



Richfield Hospitality and Shelbourne Falcon Investors Acquire First Hotel Under New Expansion Strategy

Date: 2010-06-16

Industry: -Hotel- Category: Development

Signs Contract to Acquire Syracuse Renaissance in Joint Venture, Plans \$5 Million Renovation Conversion to Crowne Plaza Brand

Richfield Hospitality announced that it has signed a purchase and sale agreement to acquire the 279-room/suite Renaissance Syracuse Hotel in a 50-50 joint venture with Shelbourne Falcon Investors for an undisclosed amount. Pending customary hotel closing conditions, the transaction is expected to be consummated in July. Richfield will operate the hotel following the acquisition.

The 20-story hotel will immediately undertake a \$5 million total renovation and concurrently convert to the upper upscale Crowne Plaza brand. The renovation will take place in phases to minimize guest disruptions and includes upgrading all guest rooms and public spaces, as well as enhancements to the exterior.

"This is the first acquisition we have made since announcing our new growth strategy in January," said Greg Mount, Richfield Hospitality president. "We have a very robust pipeline and are actively looking at hotel real estate in the U.S., Canada and the Caribbean. We have signed a number of letters of intent and are well along in the due diligence process. The Renaissance Syracuse is one of only two full-service hotels in downtown Syracuse," he noted. "We believe it is the city's best hotel location, blocks away from the Syracuse University and near all the major demand generators, including the OnCenter Complex, SUNY Hospital and Golisano Children's Hospital, with convenient access to I-80 and I-90. This property is typical of the kind of deals we seek to acquire, a full-service hotel or portfolio that can benefit from our repositioning and operating expertise." "We will call upon all of our resources to quickly optimize guest service and profitability at this hotel, from in-house renovation management expertise to the marketing experience of our Sceptre Hospitality Resources division," he added. "We look forward to great things from this property."

Mount noted that the acquisition is a complex transaction that involves acquiring the hotel's loan and negotiating a deed in lieu of foreclosure exchange with the owner. The hotel will be purchased with a combination of debt and equity.

"We are very flexible in working with owners, lenders, special servicers, brokers and others," he said. "We are not a vulture fund, seeking to force owners out of their assets. We can acquire hotels or their loans as in this acquisition, or we can provide a capital infusion and joint venture with an existing owner when appropriate."

Richfield most recently added a new third-party management contract, in The Joule Hotel in Dallas, a Starwood Luxury Collection property. We are on target to triple our size over the next three to five years.

Said Joseph L. Fox, of Shelbourne Falcon Investors, "We are delighted to partner with Richfield for this project. We believe their expertise in combination with the capital to reposition the hotel will generate substantial value."

Richfield Hospitality, Inc. is a leading hotel management company with a premier track record of maximizing profitability and improving asset values for hotel owners. Richfield and its affiliates offer proven solutions and expertise to approximately 500 hotels and resorts. From hotel operations and property management to electronic distribution and interactive marketing, Richfield achieves superior operating results through its strong commitment to owners, guests and associates. Based in Denver, Richfield is part of City Developments Limited, one of the world's largest real estate, hotel investment and technology conglomerates with a market capitalization exceeding US\$6 billion.

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