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New Alliance Opens The Door For Hotel Development
NYLO Teams Up with Don Landry, Campo Architects

ATLANTA (Sept. 30, 2009) – Hotel development becomes financially feasible thanks to a strategic alliance announced last week to hospitality insiders at The Lodging Conference 2009 in Phoenix.

The alliance teams NYLO Hotels, Top Ten hospitality advisory company and Campo Architects. Its mission is to maximize the power of incentives, such as the Historic Rehabilitation Tax Credit, to help developers hamstrung by the tight credit market.

“The tax credit for rehabilitating historic buildings can offset the equity developers must put up behind a project by millions of dollars,” explains Don Landry, owner, Top Ten.

Developers who qualify and spend \$25 million rehabilitating a property, for example, could get a \$5 million tax credit on top of other tax deductions for the property.

In the current credit crises, developers are finding it all but impossible to secure reasonable financing. Lenders have tightened credit standards, typically requiring 40 – 50 percent equity in commercial projects. Through a combination of state and federal tax credits, according to Landry, developers can offset that amount, bringing it closer to the pre-recession norm of 20 percent.

“This is an opportunity to dramatically offset project costs and develop one of the lodging industry’s most exciting new brands,” says John Russell, CEO, NYLO Hotels. “With more than 50 franchise opportunities in the pipeline, NYLO is delighted to partner with Don Landry and John Campo.

“Don is an industry leader who has headed up some of the world’s largest hotel management, real estate and franchise companies,” Russell continues. “Campo Architects brings to the table more than 25 years of experience in architecture and design. With its expertise in historic preservation and incentives, the firm has been enormously successful in creating significant equity for hotel owners and developers across the country.”

Natural Fit

NYLO works hand-in-glove with adaptive reuse, or the process of renovating buildings for new uses while retaining their historic character, according to Russell

“With its bold urban loft design, each hotel looks like a historic building converted into a contemporary, upscale lifestyle hotel,” he says. “In a tough economic environment, NYLO has the flexibility to maintain its design integrity, while also working closely with developers to offset costs so they can move forward on projects.

“Many of the buildings that qualify for historic preservation and other tax credits are in prime locations, such as New York, Los Angeles, Chicago, Miami and New Orleans, to name just a few,” Russell adds. “By working with Top Ten and Campo Architects to develop a comprehensive repositioning strategy, NYLO reduces project costs and opens the door to development in high-barrier markets.”

Bundled Services Reap High Rewards

“While the tax credit for preserving historic buildings is an exceptionally attractive proposition, a significant amount of money is being left on the table by people who are unaware of all the incentives available to them,” explains John T. Campo, Jr., AIA, founder and president, Campo Architects. “We work with owners and developers to help them secure what is theirs.”

During the past 25 years, New Orleans-based Campo Architects has orchestrated incentives totaling \$250 million for projects qualifying for the Historic Rehabilitation Tax Credit. In many cases, state governments match these federal incentives.

“What’s more, historic preservation tax credits are ‘stackable,’” Campo continues. “They can often be combined with others, including New Market Tax Credits, and monetized, creating additional incentives for developers.”

“Campo Architects really understands historic rehabilitation and is adept at working with federal agencies and state historic preservation offices,” says Chick Armstrong, NYLO’s senior vice president of franchise development. “Developers need someone to take the lead and assure their projects meet all the criteria to qualify for these sizeable credits.

“John Campo has expertise in all facets of historic renovation and adaptive reuse, from design and construction to tax incentives and state and federal guidelines,” Armstrong continues. “With his team of architects, designers, lawyers, accountants and auditors, he works with government agencies to take full advantage of all the available incentives and assure the entire process runs smoothly.”

“There’s a lot of interest among developers in these tax credits,” Landry concludes. “With its great design and original local art and music, NYLO embraces the total concept of the lifestyle hotel. Our strategic alliance provides an opportunity to develop a quality product in prime locations with an approach that makes development once again financially feasible.”

Preserving History

The Federal Historic Preservation Tax Incentives help preserve the historic places that give cities, towns and rural areas their special character. The incentives revitalize cities and towns, provide jobs and enhance property values.

To secure these incentives, some hard rules apply, according to Campo: Typically, a building must be at least 50 years old, listed on the National Register of Historic Places or deemed by the federal government to have historic significance. Or, it can be located in a registered historic district. Other rules concern how much money must be spent on a renovation and how much of the existing structure must be retained to maintain the historic nature of the architecture.

The National Park Service administers this program with the Internal Revenue Service in partnership with State Historic Preservation Offices.

About NYLO Hotels

Atlanta-based NYLO Hotels offers a new class of hotels that combines the dynamic qualities of urban residential loft-style living with the best-of-the-industry features of leading hotel brands. NYLO features bright, spacious loft accommodations; state-of-the-art business center; high-tech gym; and stylish, 24-hour, healthy-alternative restaurant and bar. The brand caters to travelers seeking an energized alternative to the bland, one-size-fits-all experience typically found in mid-priced lodgings. The first NYLO made its debut in Dec. 2007 in Plano, Tex., a thriving North Dallas suburb. A second hotel, NYLO Providence/Warwick, opened in Sept. 2008, and a third, NYLO Dallas/Las Colinas, premiered in July 2009. For more information, visit online www.nylohotels.com.

About Campo Architects

Campo Architects is a 24-year old architectural firm that is based in New Orleans, Louisiana and Las Vegas, Nevada. Campo Architects is an award-winning firm with expertise in hospitality, medical, multi-family and corporate office design. The firm has a commitment to design excellence and consistent project management standards. Campo Architects offers its clients an integrated approach by understanding architectural implications, knowledge/expertise in construction and building code compliance, and a proven track record to deliver value.

Campo Architects is LEED-accredited and licensed in 22 states. The firm provides a full-range of specialized tax incentives services in addition to architectural, planning and design services for both new construction and renovation projects.

Campo Architects has been ranked in the top 25 hospitality design firms in the country. For more information, visit the company's Web site at www.itcampo.com.

About Don Landry

Don Landry, CHA, is the owner of Top Ten, an independent hospitality industry advisory company that provides networking, marketing and development services to industry suppliers and developers. He serves on the board of directors of Hersha Hospitality Trust (NYSE:HT), a real estate investment trust, and on the advisory boards of Unifocus and Campo Architects.

A 40-year lodging industry veteran, Landry served as president of some of the world's largest hotel management, real estate and franchise companies. He is the former vice chairman of the board and CEO of Sunburst Hospitality Corporation (NYSE:SNB), a hotel real estate and management company with ownership in 75 hotels with over 10,000 rooms in 25 states. He was president of Choice Hotels International (NYSE:CHH), a company with more than 6,000 franchised hotels in 30 countries. Prior to Choice, Landry served as president of Manor Care's hotel division and assisted living division. For more information, visit www.donlandrytoppen.com.

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