

## PRESS RELEASE

### **FINANCING SECURED FOR FAIRMONT AUSTIN FROM COLONY CAPITAL** *Austin's only hotel with direct access to convention center set to open in mid-2017*

AUSTIN, TX (October 24, 2014) – The Fairmont Austin, the first hotel providing direct access to the Austin Convention Center, has secured financing and will break ground on November 3, 2014.

Developer Manchester Texas Financial Group (MTFG) secured project financing from Colony Capital, LLC for its \$370 million luxury hotel, which is slated to open June 3, 2017.

“It’s time for construction of the Fairmont Austin to fire on all cylinders,” said Doug Manchester, president of MTFG. “We’re thrilled to have aligned with a first-class operator in Fairmont and a premier funding source in Colony Capital, and it’s all the more exciting given how strongly we believe in Austin.”

Thomas J. Barrack, Jr., Chairman and CEO of Colony Capital, said: “Having had the privilege of working with both Papa Doug Manchester and the Manchester Group as well as Fairmont for over a decade, we see this as a continuation of a great and valued relationship. Papa Doug Manchester's outstanding development success highlights his keen ability to execute with superb market timing. And Fairmont, as a global leader in the hospitality industry, is an exceptional choice for a management team with a worldwide reputation for excellence. We are looking forward to yet again working with Papa Doug, his son Doug, and Fairmont in the dynamic, growing city of Austin.”

Los Angeles-based Colony Capital, founded in 1991 by Barrack, has extensive expertise in the hospitality sector including investments in over 500,000 rooms across 4,300 hotels in 100-plus countries. Select hospitality investments have included Accor, AmanResorts, Fairmont, Raffles, Savoy Hotel Group, Kerzner International, One&Only, Costa Smeralda, SLS Hotels, The Ritz-Carlton Kapalua and The Orchid Mauna Lani. Colony has been ranked as the fourth largest private equity real estate firm in the world for the second year in a row by *Private Equity Real Estate*, with over \$60 billion invested since inception.

Final designs for the Fairmont Austin call for 1,066 rooms in 37 stories, plus four levels of underground parking, totaling nearly 1.4 million square feet. The hotel will rise approximately 595 feet, making it the second tallest structure on downtown Austin’s skyline, which is currently dominated by the 56-story, 680-foot Austonian residential tower.

The property will be built on a 1.74-acre parcel at the northeast corner of Cesar Chavez and Red River Streets, connected to the Austin Convention Center by an aerial promenade being designed by Thomas Phifer and Partners, the same firm selected by the Waller Creek Conservancy to develop a master plan for the Waller Creek area. Waller Creek runs along the northwestern edge of the Fairmont Austin location.

Todd Runkle, Principal and Managing Director of Gensler's Austin office, describes the design of the Fairmont as a significant architectural contribution to the city's skyline as well as a catalyst for the development along Waller Creek.

"The design of the building incorporates a high level of sustainability including an energy efficient exterior skin, building systems while using local materials and promoting a more walkable downtown Austin," Runkle said. "We feel this project will raise the level of architecture in the hospitality industry as well as in Central Texas."

The project marks Fairmont's second hotel in Texas and joins The Fairmont Dallas, located in the heart of that city's Downtown Arts District.

William R. Fatt, Chairman and Chief Executive Officer of FRHI Hotels & Resorts, the luxury hotel brand's parent, said: "Fairmont is delighted that construction of the Fairmont Austin is underway and we are excited to be working with the Manchester Group and Colony Capital. The Fairmont Austin, with its unique design and unrivalled location with direct access to the Austin Convention Center, will quickly become the leader in the Austin market."

The Fairmont Austin is expected to help Austin attract additional convention center business and meet pent-up demand. It will feature 106,500 square feet of meeting space, plus an additional 43,300 square feet of pre-function space and a 19,000-square-foot outdoor deck with space for 1,200 guests. The project will generate upwards of \$15 million in hotel occupancy tax and contribute \$6 million in property tax annually, most of which will go to the Waller Creek TIF (tax increment financing) district. It will add roughly 1,000 permanent jobs to the Austin market and more than 700 construction jobs while it's being built. Hunt Construction Group was awarded a \$247 million contract in June to build the hotel.

The hotel's design encompasses a number of green building elements that complements Fairmont's industry-leading philosophy of operational sustainability and responsible tourism. More than two decades ago, Fairmont was the first hotel company to adopt a comprehensive environmental program and more recently became the first luxury brand to address climate change by pledging to significantly reduce CO2 emissions worldwide.

**About Manchester Texas Financial Group, LLC**

Manchester Texas Financial Group, LLC manages all Texas-based holdings in commercial real estate and hotel development for Manchester Financial Group. The company's first project is a luxury convention center hotel in Austin, Texas, where the firm is based. It is a subsidiary of Manchester Financial Group, a San Diego-based hotel and commercial property development firm. Founded in 1970, Manchester Financial Group has developed more than \$3 billion in assets in 11 states, employing approximately 3,000 people nationally. For more information: <http://manchesterfinancialgroup.com/>.

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**About Fairmont Hotels & Resorts**

Fairmont Hotels & Resorts connects guests to the very best of its destinations worldwide, reflecting each locale's energy, culture and history. Passionate travelers choose the luxury hotel brand for its ability to deliver memorable travel experiences, personalized and thoughtful service, and hotels that are one-of-a-kind. Serving as genuine gateways to their destinations, Fairmont hotels offer locally-inspired cuisine and spirited bars and lounges, distinctive design and décor, and a steadfast responsibility to environmental and social priorities. With more than 65 hotels globally, and many more in development, landmark hotels in the Fairmont collection include The Plaza in New York, London's The Savoy, Fairmont Peace Hotel in Shanghai and Quebec City's Fairmont Le Château Frontenac. Fairmont is owned by FRHI Hotels & Resorts, a leading global hotel company with over 110 hotels under the Fairmont, Raffles, and Swissôtel brands. The company also manages Fairmont, Raffles and Swissôtel branded luxury private residence clubs, whole-ownership residences and serviced residences properties. For more information or reservations, please visit [fairmont.com](http://fairmont.com).

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**About Colony Capital, LLC**

Founded in 1991 by Chairman and Chief Executive Officer Thomas J. Barrack, Jr., Colony Capital is a private, international investment firm focusing primarily on debt and equity investments in real estate-related assets and operating companies. The firm has invested more than \$60 billion in over 36,000 loans/assets through various corporate, portfolio and complex property transactions. Colony has a team of more than 700 and is headquartered in Los Angeles, with offices in New York, Boston, Scottsdale, London, Luxembourg, Madrid, Paris, Rome, Beirut, Hong Kong, and Seoul. For more information, visit [www.colonyinc.com](http://www.colonyinc.com).

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