

Hotel chain purchases Dream Inn

By JOAN RAYMOND
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SANTA CRUZ — The owner of eight hotels, including San Francisco's Sir Francis Drake Hotel, has purchased the 160-room Dream Inn on West Cliff Drive.

Hotel Systems International of Santa Monica closed escrow Friday on the purchase of the Dream Inn and adjoining property on an eight-acre beachfront parcel, confirmed Hotel Systems President Brian Corbell.

Hotel Systems bought the hotel, parking lots, the site of the Clear View Court mobile home park and the historic Sedgewick Lynch house, built in the 1870s, from Senior Corp. of Miami Beach.

The purchase price was not disclosed.

It remains to be seen whether the new owner will follow through on plans for a major expansion that had been announced, but never materialized under the Senior Corp. ownership.

Corbell said he is not aware of the expansion plans, a proposal that had been forwarded to city officials by Senior Corp. many months ago.

"We're in the business of owning and operating hotels. We're not developers. We bought the hotel for the hotel. Hopefully, the little things we do will be very positive," commented Corbell in a phone interview.

Hotel Systems also owns the Mendocino Hotel; Grand Hotel and Inn at the Park hotels at Disneyland in Anaheim; Seven Seas Lodge on Hotel Circle in San Diego; Barclay Hotel on Rittenhouse Square in Philadelphia; Dupont Plaza on Dupont Circle in Washington D.C.; and a hotel in San Juan, Puerto Rico.

Corbell said there were no plans for major changes at the Dream Inn, other than exterior remodeling.

"We hope to improve the appearance. We're certainly going to do some landscaping. We think we can soften the building with awnings. It is such a gorgeous site," added Corbell.

The purchase is encouraging news to city officials.

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Continued from Page A1

The fate of the hotel and of the expansion plans has been up in the air for a couple years.

At one point, Senior Corp. had announced in September it would apply for a city permit to build an additional 240 rooms across the street, plus a conference center and parking garage, but never filed an application.

For two years, city politicians and tourist promoters have been talking about the Dream Inn expansion proposal as a possible answer to a performing arts facility or convention center.

There was a lot of talk but no action.

Corbell said he has no personal knowledge of the expansion plans.

"We just acquired the hotel. I don't know anything about expansion plans," he said.

Allan O'Connor, a Mammoth Lakes' architect, had been handling the plans for Senior Corp. and had discussed them with city officials.

O'Connor and Senior Corp. representatives were unavailable for comment.

Corbell and his local consultant, Lee Jenks, plan to meet Tuesday with City Manager Richard Wilson to introduce themselves, said Corbell.

"As far as I know, nobody has an agenda," said Corbell, who founded the company in 1969.

Wilson said he was "encouraged" by the fact the

hotel had been sold to a hotel operator. Wilson said he did not know if the expansion proposal would be discussed at Tuesday's meeting.

The city has been working with Senior Corp. on a study of beach traffic problems. Senior Corp. has paid its share for the study, but Wilson said the actual agreement has yet to be signed.

California developer Gen. William Lyon and James D. Harper, Jr., a real estate dealer formerly of Continental Illinois Corp., had bought Senior Corp. holdings in June of last year, according to the Wall Street Journal.

The \$141-million sale included real estate throughout the United States, ranging from the Dream Inn in Santa Cruz to farmland in Florida.

Senior Corp. was formed by more than 130 banks in 1980 as a holding company for an insolvent real estate investment trust built by Continental Mortgage.

Lyon is chairman and chief executive officer of AirCal Inc., based in Newport Beach.

Corbell said Lyon is a "minor" partner in Hotel Systems. The purchase of the Dream Inn was separate from the other Senior Corp. holdings, he said.

Corbell said he came to know about the Dream Inn by calling up Harper and asking if there were any hotels for sale.

"I didn't know what Senior Corp. was at the time. I asked him if he had any hotels for sale. He told me 'the Dream Inn,'" remarked Corbell.