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Duane Morris works on hotel deal

Firm represents Atlas Hotels in pact for shared ownership of San Diego resort

By Alex Shively

Daily Journal Staff Writer

Duane Morris LLP represented Atlas Hotels Inc. in its partnership agreement with Lowe Enterprises and AECOM Capital for shared ownership of the Town and Country Resort & Convention Center in the Mission Valley area of San Diego. Manatt, Phelps & Phillips LLP and Gibson, Dunn & Crutcher LLP advised Lowe Enterprises and AECOM Capital, respectively.

Morrison & Foerster LLP also worked on the deal.

Previously the sole owner of the property, San Diego-based Atlas Hotels, brought in partners to help finance property renovations at the hotel, resort, convention center and meeting place.

The joint venture was announced June 3.

Lowe Enterprises is a Los Angeles-based real estate investment firm. AECOM Capital is the investment fund of AECOM Technology Corp., also based in Los Angeles. An affiliate of Starwood Property Trust Inc. financed the deal.

San Diego-based partner Grant Puleo of Duane Morris represented Atlas in the transaction.

"It's not the biggest [deal] that I have worked on," Puleo said, "but it is significant for the San Diego market. The size of the property was substantial and the complications with transferring the liquor license and [furniture, fixtures and equipment] among other issues really prolonged the process." Puleo noted that the property holds the largest privately held convention center in Southern California.

Town & Country, located at 500 Hotel Circle North, was built in 1953 and features 954 rooms and more than 200,000 square feet of meeting space. Lowe's hospitality management subsidiary will operate the property.

Los Angeles-based Jeffer Mangels Butler Mitchell LLP partner Jim Butler, who was not involved in the deal, said the transaction represents an emerging trend in which companies with hospitality expertise team up with firms more effective at managing capital.

"When hotel managers partner with experienced investors, they create opportunities that present more than a straight hotel investment," Butler said. "The capital expertise provided by AECOM and Lowe will allow for redevelopment and renovations that will attract new customers, raise prices and add value to the enterprise."

Manatt, Phelps & Phillips partners Timi A. Hallem and Justin X. Thompson in Los Angeles advised Lowe. Hallem said she got involved in the deal in the fall when Lowe first expressed interest in the transaction. Officially hooking up with AECOM was done quickly — in about six weeks, she said in an email. She declined to comment further.

San Francisco-based Gibson, Dunn & Crutcher LLP partner Erin



PULEO

L. Rothfuss worked with partner Steven Klein in New York and associate Danielle A. Katzir in Los Angeles on the AECOM team.

Morrison & Foerster LLP partner Scott A. McPhee and associate Richard M. Dinets, both in Los Angeles, represented Starwood.

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