

## Oxford Lodging Purchases Holiday Inn City Centre

1/18/2007 11:25:52 AM

The 495-room Holiday Inn City Centre in Chicago was purchased today by CCC Hotel Partners, LLC – a joint venture between Oxford Lodging Advisory & Investment Group, LLC, of San Francisco, and Dubai Investment Group – in a deal that gives Oxford Lodging and its affiliated property management company, Kokua Hospitality, LLC, control of nearly 1,400 rooms at three high-profile properties in the heart of the city's Magnificent Mile shopping, dining and cultural district.

The new owners will immediately rechristen the 26-floor property on East Ohio Street the Chicago City Centre Hotel & Sports Club and launch a property-wide design change encompassing guest rooms, public spaces, 17,000 square feet of convention and meeting space and the addition of a three-meal restaurant. To satisfy anticipated growth in central Chicago room demand in 2007, the hotel will actively target business, convention and leisure travelers during the rebranding project.

The acquisition is the third in Chicago in less than a year for Oxford Lodging, which is investing more than \$35 million to renovate and rebrand the three properties. In 2006, Oxford-led investment groups acquired the 443-room Allerton Crowne Plaza Chicago on North Michigan Avenue and 357-room Best Western Inn of Chicago on East Ohio Street, both located within blocks of the Holiday Inn City Centre. San Francisco-based Kokua Hospitality will manage all three properties.

“Oxford Lodging continues to target Chicago because the city has done such a tremendous job of attracting business, group and leisure travelers,” said Robert D. Kline, president and co-founder of Oxford Lodging, who announced the acquisition with Dubai Investment Group from Teachers' Retirement System of Illinois, represented by Stone-Levy, LLC. “Since we already own and operate properties here, Chicago affords us another key competitive advantage. Kokua Hospitality can now more fully leverage the significant operational economies of scale that come from managing and marketing three landmark hotels in the Magnificent Mile district – not the least of which is our ability to offer a variety of product to a diverse visitor population.”

“With this acquisition by Oxford Lodging, the Chicago City Centre is well positioned to move to the next level,” explained Arnold S. Levy, president and CEO of Stone-Levy, LLC, investment advisor to the Teachers' Retirement System of Illinois. “The addition of the City Centre to Oxford's growing Chicago portfolio enhances its opportunities in and vision for Chicago.”

Kokua Hospitality's redesign and rebranding of the Holiday Inn City Centre is intended to strengthen the hotel's historic appeal with both leisure and business travelers, thanks to its location equidistant to the Magnificent Mile, Navy Pier, Millennium Park and McCormick Place, and expanded recreational offerings including the largest hotel-based sports club and spa in Chicago, an indoor/outdoor pool and view-oriented pool deck.

In addition to the fitness center and pool, the design change will encompass guest rooms and suites, the hotel's lobby and public spaces, meeting rooms and the addition of a three-meal

restaurant adjacent to the lobby.

“We’re fortunate to be able to work with Oxford Lodging and Kokua Hospitality to leverage both companies’ strong presence and working knowledge of the Chicago market,” explained Anthony Juliano, executive director of Dubai Investment Group. “We remain bullish on Chicago, and the new Chicago City Centre Hotel & Sports Club will help us leverage the city’s growing demand for rooms ideally situated for both leisure and business/convention visitors. The rebranded property will give guests more reasons to stay here.”

The acquisition of the Holiday Inn City Centre expands Oxford Lodging’s room inventory in Chicago’s central visitor district, enabling the company to attract larger and more varied group business associated with convention traffic at McCormick Place. “Chicago City Centre’s 500 additional rooms give us an excellent opportunity to court a variety of different visitor groups due to its excellent location and diversity of amenities including the largest fitness center and spa at a Chicago hotel,” explained Maki Bara, co-chairman of Kokua Hospitality.

Acquired in February 2006, the Inn of Chicago will debut later this year following a multimillion-dollar renovation and rebranding designed to give the 1928 property an updated urban identity and mid-level price appeal consistent with its increasingly popular Streeterville neighborhood. Project details include renovated guest and bathrooms including three upgraded floors designed in a “shabby-chic” urban aesthetic; a strengthened commitment to the business and convention traveler highlighted by the creation of 1,000 additional square feet of meeting space; and a new lobby lounge.

Meanwhile, the 1922-24 Allerton Hotel, acquired in November 2006, targets business and leisure visitors wanting a classic Chicago hotel experience and one of the city’s best Magnificent Mile addresses. The new owners will soon launch a property-wide renovation to update the hotel’s public areas and guest rooms with contemporary features while maintaining its landmark, architecturally significant presence.

#### About Oxford Lodging Advisory & Investment Group, LLC

Oxford Lodging Advisory & Investment Group, LLC is an advisory and investment firm focused on the investment, asset management, property management and renovation of high-quality lodging assets. Oxford Lodging’s principals have been responsible for over \$6 billion of lodging investments and have asset-managed over 100 upscale and luxury hotels, resorts and conference centers. The firm is currently responsible for a \$4-billion, 13,292-room portfolio of luxury and upscale hotels, conference centers and resorts located throughout the United States and Japan. Oxford Lodging’s principals and employees are direct investors in 65% of this portfolio. Oxford Lodging is headquartered in San Francisco, with offices in New York, Los Angeles, Chicago and Tokyo. For more information on Oxford Lodging, please visit [www.oxfordlodging.com](http://www.oxfordlodging.com).

#### About Kokua Hospitality, LLC

Kokua Hospitality is a property management firm affiliated with Oxford Lodging Advisory & Investment Group, LLC, of San Francisco. Purposely created by lodging management and operational experts as a management company with an investors’ sensibility, Kokua Hospitality blends the attention to detail of a customer service entity with the rigors of a real estate investment concern. The name (pronounced “koh-koo-ah”) is Hawaiian for “to serve.” Based in San Francisco, Kokua Hospitality manages a growing portfolio of hotels and resorts nationwide.