



### **HRI Properties Secures \$150 Million Investment from Almanac Realty Investors**

**New Orleans – October 23, 2014** – HRI Properties, LLC (“HRI”) announced today that it has entered into an agreement with affiliates of Almanac Realty Investors LLC (“Almanac”), under which Almanac has committed to provide up to \$150 million of growth capital to HRI. HRI will use Almanac’s capital to continue its focus on the development of mixed-use and revitalization projects, acquisitions and national growth. Further, the capital provides HRI with the flexibility to enter into joint ventures with other institutional partners and property owners to create real estate value.

“The projects that HRI creates fit well with Almanac’s investment criteria, particularly our work in urban centers and our ability to adapt and reuse historic buildings,” said Tom Leonhard, HRI’s president and chief operating officer. “HRI’s unique in-house capabilities of developing and operating hotels and apartments nationwide represented a compelling opportunity for Almanac.”

Founded in 1982, New Orleans-based HRI is a national developer that specializes in the adaptive reuse of historic buildings. Led by Pres Kabacoff, Eddie Boettner and Tom Leonhard, HRI will look to utilize Almanac’s capital to acquire, redevelop and develop high-quality, mixed-use projects consisting of for-rent residential and hospitality components within the urban core of top 25 metropolitan statistical areas (MSA). HRI will primarily focus on historic buildings that leverage federal and state government incentive programs such as Historic and New Markets Tax Credits. HRI’s hospitality affiliate, HRI Lodging, will pursue the acquisition, development and repositioning of hotels on a national basis.

Almanac’s investment has spurred significant growth for the company. HRI currently has five projects under construction in Louisiana, Virginia and Texas with total development costs of \$285 million representing 702 apartment units and 359 hotel rooms, including:

1. The redevelopment of a 550,000-square-foot historic building in the CBD/French Quarter submarket of New Orleans into 192 apartments, a 188-room Starwood Aloft hotel and a 356 space public parking garage
2. The redevelopment of a 500,000-square-foot historic building in downtown Dallas into 186 apartments, a 171-room Hilton Garden Inn and 350 parking spots
3. The conversion of a 500,000-square-foot former department store in Richmond, VA, into the Miller & Rhoads mixed-use project – a 250-room full-service Hilton Hotel and 133 apartments with ground-level retail
4. The upgrade of a historic warehouse structure in the heart of the New Orleans French Quarter to create the Holmes Apartments Project, featuring 97 luxury apartments with ground-floor retail

5. The redevelopment of the former Iberville Housing Development in New Orleans to create 227 units of mixed-income housing adjacent to the French Quarter

“We are very excited about our partnership with HRI, as they’ve distinguished themselves in the niche arena of re-imagining and re-energizing downtown areas across the country,” said Justin Hakimian, Managing Director of Almanac. “We also recognize the role that HRI is playing in a remarkable comeback story in the New Orleans area post-Hurricanes Katrina and Rita. HRI is well poised to add to the rebuilding momentum that is sweeping that area of the Gulf Coast, and we are pleased to support HRI’s ongoing efforts in developing real estate in urban environments in Louisiana and elsewhere across the country.”

The Almanac investment helps increase HRI’s prospects for becoming a publicly traded company, which is part of the company leadership’s long-range plans. “When outside investors of Almanac’s status begin to make large investments in a local company, this is further proof that New Orleans has reached the inflection point. Considering all the rebuilding energy and rapid growth in the New Orleans area, there is no reason why we shouldn’t have a publicly traded real-estate company here. I think that HRI is well on its way to becoming our first,” said Michael Hecht, president and CEO of Greater New Orleans, Inc. (GNO, Inc.).

Independent and employee-owned financial services firm Baird advised HRI on the transaction, led by Jim O’Brien and Adam Lefkowitz of Baird’s Real Estate Investment Banking team. O’Brien, head of Baird’s Real Estate Private Capital and Advisory Group, commented: “We view this capital as transformational for HRI, allowing them to continue to grow their business and become an even more substantial company. This deal is also an example of how Baird is able to source and advise on unique transactions for real estate owners and operators.”

For further information about Almanac, HRI or the transaction, please contact:

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### **About HRI Properties**

Founded in New Orleans in 1982 by Edward B. Boettner (1933-2000) and Pres Kabacoff, HRI Properties, LLC (HRI) is dedicated to the pursuit of rebuilding neighborhoods and recreating entire communities. Through its subsidiaries, HRI has completed 70 large-scale projects for a total funding value of \$2 billion which include 5,114

apartment units, 4,116 hotel rooms, and more than 1,300,000 square feet of office and retail space. HRI is a full-service real estate development company and a national leader in the adaptive reuse of historic structures. HRI's mission is - *Revitalizing Cities by Creating Diverse, Vibrant and Sustainable Communities*. For more information, please visit our website at [www.hriproperties.com](http://www.hriproperties.com).

#### **About Almanac Realty Investors**

Almanac Realty Investors is a leading provider of growth capital to private and public real estate companies. Almanac was founded in 1981, originally under the name Rothschild Realty. Since 1996, Almanac's primary investment activity has consisted of making private placements into private and public real estate operating companies. To date, Almanac has committed approximately \$2.9 billion into 33 companies. For more information, please visit [www.almanacrealty.com](http://www.almanacrealty.com).

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