

## Mainsail turns a crisis into hefty sales

Executive stay management works its way into rentals

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**TAMPA** — It takes moxie to build a 360-unit extended-stay hotel with only one guest in sight. But it makes more sense if that client agrees to a 10-year lease worth more than \$70 million.

That's exactly what Joe Collier, president of Mainsail Management Group Inc., made happen.

A 15-year Marriott veteran, Collier developed a relationship with PricewaterhouseCoopers LLC. The accounting firm wanted a training facility for associates from around the world to take a 10-week information technology consulting course.

Collier determined that it made sense to build a campus from scratch, fashion it after an apartment community and tie up PwC to a long-term lease he could use as collateral to secure financing.

Collier sold the idea to all parties, including his boss at Marriott, Richard Harris, and Julianne Vassallo, who both agreed to leave Marriott to be partners in the project.

The \$50-million complex opened in 1999 on 18 acres on Eisenhower Boulevard near Tampa International Airport. The trio had looked at Woodland Corporate Center on Waters Avenue but chose the Eisenhower site because it's closer to the airport.

That deal launched Mainsail Management, which now operates a variety of lodging facilities in four major metropolitan areas in the Southeast. In addition, it is developing a \$40-million luxury boutique resort on Scrub Island in the British Virgin Islands.

But just two years into the PwC deal, Collier faced a major crisis. IBM bought PwC's consulting business and downsized the training programs, jeopardizing the Mainsail lease.

Collier changed gears, leasing out a large portion of the 130,000-square-foot meeting center and converting the rooms to traditional suites. He cut a deal with IBM that would give it credit for portions of the lease based on how many room nights were rented to others.

The challenge was building the Mainsail brand from scratch and finding outside groups to fill the hotel, said Vassallo, VP and managing partner. Since Collier, Vassallo and VP of sales and marketing Joe Brown are all former Marriott executives, they called on relationships to bring in groups such as NFL Europe League and Outback Steakhouse Inc.

They've since built a similar Mainsail property in Greenville, S.C., and bought four Marriott Execustay franchises in the Tampa, Atlanta, Greenville and Charlotte, N.C., metro areas. The Tampa Execustay franchise, which cost less than \$100,000, was just the second one in the country sold by Marriott.

Under the Execustay umbrella, Collier finds apartment units or homes to lease and subleases them to clients looking for temporary housing. He secures properties scattered around a metro area to attract clients from all



KATHLEEN CABBLE

**Julianne Vassallo, VP and managing partner of Mainsail Management Group, meets with Joe Collier, president, Mainsail Suite as Goldie Fink, front desk manager, inspects the room.**



SOURCE: Mainsail Management Group Inc.

### COMPANY INFO.

**BUSINESS:** Mainsail Management Group Inc.  
**HEADQUARTERS:** Tampa  
**NATURE OF BUSINESS:** Hotel, temporary housing  
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points. His group provides furnishings, telephone, cable, utilities and maid service.

By hooking up with Execustay, Collier boosted sales to all properties. Sales jumped from \$8.7 million in 2001 to more than \$10 million last year.

"Now we have a marketing arm (Marriott) to drive rentals into our places," he said.

And Mainsail is dabbling in the real estate development

market. Collier tries to bring on board an investment group to finance each project.

In the British Virgin Islands deal, Mainsail is building high-end villas to sell to people who will use the units a few weeks a year and put them into a rental pool for the balance. In other, more local projects, Collier is searching for properties that can be renovated for six or more units to rent.

"I had to learn how to raise money to do deals without giving up too much ownership," Collier said. "It's a mini-version of the Marriott plan: build properties, sell them and establish a management contract to run them."

Los Angeles-based Oakwood is Collier's biggest competitor as a supplier of temporary housing in the Tampa Bay area. But Oakwood works with a variation of the theme.

Like Mainsail, it owns some apartments and leases others, and offers 30-day or longer stays, said Jessica Shih, a company spokeswoman. But much of its business nationwide is with corporate relocations, where an employee needs a place for a short term while the permanent residence is either being built or secured.

Oakwood offers stays of less than 30 days only in locations where local ordinances allow it. Some communities tax stays of less than a month at the prevailing bed-tax rate.

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