

# Barberg has a financial package

by Pat O'Donahue  
News-Chronicle Staff Writer

"Some deep-pocketed partners" will help Barberg & Associates complete the proposed Granada Royale Hotel in downtown Green Bay. Warren Barberg told the city's Redevelopment Authority Tuesday.

"We are most anxious to break ground just as fast as we can," he said.

Barberg and his financial vice president, R. Michael Webb, presented a five-point financial package to the authority, a step needed to give the City Council the assurance that Barberg can follow through on his commitment to develop the Regency Center Complex, which will include the hotel.

In his cover letter to the authority, Webb said, "We ask that the Redevelopment Authority approve the form and content of this financing package, recommend approval to the City Council, and contract to purchase the land subject to the above commitments being filled into place."

Redevelopment Authority Chairman John Rose said that if all comes through as presented, "it's a pretty good package."

"In any case, we have to purchase that

land," commented Mayor Sam Halloin, "for this project or for other projects in the future."

Basically satisfied, the authority approved the package subject to the specified conditions being met as anticipated.

For the purpose of constructing the hotel, Barberg said, he has entered into a partnership with Robert E. Woolley, primary owner of Hometels of America (franchiser of Granada Royale hotels), and Seymour Svirsky of New York City.

Webb said Woolley is personally worth over \$56 million, and Barberg later confided Svirsky's personal worth is double that figure.

Barberg & Associates will retain a 50 percent share, while Woolley and Svirsky will each hold a 25 percent share in the partnership, Barberg said.

Webb told the authority that \$7 million of the \$14 million construction cost will be syndicated by GRH Securities, Inc., the syndication division of Hometels of America. The other \$7 million will be financed shortly before construction is completed.

As the third and fifth portions of the five-part package, Webb submitted financial

statements of the three partners in the joint venture, and advised the authority that the partnership has a preliminary commitment for construction financing from Valley Bank of Green Bay.

The clincher, however, appeared to be Webb's announcement of an \$11,650,000 take-out commitment from Barclay's American Business Credit, the U.S. division of the prestigious and financially solid Barclay's Bank of London.

"We do not anticipate using the Barclay's guarantee," Webb said, but several authority members were impressed with the fact that such a noted financial institution will stand behind the project.

Webb said, "We anticipate that this hotel will do very well." He indicated that the

average occupancy of Granada Royale hotels is 80 percent, while the industry average is about 65 percent.

Barberg said he still hopes to break ground by Oct. 6, the original target date, and added that he has a "firm construction bid" of \$2.1 million from a firm which has constructed other Granada Royale hotels.

That is GFW Construction of St. Paul, Minn., said. The initials represent three partners: Giesen (project manager for a Granada Royale at Bloomington, Minn.), Ferhics (project manager for another at St. Paul), and Woolley.

"Just as soon as the city tells us they have the site ready, we will break ground," Barberg said.

De

PREPARED BY  
**ONEIDA PLANNING OFFICE**  
C. A. RASMUSSEN, DIR.