

glendalenewspress.com/news/tn-gnp-0405-goldenkey,0,1403819.story

## Glendale News Press

### Caruso paid \$16M for Golden Key Hotel

**Figure revealed by county assessor; attorney claims it includes suit settlement.**

By Bill Kisliuk, bill.kisliuk@latimes.com

4:56 PM PDT, April 4, 2011

Caruso Affiliated paid slightly more than \$16 million to acquire the 55-room Golden Key Hotel on West Colorado Street, bringing the developer's tab for the site that will host a new Nordstrom store to more than \$20 million.

Developer Rick Caruso also paid \$4.1 million in January for an empty brick building adjacent to the Americana and the Golden Key, according to the Los Angeles County Assessor's Office, which provided details of both transactions.

Last month, Nordstrom announced it will abandon its home of more than 30 years at the Glendale Galleria and move into a new 140,000-square-foot building at the Americana at Brand. Caruso has said demolition of the hotel and the former recording studio building next door will begin in 2012, with Nordstrom opening in a new building in 2013.

Golden Key owner Ray Patel was at first a reluctant seller, rebuffing a \$6 million offer Caruso made in January and battling with Caruso and the Glendale Redevelopment Agency over plans to demolish his hotel. In 2008, Patel had sued the city and Caruso, alleging that construction of the mixed-use shopping center undermined his business.

In February Patel led more than 40 marchers chanting "Let Ray Stay" to Glendale City Hall, where the redevelopment agency was set to consider Caruso's expansion plan. The Golden Key is in a redevelopment zone in which the city has used the power of eminent domain to turn real estate over to Caruso.

As more than 150 people packed the council chambers, Patel and Caruso entered into private negotiations that resulted in the cancellation of the meeting. By the next day, the two agreed in principle on the sale of the property and the settlement of the lawsuit.

The hotel, which sits on a little more than one acre of land, sold for \$16.25 million, according to the county assessor's office. The lawsuit settled for \$500,000, according to lawyers in the case.

One attorney who had represented Patel objected to the settlement, arguing that Patel and Caruso



colluded to shift the value of the lawsuit into the real estate transaction in order to avoid paying his attorney's fees.

On Monday, attorney David Casselman, who represented Patel in the lawsuit up until Patel's Feb. 15 meeting with Caruso, said it is "transparent" that the sales figure includes both the value of the land and the lawsuit, which he estimates was worth at least \$6 million to \$7 million.

Patel, reached Monday, said Casselman is wrong. Caruso Affiliated officials declined comment Monday.

In February a judge rejected Casselman's effort to put a hold the settlement, and ordered that the dispute over legal fees be handled in private arbitration.