use it when they come to the Outlets (mall)."

Other confirmed tenants for the Seasons development are a Porsche Centre Winnipeg dealership, a 400-unit apartment block and assisted-living seniors complex and a Good Earth Coffeehouse.

Other types of tenants the developers hope to attract include a grocery store, a pharmacy and some medical offices.

Know of any newsworthy or interesting trends or developments in the local office, retail or industrial real estate sectors? Let real estate reporter Murray McNeill know at the email address below, or at 204-697-7254.

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