

Downtown hotel-office building sold

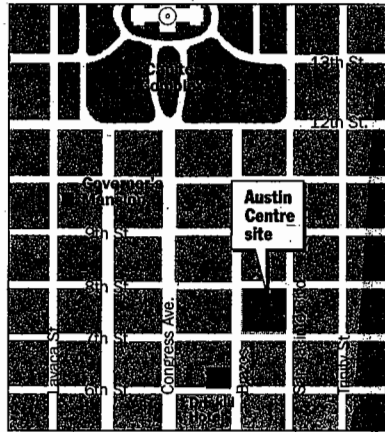
By KIM TYSON
American-Statesman Staff

The Khimji family of Dallas and Vancouver, British Columbia — which owns about \$250 million in property — has increased its Texas holdings with the purchase this week of Austin Centre.

The downtown Austin hotel-office building, home to the Omni, was acquired by a limited partnership headed by a Khimji family company for \$62.7 million from an affiliate of InterContinental Life Corp. of Austin.

Representatives for the Khimji family could not be reached Tuesday for comment.

Tom Stacy, president of Omni Commercial Realty Advisors of Austin, said the partnership buying Austin Centre — Brazos



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Austin Centre Ltd. — includes a Khimji company as general partner and major equity investor.

In January, InterContinental announced that an affiliate of Omni Commercial would

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be acquiring Austin Centre.

Stacy said Omni Commercial will manage and lease the 343,000 square feet of office space and 61 luxury condominiums in Austin Centre, while the 314-room hotel will continue to be managed by Omni Hotels.

Austin Centre had been for sale since last year for \$80 million. InterContinental bought the building in 1991 from a consortium of banks headed by Mellon Bank of Pittsburgh. The project, which covers a full block, was built during the 1980s real estate boom for an estimated \$100 million.

Stacy said the Khimji family owns about 3,000 hotel rooms around the United States.

One of their recent acquisitions is a 33-story office-hotel-condominium tower in midtown Atlanta, which they purchased in December 1994 for \$48.5 million. The project, then called the GLG Grand, was developed by now-bankrupt Swedish magnate G. Lars Gullstedt and was sold by Gota Bank, one of his creditors.

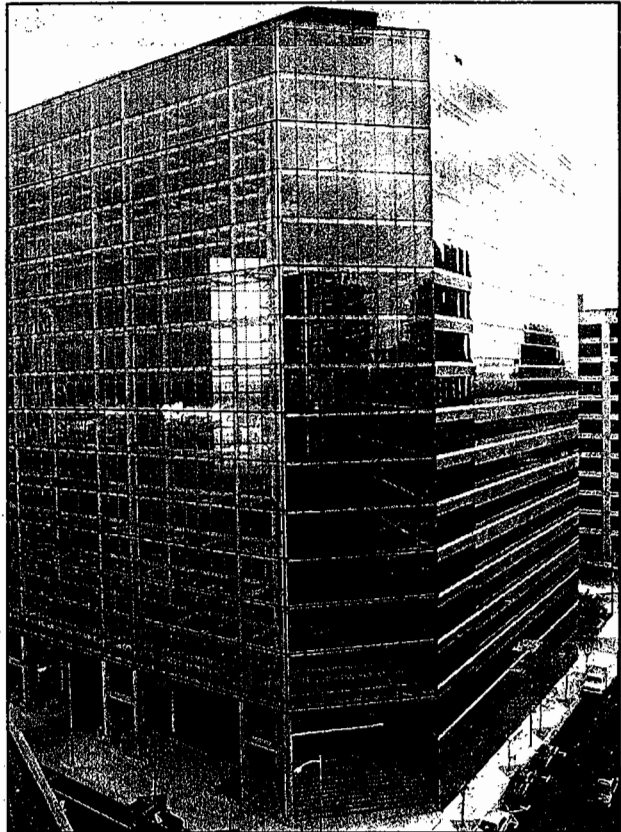
The 53-story tower includes a 19-story, 244-room hotel, topped by 10 floors of office space and 24 floors of condominiums.

The GLG Grand was purchased by Highgate Holdings.

Larco Investments, another Khimji family company based in Dallas, bought the downtown Fairmount Hotel in San Antonio in October 1992. The terms of that sale were not disclosed.

According to a 1994 report by the Vancouver Sun newspaper, Larco Investments is a privately owned family business that has been operating for more than 20 years.

InterContinental, an Austin-based insurance company, expects the sale of Austin Centre to add \$15 million, or \$2.78 a share, to its first-quarter results.



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The Khimji family of Dallas and Vancouver, British Columbia, has bought the Austin Centre, which houses the Omni Hotel.