

Historic Hotel in Selma, Alabama, to Be Redeveloped Into a Hilton

Exclusive: Deal Closes to Restore Hotel to Cater to Tourism Industry



The 42-room hotel was built in Selma, Alabama, in 1837. Photo: Steven Martin via Flickr

By [Candace Carlisle](#)

CoStar News



April 3, 2019 | 4:38 P.M.

In the center of Selma, Alabama, a town with a declining population and strong roots to the civil rights movement and the Civil War, sits one of the last antebellum riverfront hotels atop the banks of the Alabama River. Now the historic structure may play a role in the city's future.

Even as Selma's population has fallen 11.5% since 2010, thousands of tourists each year flock to the 198-year-old city -- one of the oldest surviving cities in Alabama -- but

those visitors tend to head 50 miles east down U.S. 80 to spend the night in Montgomery, Alabama.

In the case of Selma, it houses the largest historic district in Alabama, with 1,250 historic structures. The buildings include the Selma Interpretative Center along the U.S. Civil Rights Trail, which had more than 25,000 visitors in 2017. Last month, Selma commemorated the 54th anniversary of "Bloody Sunday," which occurred on March 7, 1965, when nearly 600 civil rights activists were attacked by law enforcement during a peaceful march from Selma to Montgomery on the Edmond Pettus Bridge.

The bridge and interpretative center is across the street from the St. James Hotel, built in 1837 but no longer in operation. The 42-room hotel at [1200 Water Ave.](#) has recently been acquired by a Birmingham developer with plans to redevelop it into a Hilton-branded Tapestry Collection hotel. It would be the only full-service hotel in Selma and Dallas County.

While Selma is a very small city and its tourism is relatively tiny, it joins much larger municipalities around the United States, such as Disneyland's hometown of Anaheim, California, and SeaWorld's host city of San Diego, where hotels are planned near attractions with an eye toward keeping tourists nearby overnight, a move that can boost local spending.

"With this redevelopment, we will give people in Selma the ability to witness and experience the history," said Tyler Epps, a senior associate at American South Real Estate Fund, which helped underwrite the project.

American South Real Estate Fund, which recently funded [a project in South Dallas](#) for E Smith Communities, funded the \$3.4 million acquisition loan for the hotel. The St. James Hotel LLC, an entity led by managing partner and Birmingham, Alabama-based developer Jim Lewis, purchased the hotel from the city of Selma. Lewis is chief executive officer of Birmingham-based Rhaglan Hospitality, which is the manager of the hotel and redevelopment project.

The deal, which the developer told CoStar News was completed Monday with a wire transfer, also puts one of Selma's vacant properties back into action after sitting closed for more than a year and will employ more than 40 full-time workers. The \$5 million redevelopment is slated to be complete by the end of the year.

The St. James Hotel deal marks the beginning of more acquisitions for the developer in Selma, said Lewis.

"Selma very quickly got under our skin. What I envisioned would happen a few years ago has transpired," Lewis said. "The more time I spend in Selma, the more endearing it is to me."



The St. James Hotel in downtown Selma still has much of its history and features intact. Photo: American South Real Estate Fund

The redevelopment of the St. James Hotel will be Lewis' third such renovation of a historic hotel in Alabama. The others are The Redmont Hotel, a 120-room boutique hotel from the 1920s that is Alabama's oldest operating hotel, and the former Protective

Life and Commerce Center building. The Redmont Hotel was transformed into a Curio Collection by Hilton hotel and Lewis has already started work on plans to transform the 14-story Protective Life and Commerce Center building into a luxury hotel in downtown Birmingham.



The St. James Hotel still has some of the elements hailing to its history. Photo: American South Real Estate Fund.

Funding Change

The St. James Hotel had once been owned by the city as local leaders, the community and Selma's Redevelopment Authority sought to preserve buildings in downtown Selma's historic district. Now its re-opening has the ability to alter Selma's current trajectory, said Deborah La Franchi, who is the managing partner for American South Real Estate Fund and chief executive officer of Los Angeles-based Strategic Development Solutions, which launched the fund with Shreveport, Louisiana-based Vintage Realty Group in 2017.

"This is a catalytic investment that can spur tourists to stay there," La Franchi said. "In the past, the city owned the hotel, which is a challenge, because running a hotel is not central to what city government does. But if you look at Jim Lewis' track record, along with his partners, we were impressed."



Jim Lewis touring the historic St. James Hotel in Selma. Photo: American South Real Estate Fund.

Like developer Lewis, Epps has spent a large amount of time touring historic properties in the southern United States looking for potential acquisition opportunities on behalf of American South Real Estate Fund.

Usually, he tours aging office buildings or historic textile mills that have been vacant for decades and require a bit of imagination to see its potential, but Selma's St. James Hotel has remained relatively operational.

"There are signs of lack of maintenance over the past few years, but overall it looks like someone up and left it," Epps said, adding historic furniture and artwork remain in the

closed hotel. "You can easily imagine what this hotel looked like in the 1800s."

American South Real Estate Fund also saw an opportunity to make a difference. The impact fund targets communities with a declining population and low- to moderate-incomes. According to the U.S. Census Bureau, Selma's median household income in 2017 was \$24,223.

Those demographics of residents were some of Selma's hurdles in recruiting a major brand to its borders, Epps said. But they also didn't accurately reflect the tourism attracted to Selma's piece in U.S. history, with visitors from 27 countries visiting Selma during the 2018 calendar year, according to the city's tourism data.

"We are hoping the revitalization of the St. James Hotel will help redevelop Selma itself," he said. "This project is important not only to Selma, but the entire region."



A historical marker describing some of the history of the St. James Hotel in Selma. Photo: American South Real Estate Fund.