

Wright Investment Properties Inc. Seeks to Acquire the Shuttered Citi Centre Plaza Hotel
in Downtown Kansas City; Built in 1925 as the Aladdin, the Deal Is Contingent on
Tax Breaks to Repair and Renovate the Structure

By Rick Alm, The Kansas City Star, Mo.
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Dec. 13, 2005 - The former Citi Centre Plaza Hotel at 1215 Wyandotte St. may soon undergo another reincarnation -- and second go-round as a Holiday Inn.

Built in 1925 and opened as the Aladdin Hotel, the 16-story structure is under a \$5.1 million sales option to privately held, Memphis-based Wright Investment Properties Inc.

President Larry F. Wright Sr. said Friday the property was to be renamed the Aladdin Holiday Inn and restored to its historically accurate roots, including the return of its Zebra Room lounge as a downtown happy hour martini bar. The hotel would reopen by spring 2007.

The group owns 18 hotels in nine states, mostly affiliated with the Holiday Inn and Marriott chains. This would be the company's first lodging venture in Missouri or Kansas.

The 195-room hotel has been closed since February 2004, when a management group that had leased and operated the structure under the Citi Centre name shut it down. At the time, one executive said the hotel for months had drawn only a handful of guests nightly.

Joe Ross, an area hotel broker who represents the sellers, Arabesque Properties LLC, said the deal could close within 45 days "depending on the cooperation of the city."

Wright emphasized that the deal is contingent on tax breaks. "The only way this hotel will be successful is with the help of TIF and state and federal historic preservation tax credits," he said.

The group is seeking an estimated \$4.6 million in assistance from the Kansas City Tax Increment Financing Commission, which could consider the request as early as this week.

Wright said those tax dollars generated by the project and pumped back into it would help to add a modern elevator to the structure, repair dangerous deterioration to the exterior and upgrade fire safety throughout.

Federal and state restoration tax credits could equal up to 25 percent of the \$7.5 million in hard development costs Wright estimated it would take to repair and renovate the structure.

When the project is finished, he said the Aladdin would fill a needed downtown lodging niche.

"The city needs some new midmarket pricing downtown," he said. "When the Power & Light district is open, a lot the people that visit there will want to stay downtown but won't be able to afford Hilton or Marriott pricing," which he said runs around \$140 per night -- and up.

Wright promises a "first-class" downtown room in the mid \$90s. "We're going to create an upscale, downtown boutique hotel," he said. "We're pretty excited about it."

The Kansas City hotel over the years has been through a succession of makeovers and new owners.

In 1981, the by-then renamed New Aladdin Hotel reopened as Embassy on the Park. The owners briefly affiliated with the Sheraton chain to tap into its national reservation system. Ditto with a switch to the Days Inn group and then in the early '90s to Holiday Inn after another go as the Embassy on the Park.

Ross said the Arabesque group has owned the building for about eight years.

Hotel developers and others are increasingly attracted to downtown Kansas City, which, by mid-2007, will put on a fresh new face in the form of the Power & Light entertainment district, the Sprint Center, a college basketball museum and a new Bartle Hall ballroom.

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