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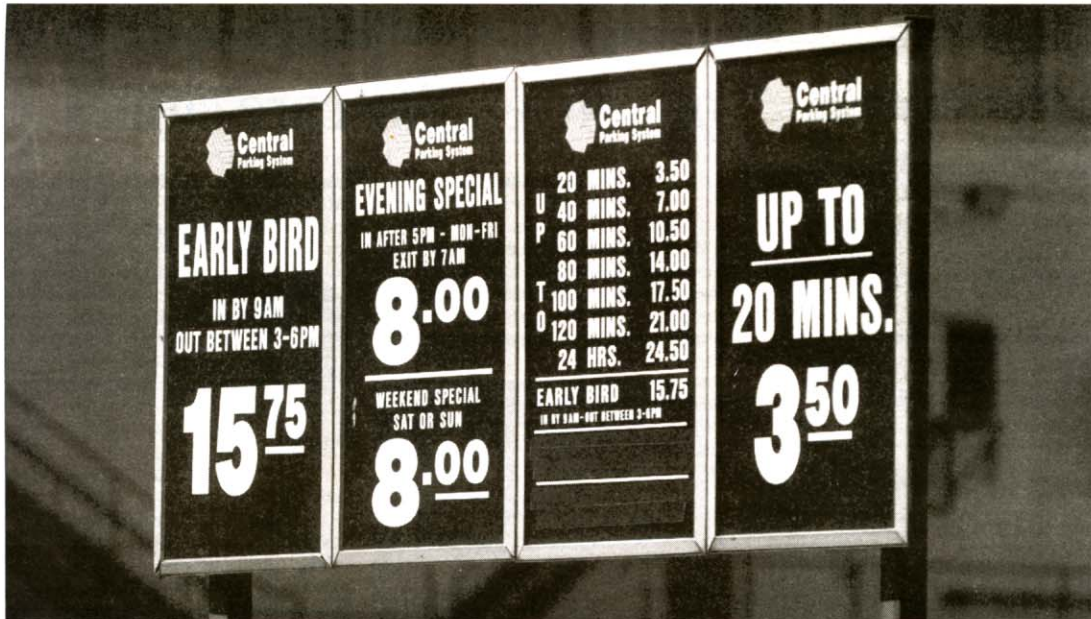
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CURT HUDSON

A rate board at a Central Parking facility. Central maintains 70 lots and garages throughout Philadelphia.

Biggest in city, Central Parking is sold

Private-equity firms are the main drivers of the \$1B transaction

NATALIE KOSTELNI
STAFF WRITER

A partnership that includes two local private-equity firms has bought Central Parking, which is the largest parking operator in Philadelphia, in a \$1 billion transaction.

Central maintains 70 parking lots and garages throughout the city. Its biggest competitor in Philadelphia is Parkway Corp., a private Philadelphia company that has 51 parking facilities across the city.

Central Parking is a Nashville, Tenn., company that runs 3,100 parking facilities nationwide and overseas. The transaction, which closed Tuesday, takes the company private.

The deal is a big one for two local private equity firms.

Lubert Adler Partners, a private real estate equity firm that has its headquarters in Cira Centre, as well as Chrysalis Capital Partners, which also is based out of Cira Centre, and Kohlberg & Co. formed the partnership called KCPC Holdings Inc. that bought Central. Kohlberg is a

private equity firm based in Mount Kisco, N.Y. Denise Day and Brad Krouse of Klehr Harrison, a Philadelphia law firm, also were involved in the transaction.

"We think it's a good deal, a good asset and good opportunity," said Greg Segall, managing partner with Chrysalis. "It's the number one parking platform in the country if not the world."

The new owners plan to retain the Central name as well as the veteran management team that has lead Central to become a leading parking operator. The company had \$604 million in annual revenue. The new ownership is also looking to manage the company without the Wall Street scrutiny of quarterly results.

"Growth for growth's sake is no longer the order of the day," Segall said. As a private company, it will be managed for goals and objectives that aren't defined in the short term nor the same as Wall Street demands from a public company, he said.

Chrysalis focuses on investing in com-

panies with revenue between \$50 million and \$1 billion and concentrates on improving operations at companies in which it invests. Lubert Adler's investments revolve around seizing on real estate assets and their potential value.

The transaction was competitive. Central decided last fall to explore a sale. By early January, 14 bidders put in offers on the company. Lubert-Adler and Chrysalis were among those interested investors that were informed by Central's investment adviser, Blackstone Group, during the week of Jan. 15 that their bid was not competitive, according to a Securities and Exchange Commission filing made by Central. Two weeks later, Lubert-Adler and Chrysalis teamed up with Kohlberg as equity sponsors in the deal. Kohlberg indicated to Central that this arrangement would allow it to make a more competitive bid for the entire company.

On Feb. 1, Kohlberg advised Blackstone that it intended to ally with Lubert-Adler and Chrysalis as a bidder for the entire company at a price of \$22 a share. In the meantime, other bidders continued to make other offers. Then on Feb. 21, Central announced it would accept an offer by the trio comprised of Lubert Adler, Chrysalis and Kohlberg for \$22.53 a share, which stands as a 41.4 percent premium over the average share price of Central's stock for the last year.

'It's the number one parking platform in the country.'

Greg Segall
Chrysalis Capital Partners