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L.A.-based group buys Hotel Teatro

By John Rebchook, Rocky Mountain News

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Los Angeles-based DiNapoli Capital Partners on Wednesday said it purchased the 111-room Hotel Teatro at 1100 14th St.

The sale price was not released, but experts estimated it sold for more than \$30 million.

The hotel was opened in 1999 by developers Jeff Selby and Michael Brenneman. They said they plan to start construction next year on the first Four Seasons Hotel in Denver on a parking lot across from the Teatro. The Four Seasons Hotel and Private Residences would have 230 rooms and 102 condos.

Brenneman said because of a confidentiality agreement they can't release the sales price,

"But it was a handsome price for the property," Brenneman said by e-mail. "The market is an excellent one for luxury hotel products at this time."

At one point, he and Selby were considering connecting the Teatro with the new Four Seasons.

"The Four Seasons will be a great neighbor to Hotel Teatro and will (be) better designed as a single, stand-alone tower," Brenneman said.

"The sale opens up some interesting opportunities and questions," said hotel consultant John Montgomery, president of Horwath Hospitality Investment Advisors/Montgomery & Associates. "Now that they've sold this asset, what is the next domino that is going to fall?"

The privately owned DiNapoli owns a number of Four Seasons, Fairmont, Ritz-Carlton, and other luxury hotels. Its holdings include the Carlyle Hotel in New York; Fairmonts in Dallas, New Orleans, and San Jose; and Four Seasons in Houston, Toronto, and Carlsbad, Calif. It previously sold Four Seasons in Austin and Santa Barbara, Calif.

This is the second high-end hotel in Denver to sell recently. In September, Denver-based Sage Hospitality in a joint venture with JP Morgan, paid a record price of \$72 million for the 196-room JW Marriott Hotel at 150 Clayton Lane in Cherry Creek North. That hotel sold for about \$365,000 per room.

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