



# HOSPITALITY STARTED HERE...



The Royal Sonesta Chicago Downtown



Sonesta Bee Cave Austin

**Sonesta, the 8<sup>th</sup> largest hotel company in the U.S., has its foundation in the integration of Sonesta International Hotels Corporation and Red Lion Hotels Corporation. These two entities trace back to 1937, and today, over 85 years later, are united with 17 brands, 1,200+ hotels, throughout 8 countries.**

### A TALE OF TWO COASTS

In 1937, real estate mogul, A.M. “Sonny” Sonnabend and other investors purchased the **Preston Beach Hotel** in Massachusetts. His hospitality success with Sonnabend Operated Hotels had an **emphasis on service** (a long-standing Sonesta standard) and became the basis of one of the first US-based international hotel chains.

On the opposite coast, in Spokane, Washington, Washington Trust Bank formed a property management company under the leadership of Frank Goodale, who hired Louis Barberi and, under their joint direction, formed G&B - the company that would eventually become the **Red Lion Hotels Corporation**.

While Goodale purchased the property management business (1944), Sonnabend purchased Florida Properties such as the **Palm Beach Biltmore, The Palm Beach Country Club**, and Cleveland properties such as the **Terminal Tower**, and **Hotel Cleveland**. and further west, Chicago’s **Edgewater Beach Hotel**.

### INTRODUCING THE HOTEL CORPORATION OF AMERICA

Merging with **Childs Restaurant Company**, the newly named **Hotel Corporation of American** bought the **Mayflower Hotel** in Washington, D.C. and opened the first **Charterhouse Hotel** in Bangor, Maine (1957). The select service brand continued to prosper for 25 years.

### WHAT’S IN A NAME?

**Sonesta is the blending of Sonnabend’s nickname, “Sonny”, and his wife’s name, “Esther”.**

The name was used first to describe a potato made with sour cream from the Sonesta Dairy Farm in Massachusetts, “Potato Sonesta”. In 1970, it became the new name for HCA, now “**Sonesta International Hotels Corporation**”. (Ironically, Red Lion also has a dairy connection – from 1991-1997 they owned the Broadview Dairy in Spokane.) “International” came to include management of hotels in Egypt, cruise ships on the Nile, new hotels in South America and the Caribbean, and Sonesta Posadas del Inca.

### A HOSPITALITY SUPER-LEGEND: NY’S PLAZA HOTEL

Perhaps the most famous Sonnabend acquisition was Manhattan’s legendary **Plaza Hotel** from Conrad Hilton. Sonnabend’s complete renovation of the Plaza included opening the legendary **Oak Room**. During the 18 years that Sonnabend ran the Plaza, he added more function space for special events and created the food and beverage innovations, such as the **Palm Court** and the **Oyster Bar** that have become hospitality history.

Red Lion similarly had a commitment to quality food product – going so far as to create a centralized distribution point to make the perfect French bread with steam ovens to crisp the crust. These loaves were distributed and became an iconic part of a Red Lion guest stay.

**To this day, Food and Beverage has remained paramount to Sonesta.**

### GROWTH IN THE U.S. AND BEYOND

In the U.S., the first Royal Sonesta was unveiled in New Orleans. More innovations were forthcoming in the form of “**Just Us Kids**” and the first ever meeting planner and travel agent advisory boards.

On the West Coast, Goodale’s new hospitality division opened its first hotel near Riverfront Park in Spokane. Also, on the West Coast, the Thunderbird Motor Inn, Portland, OR was purchased by Tod McClaskey and Ed Pietz, who used the Thunderbird name for their motels and the Red Lion name for their full-service hotels.

### THE SYNERGY CREATED WITH RED LION

Red Lion was sold to a private equity firm in **1985** with 50 properties in 8 states and 11,000 employees.

**It was the largest chain west of the Mississippi.**

In 1995 Red Lion went public and in 1996 was **acquired by Doubletree**. In 2001, G&B (using the name **Cavanaugh’s** and then WestCoast Hospitality) grew again, acquiring Red Lion Hotels brand and properties from Hilton (who had recently acquired Doubletree). The \$51M acquisition expanded the footprint to include every western state but New Mexico and created a portfolio of 90 hotels and 15,000 rooms most of which were rebranded as Red Lion.

The Royal Sonesta New Orleans



Red Lion Hotel Kalispell

### RED LION’S GROWING FAMILY OF BRANDS

Red Lion created its own upscale conversion brand, **Hotel RL**, and acquired **GuestHouse International** to reach 130 properties and over 5 ,000 additional rooms. Then, they acquired **Vantage Hospitality** and its **American’s Best Value Inns & Suites, Canada’s Best Value Inn**, and **Signature Inn**. With brand realignment, RLHC refined the economy segment into “upper economy, economy, and lower economy”. And rebranded itself as **RLH Corporation**, moving to Denver Colorado. In 2018, RLHC also acquired the **Knights Inn** Brand from Wyndham Worldwide.

### OUR MORE RECENT HISTORY

In 2012, Sonesta was sold and became privately owned, and created the **Sonesta ES Suites** extended stay brand. Between September 2020 and March 2021, minority owner **Service Properties Trust** transferred over **200 hotels from other leading national brands to Sonesta brands**, during which Sonesta launched **Sonesta Simply Suites** and **Sonesta Select**.

Then, in December 2020, Sonesta announced the intention to acquire Red Lion Hotels Corporation a transaction completed in March 2021, bringing with it over 900 hotels to Sonesta. By the end of that year, Sonesta had expanded its management company to include a full franchise organization and launched four of the Sonesta brands for franchising for the first time domestically.

In 2022, to re-enter the hot New York market, Sonesta acquired the properties of the **Denihan Hospitality Group** to create the **Benjamin Royal Sonesta New York, The Shelburne Sonesta New York**, the **Gardens Sonesta ES Suites New York**, and the **Fifty Sonesta Select New York** along with the intellectual property for **The James** brand.

**With Sonesta’s now 17 brands, running the gamut from economy to upper-upscale, full-service, select-service, and extended stay, across 1,200+ hotels, 100k rooms in 8 countries, the end is nowhere in sight.**

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1940s  
& Before

1950s

1960s

1970s

1980s

1990s

2000s

2010s

2020s

# A RICH HISTORY IN HOSPITALITY

1937

**Sonesta is founded.** A.M. (Sonny) Sonnabend purchases the Preston Beach Hotel in Massachusetts (1937 – 1952) with six other investors.



1937

**Washington Trust Bank establishes property management division** that would later become **Red Lion Hotels Corporation.**

1944

**Frank Goodale purchases property management division** from Washington Trust Bank.

1953

**The iconic Plaza Hotel is purchased** from Hilton for \$15,000,000.



1957

**The first Charterhouse Hotel** (1957 – 1968) opens in Bangor, Maine. It was followed by a line of 25 others until 1983.



1968

**First International Sonesta Hotel** (Sonesta Montreal)



1969

**Royal Sonesta brand launch**  
The **ROYAL**  
SONESTA

1970

**HCA is renamed Sonesta International Hotels Corp.**



1982

**Sonesta Cairo Hotel & Casino opens**



1999

**Sonesta Posadas del Inca Hotels open** in Miraflores Lima, Lake Titicaca Puno and Sacred Valley Yucay, Peru.



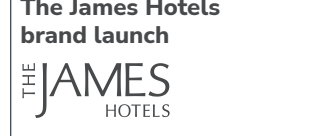
2000

**The Moon Goddess launches on Egypt's Nile River**



2004

**The James Hotels brand launch**  
THE JAMES  
HOTELS



2012

**Sonesta ES Suites brand launch**



2013

**Travel Pass loyalty program launch**



2018

**Sonesta Travel Pass surpasses 1 million members.**

2020

**Sonesta Simply Suites brand launch**  
SONESTA  
Simply Suites

**Sonesta Select brand launch**  
SONESTA  
select

2021

**Acquisition of Red Lion Hotels Corporation**

2022

**The James Hotels brand acquired**  
THE JAMES  
HOTELS

2023

**Sonesta Essentials Brand Launch**  
SONESTA  
essential

2023

**Classico & MOD Sonesta Collections Soft Brand Launch**



**Americas Best Value Inn is awarded #1 in guest satisfaction among economy hotel brands\*** by J.D. Power



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