

Embassy Suites South Lake Tahoe being rebranded

By Kathryn Reed

The days are numbered for Embassy Suites South Lake Tahoe – the largest hotel in the city limits.

In a statement to *Lake Tahoe News* from Hilton Corp., the parent company of Embassy, it says the owners of the hotel “decided to terminate its management agreement with Hilton Worldwide.”

It goes on to say, “The resort will continue its day to day operations without disruption of service under the terms of the management agreement with Hilton Worldwide until March 31 or a date to be determined by the owner.”



Embassy Suites South Lake Tahoe will soon have a new name. Photo/LTN file

It will be called Lake Tahoe Resort Hotel. All 220 employees will keep their job. PHR Management Inc., an affiliate of Ken Corp., will be operating the hotel.

The hotel has been an Embassy Suites since it opened in December 1991. And it has been in and out of financial trouble for those 21 years.

Bill Cottrill, director of sales and marketing for the local Embassy Suites, did not return multiple phones. Dominic Acolino has been replaced by former General Manager John Steinbach to operate the nearly 400-room hotel.

When calling March 4 to inquire about booking a room in April, the reservation's employee knew nothing about the change in hotel management. He also said the signature breakfast and manager's cocktail receptions would be available. Whether this is true next month and beyond remains to be seen.

Hilton PR deferred comments to Masaru Saito with Roppongi-Tahoe Lp. Saito never picked up his phone and voicemail was not available. Max Saito with Ken Corp. did not return multiple calls.

Roppongi-Tahoe Lp, a subsidiary of Ken Corp., has owned the property since 2000. Ken Corp. bought the property in a bankruptcy deal. KOAR-Tahoe Partners was unable to keep up with its payments to Mitsui Trust & Banking Co. The firm had a \$53 million seven-year construction loan because it was trying to convert 188 of the rooms to time-shares.

Ken Corp. in February 2012 defaulted on a bond payment and later in the year faced foreclosure. How the finances have been restructured for this ownership group to retain the hotel is not known. Nor is it known where the \$5 million to \$7 million in upgrades that are expected to start this summer will come from. In December 2006, the hotel underwent \$3 million in renovations and has often been recognized for its environmental innovation.

While the owners struggle under debt, the hotel itself has been profitable. Embassy Suites generates the largest percentage of hotel tax on an annual basis of all South Shore properties.

