

Chartres Lodging Group Completes Purchase of 4,867-Room Adam's Mark Hotel Portfolio

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Hotel Investment Firm Formerly Known as Oxford Lodging Will Spend More Than \$238 Million to Renovate Adam's Mark Properties in Dallas, Denver, St. Louis, Indianapolis and Buffalo, N.Y.

The Chartres Lodging Group, LLC, the San Francisco hotel investment and advisory firm formerly known as Oxford Lodging Advisory and Investment Group, LLC, has completed its purchase of the 4,867-room Adam's Mark hotel portfolio from HBE Corp., of St. Louis, and has announced renovation, rebranding and repositioning plans for the five properties included in the transaction. Goldman Sachs' Whitehall Street Global Real Estate Fund participated as the majority equity stake in the transaction.

Chartres Lodging originally entered into an agreement to purchase the portfolio - encompassing high-profile, convention-oriented hotels in Dallas, Denver, St. Louis, Indianapolis and Buffalo, N.Y. - in May 2007 from HBE Corp., who brands and manages the properties under its wholly owned Adam's Mark subsidiary.

'Chartres Lodging was afforded the unique opportunity to acquire large, convention-oriented hotels in the heart of five premier leisure and convention visitor markets offering extraordinary growth potential,' explained Maki Nakamura Bara, Chartres Lodging co-founder and managing partner. 'Given the cost and scarcity of comparable downtown development projects, we jumped at the chance to strengthen the strong hospitality legacy originally developed in these markets by HBE owner Fred Kummer.'

Plans call for Chartres Lodging to spend more than \$238 million to renovate, rebrand and reposition the five properties over the next 18 months. Property-specific details include:

Adam's Mark Dallas - The 1,840-room property, located in the heart of the city's rejuvenating downtown core, is the city's largest hotel and offers 230,000 square feet of meeting space and onsite parking for more than 1,200 vehicles. A planned \$87-million renovation will reposition the property into the Sheraton(R) Dallas Hotel. Sheraton assumes management of the property now as an Adam's Mark until the rebranding in Spring 2008. Hotel guests during this time will be eligible to receive Starwood Preferred Guest(R) Points.

Adam's Mark Denver - The 1,225-room property benefits from a premier location adjacent to the 16th Street Mall and within three blocks of the recently expanded Colorado Convention Center. In addition to its 125,000 square feet of meeting space, the hotel offers an additional 50,000 square feet of office space in a connected building. A planned \$70-million renovation will reposition the property into the Sheraton(R) Denver Hotel. Sheraton assumes management of the property now as an Adam's Mark until the rebranding in Spring 2008. Hotel guests during this time will be eligible to receive Starwood Preferred Guest(R) Points.

Adam's Mark St. Louis - The 910-room property at the base of the city's iconic Gateway Arch is one of the city's largest and best-positioned downtown hotels, with 76,000 square feet of meeting space and six independent food and retail spaces, many with street entrances. A planned \$63-million renovation will reposition the property into the Hyatt Regency St. Louis Riverfront, the second Hyatt Regency hotel in the market. Hyatt assumes management of the property now as an Adam's Mark until the rebranding in Spring 2008.

Adam's Mark Indianapolis - The 406-room property at the Indianapolis International Airport offers the most guest rooms and meeting space (35,000 square feet) of any Indianapolis airport hotel, as well as 850 surface parking spaces. An \$18-million renovation, rebranding and repositioning of the property is planned. Kokua Hospitality, an independent management affiliate of Chartres Lodging, assumes management of the property now as an Adam's Mark.

Adam's Mark Buffalo-Niagara - The 486-room property is situated in the heart of Buffalo's downtown business district, on a seven-acre parcel close to the redeveloping waterfront. A multi-million-dollar renovation is planned. Kokua Hospitality, an independent management affiliate of Chartres Lodging, assumes management of the property now as an Adam's Mark.

Specific renovation details for each property will be announced in the coming months.

The company's partnership with the five Adam's Mark properties will be patterned after a similar successful venture in Jacksonville, Fla. In March 2005, a Chartres-led investment group acquired the 966-room Adam's Mark Jacksonville Hotel from HBE Corp., and since transformed it into the Hyatt Regency Jacksonville Riverfront through a multi-million-dollar renovation that created one of Northeast Florida's most elegant and best-performing convention hotels.

The Chartres Lodging Group was formerly known as Oxford Lodging Advisory and Investment Group, LLC, but changed its name back to its original identity last month as part of a company recapitalization and to differentiate it from its previous partners.

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