



Campus Apartments' foray into lodging is a 136-unit Homewood Suites by Hilton near the University of Pennsylvania.

Esposito named editor of Hotel Business DESIGN



Lauren Esposito

EAST SETAUKET, NY—Lauren Esposito has been promoted to Editor of Hotel Business DESIGN® effective Jan. 1. She will continue to report to James (Jay) Schultz, senior vp, ICD Hospitality Group.

Since joining ICD Publications, parent company of HOTEL BUSINESS® and Hotel Business DESIGN®, in 2005, Esposito has helped take Hotel Business DESIGN® (formerly New Look magazine) from a quarterly supplement within HOTEL BUSINESS® to a stand-alone BPA-Audited magazine that is published six times a year.

In addition, she has helped to raise the profile of the magazine and give it more of a business focus through enhanced coverage of the hospitality design industry, leading numerous executive roundtables throughout the year and hosting educational seminars at industry events, including the International Hotel/Motel and Restaurant Show.

"Lauren has played an integral part in developing Hotel Business DESIGN®'s overall vision of reporting on hospitality design from more of a business perspective," said Schultz. "Lauren's deep relationships and experience within both the hospitality business and design communities have prepared her to lead HBD to new heights."

In addition to her new role as editor of Hotel Business Design, Esposito will continue to also serve as Associate Editor of HOTEL BUSINESS®, where she has covered the hospitality industry for the past six years.

From students to guests, Campus Apts. makes the switch

BY STEFANI C. O'CONNOR

PHILADELPHIA—Local real estate developer Campus Apartments is making a natural segue to lodging from its traditional business of creating student housing for colleges, universities and institutions.

Not straying too far from its core competency, the 53-year-old company broke ground in December on a Homewood Suites by Hilton located on Walnut St. in the University City district, which is proximate the University of Pennsylvania.

According to President/CEO David Adelman, the firm over several years has been asked to "do hotels" by some of its university clients, but was reluctant until being approached by longstanding client the University of Pennsylvania, "It made sense for us to take a real serious look at it in our own backyard where our corporate office is," he said.

The idea for the all-suites, extended-stay hotel project was created three years ago, but the estimated \$50 mil-

lion endeavor ran into some snags.

"We actually switched sites in the middle of the process," said Adelman. "The zoning at one of the other sites didn't go as well as we would have liked and we weren't able to get the density that we thought would fulfill the demand, so we wound up moving it to a piece of land that we actually owned."

The company also was faced with securing financing during the economic downturn as well as tending to its main student housing development, which was continuing to grow. The company develops and owns both on- and off-campus residential accommodations for undergraduates, graduates, faculty and professional staff, as well as retail, office space and mixed-use projects in university communities.

"This was not easy [to finance]. Con-

struction labor in Philadelphia is extremely high. We had multiple capital sources to help to do this loan, including New Market tax credits," said Adelman.

The 136-unit property was financed via the Commonwealth of Pennsylvania, the Philadelphia Industrial Development Corp., The Reinvestment Fund, U.S. Bank Community Development Corp. and Beneficial Bank.

Additionally, the property is being developed to meet LEED certification standards and is the first commercial project for the city's new EnergyWorks initiative, a program that provides low-interest loans to assist in financing "green" redevelopment and construction.

Campus Apartments also has \$7 million in equity into the project, said the CEO.

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David J. Adelman
Campus Apartments

GR Hospitality gets into the game with first acquisition

BY STEFANI C. O'CONNOR

FRANKLIN, TN—Formed seven months ago, new management company GR Hospitality Group is set to triple its portfolio after acquiring its first hotel, an 80-room Comfort Inn in Fairfield, AL.

Created by industry veteran Greg Presley, the nascent company is looking to third-party manage and contract with select, focused and full-service hotels as well as independents and will place a particular emphasis on turning around non-profitable properties in the economy/limited-service segments.

"Our ultimate goal is to own and operate, but with today's economy I think we have to grow our business through third-party management," said Presley.



Greg Presley
GR Hospitality Group

The venture "is a life-long dream" for the newly minted CEO, who started out at 19 as a front-desk clerk and went on to work with Marriott International and Hilton Worldwide during his quarter-century career. He most recently oversaw 14 hotel assets for locally based Chartwell Hospitality.

Earlier last year, Presley began looking at his options and was able to connect with Citizens Corp., a Nashville-based bank-holding company. With the assistance of banker and business acquaintance Ryan Saffle he was able to get a business plan off the ground.

While third-party contracts are the focus right now, Presley noted banks are handling more properties in or facing

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Campus Apartments plans extended-stay hotel in PA

Privately-held Campus Apartments has hundreds of university community residential buildings in its portfolio, many similar in concept to midscale hotels.

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The executive said the move into lodging was a good fit for the company as it was "answering the needs of our university partners and clients. That's

what makes this really special."

Adelman said initially the property was to be an independent but after looking at brand options decided on a Hilton flag. "A main reason is that Hilton

has a flag on the University of Pennsylvania's other hotel, which is the Inn at Penn. "We just thought it made sense at that point to make it a similar flag, share reservations, things like that, because that hotel happens to be one of the highest RevPAR hotels in the city," said the CEO.

In addition to the university, the Homewood Suites is expected to derive room nights from area generators such as Penn Medicine, The Children's Hospital of Philadelphia and similar facilities.

Adelman indicated the local market was steady. "Philadelphia, in my opinion, never really peaks and never really valleys; we're kind of in the middle. We took our hits, but I don't think as bad as some of the other cities across the country," he said.

The 110,000-square-foot hotel, slated to open in 2012, is the first phase of a two-phase project. Adelman said it will be joined by a stand-alone, 150,000-square-foot office building.

Helping pull the project together is general contractor L.F. Driscoll Co.; Alesker & Dundon Architects, LLC; and interior designer Floss Barber, Inc.

With several hundred buildings in its portfolio—more than 200 in the Philadelphia area alone—privately-held Campus Apartments manages approximately 30,000 rooms across two-dozen states; however, Adelman is looking for a hotel management company to handle the Homewood Suites.

"I'm smart enough to know that while my business is an operating business, I'd like to watch somebody else in action first [at the hotel]," he said.

So are more hotels on the horizon for the firm?

"I think so," said Adelman. "Once this is open and we see how it's performing, I think it will be a good example for some of the other universities where we're doing other projects; that we can bring this as well."

And while the extended-stay lodging model is close in concept to student housing, the CEO indicated universities have asked the firm to do full-service and conference center hotels.

"So who knows what's on the horizon?" said Adelman. **HB**

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