



DORAL TESORO | Fort Worth, Texas

[former Westin]

O P P O R T U N I T Y

In late 2002, Interstate assumed management of the Westin Beechwood Creek and Troon Golf resort in suburban Fort Worth, Texas. This property’s initial operations were hampered by the repercussions of the September 11, 2001 terrorist attacks and softening economic conditions. The owner defaulted on the loans and filed for bankruptcy, and the lender assumed the property. The property was poorly managed, and the lender appointed Interstate as manager. Interstate transitioned the property in less than two weeks. Though a relatively new hotel, the hotel and golf course was in need of major capital improvements and the Westin brand was not providing incremental value to the hotel. In March 2003, the hotel was repositioned and renamed the Doral Tesoro Hotel & Golf Course and began a \$2 million renovation.

R E S U L T S

Interstate developed a business plan to reposition the property to attract higher volumes of group business by renovating the property, improving the golf course, and marketing to local Dallas /Fort Worth demand generators. In addition to mobilizing a Task Force team, and providing operational stability as described in the previous case study, Interstate provided following:

- Increased property sales force
- Repositioned the resort as the Doral Tesoro resort and affiliated the hotel with the Synxis reservations system
- Renovated the hotel and golf course to be more open, warm, welcoming, and user-friendly

A summary of operating results before and after Interstate’s marketing plan was implemented is presented in the table below.

	Pre-IHR Positioning	Post-IHR Positioning	Post-IHR Positioning
	2004	2005	2006
Occupancy	45.3%	51.0%	53.6%
Average Daily Rate	\$99.42	\$108.49	\$120.66
RevPAR	\$45.01	\$55.36	\$67.96
NOI (\$000)	\$663	\$1,400	\$3,000

The lender sold the Hotel in 2005 to a partnership involving Interstate. With a new capital structure and owner vision, IHR continued to execute the asset improvement strategy. After achieving the desired results, the partnership sold the asset in 2007 and achieved a gain on sale of approximately \$20 million.

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N O W M O R E T H A N E V E R . O U R E X P E R I E N C E . Y O U R S U C C E S S .



MIAMI MART AIRPORT HOTEL | Miami, Florida

[former Sheraton]

SHERATON ORLANDO | Orlando, Florida

O P P O R T U N I T Y

In early 2008, Interstate assumed management of two full-service hotels in Florida that were in Receivership. IHR was retained by a court-appointed receiver to take over these two properties from an owner/operator. They were poorly managed; one ultimately lost its flag. The owner defaulted on the loans. Additionally, both hotels were in need of major capital improvements and both were in default with the franchisor, Starwood Hotels & Resorts. Interstate transitioned the properties in less than two weeks.

R E S U L T S

With the help of all stakeholders, Interstate developed a business plan to immediately improve the operations at each hotel. Interstate mobilized a Task Force team assigned to each hotel and immediately provided operational stability including the following highlights:

- Implemented purchasing programs with its national vendors
- Improved relations with existing vendors who had been on COD
- Transitioned the hotels to Interstate’s marketing, management, and operating systems.

Additionally,

- Worked with Starwood hotels to extend flag for an orderly de-franchising

Interstate was able to provide the operating stability necessary for the Court, Ownership and Lender to work out an equitable financial solution.

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