

**#48** Kineth Hospitality Companies  
North Liberty, IA

# Of Hotels (end '10) .....49  
# Of Rooms (end '10) .....5,736  
# Of Third-Party Managed Properties: .....47

# Kineth eyes further management, development growth

By **LAUREN ESPOSITO**

NORTH LIBERTY, IA—Spring brings with it feelings of hope and renewal and for Kineth

Hospitality Companies such feelings are expected to come in the form of new construction as it continues to chart a course to expand its portfolio.

While admitting overall the company's 49-hotel portfolio is "still down some," as a result of the recession, senior vp Bruce Kineth added the situation the

last few years could have been much worse. "Some markets did better than others and we didn't have to lay off any of our corporate staff. We kept a sharp focus on daily operations and labor costs. We've had a pretty good system of making sure we always live within our means, but we constantly concentrate on line item detail analysis to see what could be renegotiated, what could be cut, etc. We examined nearly every expense we had," he said.

Kineth's portfolio did see positive activity in 2010, despite the tough market conditions. The company assumed management of the Cambria Suites in Maple Grove, MN; the Country Inn & Suites in Woodbury, MN, and the AmericInn Lodge & Suites in Muscatine,



**Bruce Kineth,**  
Kineth Hospitality Cos.

IA. The company also opened a new Candlewood Suites in La Crosse, WI.

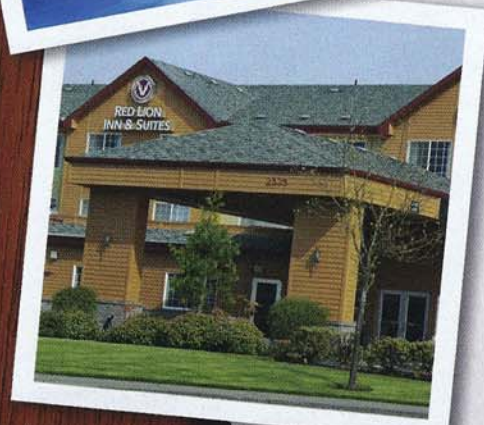
In addition, construction also began on a new Hilton Garden Inn & Conference Center in Manhattan, KS, which Kineth will manage. The 135-room hotel is connected to a 30,000-square-foot convention center and is slated to open before the end of the year.

"We were fortunate pre-recession to open six new hotels and we were able to ramp them up through 2009 even during the recession. Now they're all leaders in their respective markets," Kineth said. "We've also been handling the management of several distressed hotels for lenders as the properties change hands. One of those actually turned into a long-term management contract. Some of those distressed hotels are great opportunities, but some aren't, so you have to be careful."

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# Kineth considers expansion into full-service properties in future

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This year, Kineth has already opened The Clarion Inn University Falls in Cedar Falls, IA, which is a conversion of a former Holiday Inn. Kineth reported the company has a few new construction projects he hopes will get underway starting this Spring, but also is focusing on renovations at several of its existing hotels. "We've got four or five fairly significant renovations planned for 2011. Some of them are relating to license-renewals coming up and others are just voluntary upgrades," he said. The most significant of the planned renovations is for the Holiday Inn Express in Coralville, IA. A Holiday Inn in Wichita, KS is also on the list.

While it undoubtedly has established a true niche in the select-service segment, Kineth has a number of extended stay hotels as well. However, Kineth didn't rule out expanding into full service. "We built several new Hampton Inns in the last five years as well as Courtyards



The Hilton Garden Inn Omaha, NE (left) and the SpringHill Suites Cheyenne, WI are two recent additions to Kineth Hospitality Companies' portfolio.



and hope to open two new Hilton Garden Inns this year. But we'd also like to do a big Hyatt or Marriott in the future," he said. "We'd like to look at more full-service properties, particularly those with conference and meeting space as well as those that have a branded restaurant component because it offers a good business plan that drives revenue."

The company is also actively looking to expand geographically as well. Presently, the majority of the company's properties

are concentrated in the Midwest, particularly Iowa, Wisconsin, Missouri, Kansas and Illinois. "Right now we're in 10 states. We are as far east as North Carolina and as far west as Wyoming so it makes sense

to look outward," Kineth explained. "We're looking at some properties in Florida, we're looking at a property in Arizona right now and we've got other states in our sights as well."

While the company is certainly very active on the growth front, Kineth noted it is equally as intent on continually improving its management capabilities and resources. "We are staffed in every area of hospitality management and have very close relationships to our owners to ensure strong communication. We recently added a new e-commerce manager and remain focused on capturing as much revenue during the economic rebound as possible for our hotels," he said. "We like to think of ourselves as a 'big little company.' We can offer the complete package—human resources, IT, accounts payable, purchasing, e-commerce, revenue management—but we're not so big that we're not accessible to our owners."

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