

BUSINESS

TUESDAY **B**

THE OKLAHOMAN

AUGUST 5, 2008

DOW JONES
42.17, 11,284.15

NASDAQ
25.40, 2,285.56

OIL
\$3.69, \$121.41

NATURAL GAS
\$0.663, \$8.726

CATTLE
\$0.15, \$100.17

WHEAT
\$0.27, \$8.22

Hotel purchase made good neighbors

By Jack Money
Business Writer

Being neighborly is good. Devon Energy Corp.'s leader explained Monday that his reasoning behind deciding to have his company buy the Colcord Hotel, an upscale, 108-room boutique hotel at the corner of Robinson and Sheridan avenues.

Devon officials announced Monday they've agreed to buy the property for an undisclosed price. They also made it clear Oklahoma City's residents and the hotel's guests won't ever know the difference once the deal happens,

which is expected after the Urban Renewal Authority designates Devon as a developer for land next door.

Developer Paul Coury and his staff will continue to operate the hotel.

How it happened

Larry Nichols, chairman and chief executive of Devon Energy, said Monday, the deal grew out of discussions between Devon and the hotel's ownership group.

"We are not going to be the world's best neighbor for the next three or four years while we are building a high-rise

right on the other side," Nichols said. "So, it just seemed like the fair and honorable thing to do, to make them an offer and see if we couldn't agree on a fair purchase price and buy the owners out."

Nichols emphasized the deal to buy the hotel is contingent upon Urban Renewal's designation of Devon as developer for its land at Sheridan and Hudson avenues, the proposed site of its planned 37-plus story, 1-million plus square feet office tower, expected to cost at least \$350 million.

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BY DAVID MCDANIEL, THE OKLAHOMAN
The Colcord Hotel's lobby reflects its heritage. The hotel is being bought for an undisclosed amount.

Colcord

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Coury, president of the Coury Collection, meanwhile, said the offer was a surprise — and a welcome one, at that.

"When we heard about them building their building, we felt they would approach us to discuss the implications their project had for ours," he said Monday.

"By the time they finish designing their building, build their tower and change all the parking, that whole block is going to be very complicated. They were concerned that if we were on two separate pages, that would make for some tough neighbor relations," he said.

Coury called the deal to sell it to Devon "win-win" for everyone concerned, including the hotel's guests.

"To the average person coming through the door, they won't notice anything different" about the hotel's operations, he said.

Changes in works

Nichols said Monday he believes Coury and his group has done "outstanding work" on their project to convert the Colcord, built in 1910, from an office building into a boutique hotel.

He said Devon intends to leave Coury's management team in place, and to not tinker with its efforts to redefine the services the Colcord provides. Coury's group recently announced a room rate reduction on slow nights and a re-branding of some of its services.

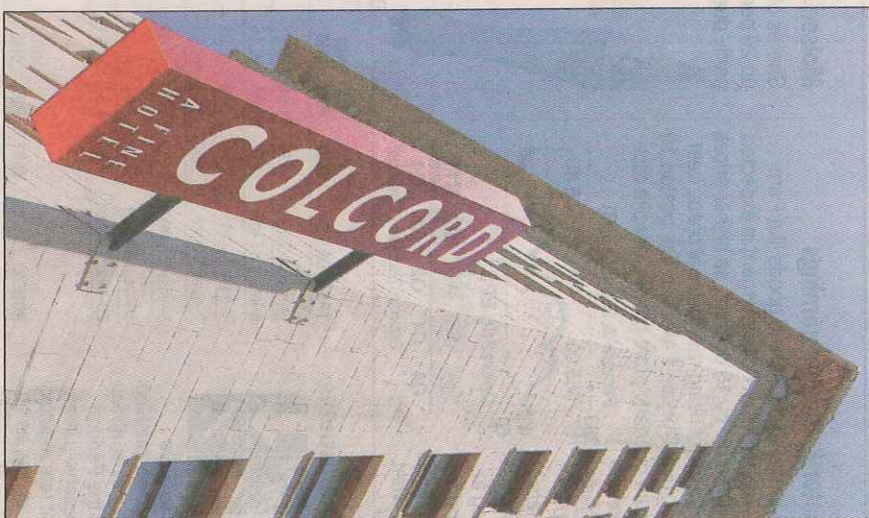
But Nichols added that Devon can improve the hotel's public access for guests, its parking, and the way hotel functions such as trash storage and removal are handled.

"As we do our building, we will be in a position to fix some of those things in a way that only Devon can do as we develop our site," Nichols said.

Off the market — today

The Colcord "very likely" will be for sale in about four years, Nichols said Monday, because Devon Energy is not getting into the hotel business.

"I have never been in the hotel business and don't want to be in the hotel business," he said. "We are in the oil and gas business, and we try to focus on what we think we know something about."



BY DAVID MCDANIEL, THE OKLAHOMAN

The Colcord Hotel, at the corner of Robinson and Sheridan avenues, was built in 1910 as an office building. Today, it is an upscale, boutique hotel. And it is about to change hands.

preference on repurchasing the hotel after work on Devon's corporate tower is complete.

But Coury said he expects to definitely consider the opportunity.

"When you look at everything about that property — its looks, design, location, and of having the dynamics of what is right next door, well, that would be attractive to any hotel operator," he said. "Beyond that, you just look at what else is on the market at the time, and what it is worth."

"Yeah, I'd be interested, because it has all the right things going on around it. The hotel itself... is well positioned."