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TORONTO-BASED SKYLINE INTERNATIONAL DEVELOPMENT CHECKS INTO U.S. MARKET WITH ACQUISITION OF HISTORIC CLEVELAND ARCADE AND HYATT REGENCY HOTEL

Will Reposition Oldest American Indoor Shopping Mall to Capitalize on (US) \$2 Billion in Existing Cleveland Development

TORONTO, December 21, 2012 – The hotel, restaurants and shops of the historic [Cleveland Arcade](#), one of the best-recognized buildings in downtown Cleveland, have been acquired by Toronto-based [Skyline International Development](#) Inc.

The landmark Cleveland Arcade complex, which dates back to 1890 as the first large-scale, indoor shopping mall in the United States and the ninth building to be listed on the National Register of Historic Places, also features a 10-year-old, 293-room [Hyatt Regency](#) hotel. The hotel will continue to be managed by Hyatt as a Hyatt Regency, under a long-term management agreement.

The property was acquired by Skyline at auction for (US) \$7.7 million after previous owners invested (US) \$70 million in acquiring and restoring the Arcade, including converting office towers to the hotel, and then defaulted on a mortgage.

Skyline CEO Michael Sneyd, who has been involved in and monitoring the American market for 15 years, views this destination community and lodging company's first U.S. acquisition as another major milestone with five key factors.

He said, "It's the right time for Skyline to expand beyond Ontario and Canada. The Arcade is the kind of mixed-use, legacy property where Skyline has expertise. It was an exceptional deal. It's a well-known hotel. And Cleveland is a relatively nearby destination for us, and a city that's definitely on the move."

Company Founder and President Gil Blutrigh cites the combination of over (US) \$2 billion in public and private investment that will see a new convention center, medical mart and the Horseshoe Casino all open in downtown Cleveland by 2013, plus discussions around improving the city's transportation infrastructure, as compelling reasons to invest there now.

"Cleveland is already filled with outstanding architecture, internationally famous chefs, top attractions like the Rock and Roll Hall of Fame and sporting facilities. With these new additions Cleveland is poised to become a big regional draw for both meeting and leisure travelers," Blutrigh said.

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He also sees valuable parallels with the company's ownership and asset management interest in downtown Toronto's Le Meridien King Edward Hotel, a 1903 listed build, and acquisition of Muskoka's 115-year-old Deerhurst Resort, north of Toronto, earlier this year.

Blutrich added, "Our Skyline International team has an affinity for assets with a real story and something vibrant to share with visitors and their community. Our experience restoring the many unused spaces in the King Edward Hotel and integrating private residences there, as well as our current work renewing and expanding the Deerhurst Resort legacy are know-how we will build on in Cleveland."

Originally financed by leading 19th century businessmen, like John D. Rockefeller, and modeled on Milan's Galleria Vittorio Emanuele II, the Cleveland Arcade complex is a Victorian gem with two 10-story towers, where the hotel is located, linked by a daring, five-story, glass-roofed gallery and atrium.

The combination of the globally recognized Hyatt Regency brand and the Cleveland Arcade's rich past will be key factors in Skyline's optimization plans for its newest asset according to Kevin Toth, President and COO of Skyline Hotels & Resorts, the company's fast-growing hospitality division.

"Overall, historic hotels and attractions are continuing to perform very well in the current economy," Toth said. "The advantage is that there is more awareness in the market for notable historic properties like the Arcade. They have a name, a recognized destination, heritage and word of mouth. For Skyline International, it's all about how we leverage each landmark's real estate, burnish their reputation and keep renewing the public's interest."

Skyline's goals include re-positioning the shopping mall aspect of the arcade and investing in it and the hotel to make both outlets profitable for the long-term.

Toth said, "Today, we're celebrating Skyline International's official arrival 'south of the border' and welcoming our new Cleveland colleagues to a larger team."

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About Skyline International Development Inc.

A leading Toronto-based developer of hospitality properties and destination communities, Skyline International Development owns over two million square feet of real estate, has over 2,600 acres and over 1,000 rooms in its holdings, as well as four spas, and employs more than 1,500 staff. Its unique asset mix includes a partnership and asset management interest in downtown Toronto's iconic Le Meridien King Edward Hotel, as well as ownership of, under the Skyline Hotels & Resorts banner, the city's contemporary boutique Cosmopolitan Hotel and Pantages Hotel. Skyline's resort assets include landmark Deerhurst Resort with 45,000 sq. ft. of meeting space lakeside in Muskoka, and Horseshoe Resort, home to Toronto's closest ski area as well as an adventure park. The company is also creating residential destination communities at Deerhurst, Horseshoe and, most extensively, at the historic lakefront of Port McNicoll, Ontario, a restored gateway to the 30,000 Islands, a UNESCO World Biosphere Reserve. In November 2011, the privately owned company raised CDN \$27 million in financial institution private equity to fund continued growth. See www.skylineinvestments.com and www.skylinehotelsandresorts.com.