

Starwood affiliate buys property near hospital

by Kirby Lee Davis

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TULSA – An affiliate of Starwood Capital Corp. paid \$3.76 million for an 8.8-acre plot neighboring the St. John Broken Arrow hospital and the Broken Arrow Expressway.

Tulsa County Courthouse records indicate SW Albany Street LP acquired the property from CRK Properties, the real estate brokerage arm of Stillwater National Bank. The vacant land sits at the southeast corner of State Highway 51 and W. Albany Street (E. 81st Street in city of Tulsa signage), immediately northwest of the hospital development parcel.

SW Albany Street's corporate address is the same as Greenwich, Conn.-based Starwood Capital, the parent of several hospitality and real estate financial and development arms including SH Group, owner of the environmentally friendly 1 Hotels & Resorts concept and the Baccarat hotel license. Starwood Capital is the former parent of Starwood Hotels and Resorts.

Officials with Starwood Capital could not be reached for comment.

Stillwater National had acquired the Broken Arrow site from developer Phil Roland's Roland Investments, which had taken an SNB mortgage on the property in June 2008.

Brent Bates, a vice president with the bank, declined comment on the SW Albany sale due to a confidentiality agreement with the buyer.

Starwood Capital also owns Starwood Property Trust, a real estate finance company offering commercial mortgage loans and other financial options to hospitality industry clients.

The property SW Albany purchased fits the area where Anish Hotels Group owner Andy Patel had spoken of starting construction on a Hilton Garden Inn this year. That led some industry observers to wonder whether Starwood Capital had acquired the property as part of completing a financial arrangement with Patel.

But Patel said he had no affiliation with the buyer and knew nothing of Starwood's intent for the site.

"We still have plans for that," he said of the Hilton Garden Inn, noting it would be a part of a retail development Walman Commercial Real Estate Services is pursuing immediately adjacent to the hospital. "We just don't have anything set at this time."

Patel wondered if Starwood Capital could be considering a retail development for its new property. Walman Commercial founder Steve Walman said he has talked to executives tied to Starwood, but has no knowledge of their plans.

Norman Stephens, economic development coordinator with the city of Broken Arrow, said no one has approached the city about developing that site for about three years.

"I went down and talked to the planning department people about this," he said in a telephone interview. "They know of nothing going on there."

HotelBrokerOne Vice President Mike Craddock said the St. John hospital and nearby Bass Pro Shops would represent the kind of demand generator lenders look for in studying hospitality feasibility. The only new hotels to develop along that corridor over the last two decades neighbor the outdoor sports retailer.

"That hospital/Bass Pro will provide some very good demand generators for hotel properties," he said. "Hospitals, those are very high demand generators for a hotel."