

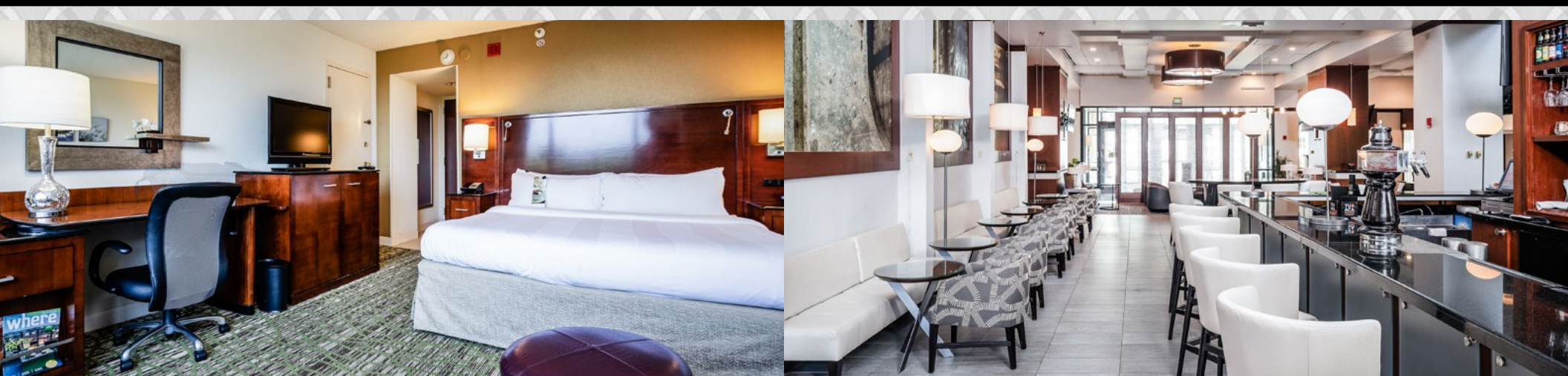


**Marriott**<sup>®</sup>

ST. LOUIS WEST | ST. LOUIS, MISSOURI

CONFIDENTIAL OFFERING MEMORANDUM

*Offered exclusively by*





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|                          |           |
|--------------------------|-----------|
| Executive Summary        | <b>2</b>  |
| Property Description     | <b>8</b>  |
| Location Overview        | <b>18</b> |
| Location Market Overview | <b>30</b> |
| Financial Analysis       | <b>40</b> |
| Disclaimer               | <b>43</b> |



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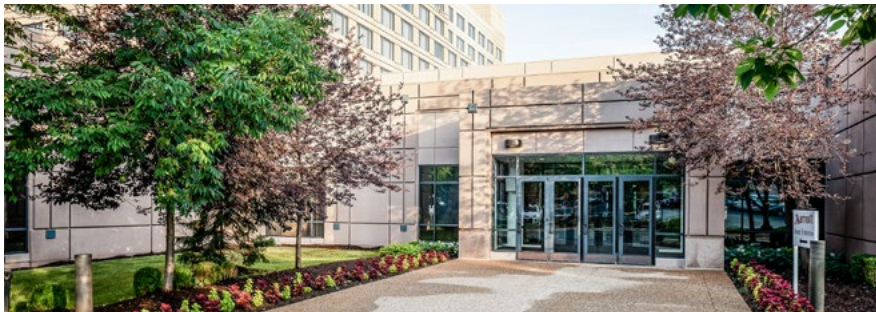
EXECUTIVE SUMMARY



## EXECUTIVE SUMMARY

*JLL's Hotels & Hospitality Group, in conjunction with Ten-X, as sole and executive agents on behalf of Ownership, are pleased to present for sale the fee simple interest in the 299-room Marriott St. Louis West (the "Hotel" or "Property"). The Hotel is located within the 1.5 million square foot Class A Maryville Centre office park, which is anchored by TD Ameritrade, and within close proximity to the submarket's top demand drivers including Energizer, Monsanto, Reinsurance Group of America, Edward Jones Investments, Amdocs, Pfizer, St. Luke's Medical Center, and Bellerive Country Club, the host of the upcoming PGA Championship golf tournament.*

*In addition to the Property's excellent location adjacent to Interstate 64, which connects downtown St. Louis to its most affluent suburbs, the Hotel benefits from its strong brand affiliation and significant performance upside potential following a renovation. With continued projected growth in West St. Louis County, increasingly high barriers to entry along the Interstate 64 corridor, and no full service hotels under construction or in planning within the tract, the Hotel should re-establish itself as the dominant market RevPAR leader upon completion of a targeted capital plan and Marriott change of ownership PIP. The Marriott St. Louis West represents a tremendous opportunity to acquire a full service, Marriott branded property located in an attractive St. Louis submarket amongst strong corporate demand at a significant discount to replacement cost.*



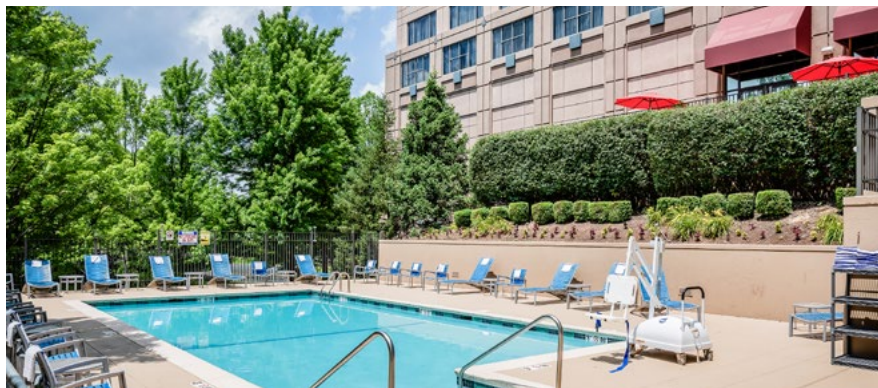
## KEY INVESTMENT HIGHLIGHTS

### PREMIER ST. LOUIS SUBMARKET

The Property is located in the West St. Louis County office submarket which contains 7.1 million square feet of Class A office space, representing over half of the office stock in the submarket. Situated within the 1.5 million square foot Class A Maryville Centre office park, the Marriott benefits from its location proximate to numerous local corporate demand generators including Energizer, TD Ameritrade, Apex Systems, Pfizer Inc and others. The Marriott St. Louis West is also within 10 miles of several headquarters of Fortune 500 companies, including Monsanto, Reinsurance Group of America and Edward Jones Investments; and within seven miles of a wide variety of various corporate users including Centene, AAA Insurance, Graybar, World Wide Technology, and CenturyLink. Future demand will be derived upon completion of Centene's new \$770 million headquarters. The first phase of the project is currently under construction and is planned to be complete in 2020, with a net impact of the creation of 2,000 jobs in the local market.



Beyond corporate demand, the Hotel is adjacent to Maryville University, which is home to approximately 6,500 students, and within two miles of the 500-bed St. Luke's Medical Center. The Marriott is also the closest hotel to Bellerive County Club, the host of the upcoming 100th PGA Championship golf tournament in August 2018. The PGA Championship recently attracted nearly a quarter-million fans, resulting in an economic impact of ±\$100 million in 2017, and is projected to produce a similar impact for the St. Louis market this year when it takes place in late summer.

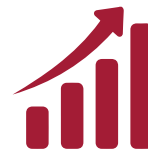


## STRONG MARKET DYNAMICS

The St. Louis MSA region, a top 25 MSA market in the US, recorded a seven-year RevPAR CAGR of 5.7 percent (2011 - 2017). The Marriott is located within the St. Louis Southwest Tract, which demonstrated an even stronger performance, evidenced by a 6.8 percent RevPAR CAGR, over the same time frame, which was primarily driven by strong gains in ADR.

According to Smith Travel Research, there has been no new full service hotels developed in the St. Louis Southwest tract since 2006. This trend is anticipated to continue in the future as there is currently no new full service supply under construction or even in the planning stages. This lack of full service supply should allow the Hotel to experience outsized RevPAR gains upon completion of a targeted capital plan and change of ownership PIP. Given the submarket's robust recent performance and the muted competitive supply pipeline, strong performance is projected in the near-term horizon.

## EXECUTE RENOVATION TO DRIVE REVPAR GROWTH



The opportunity exists for a new owner to execute a renovation to refresh the product offering, which should allow the Hotel to boost performance and become the dominant market leader in RevPAR. Specifically, after a renovation, new ownership will be able to refocus the Hotel's sales and marketing strategies and potentially close the occupancy gap that has emerged since 2014. The Property currently ranks eight of eight within the competitive set in terms of occupancy and performs at a six point discount to historical occupancy penetration index, indicating room for improvement. Through year-to-date April 2018, the Hotel's RevPAR index has also fallen off to the low 100 percent index range, indicating opportunity for new management to re-penetrate the market to attain historic levels, which were as high as 110+ in 2015.

## CREATE ADDITIONAL GUESTROOMS THROUGH M CLUB CONVERSION

The Hotel's lobby level restaurant, Blue Fire Grille, is oversized and through a creative design plan, would be a strong candidate to be subdivided to allow the creation of a strategically placed M Club Lounge. The location is ideal as the expansive restaurant space is adjacent to the kitchen and offers scenic views of the river park area next to the Hotel. Once this project is complete, new ownership should be able to repurpose the current concierge lounge on the eighth floor to create three additional hotel guestrooms, bringing the Hotel's total key count to 302.

## SUPERIOR BRAND AFFILIATION

With the 2016 acquisition of Starwood, Marriott International has bolstered its position as the global leading lodging company. The Marriott St. Louis West benefits from Marriott's worldwide distribution network, best-in-class reservation system and leading Marriott Rewards loyalty program. The Property's relationship with the Marriott brand is extremely advantageous as 31 percent of room night contribution in 2017 was booked via Marriott's channels, while 28 percent of guests were affiliated with a Marriott Rewards account number.



With the impending addition of the SPG Program, Marriott spans over **6,500** properties across **127** countries and territories, serving **over 110 million** members across the world.

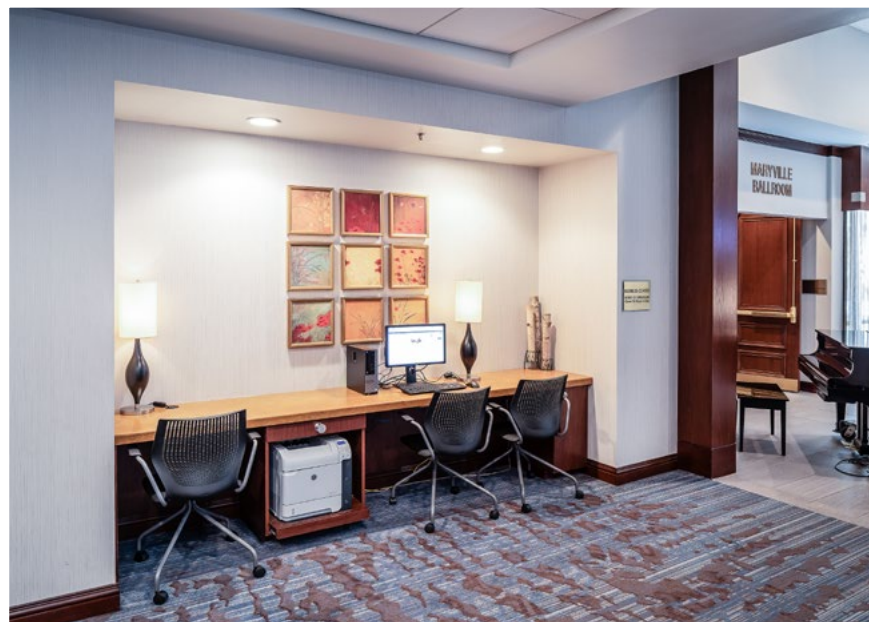
## UNENCUMBERED OF MANAGEMENT



The Marriott St. Louis West is offered unencumbered of management, which will provide investors the flexibility to implement their own management strategies to enhance value. With strong upside potential, a best-in-class brand, exceptional submarket location and solid growth prospects for the market underpinned by the absence of competitive new supply, the Hotel will be very appealing to numerous national and regional hotel management companies looking to expand their portfolio in a top 25 US MSA.

## DISCOUNT TO REPLACEMENT COST

The Marriott St. Louis West represents a tremendous opportunity to acquire a premium branded full service hotel, located in a dynamic and affluent submarket at a significant discount to replacement cost.







**PROPERTY DESCRIPTION**



## PROPERTY DESCRIPTION

Strategically situated within the 1.5 million square foot Class A Maryville Centre office park, the Marriott St. Louis West benefits from a vast amount of corporate demand generators in its backyard, including Energizer, TD Ameritrade, and Pfizer, among others. Located adjacent to I-64, the Hotel provides easy access to the surrounding affluent suburbs, in addition to downtown St. Louis, which is located 20 miles east of the Property. The Hotel was built in 1992, completed its last renovation in 2011, and features 299 well-appointed guestrooms, ±21,000 square feet of meeting space, one on-site food and beverage outlet, a business center, an indoor and outdoor swimming pool, and fitness center.



The following chart summarizes the facilities and amenities of the Property:

| PROPERTY OVERVIEW        |   |
|--------------------------|---|
| COMPONENT                | DESCRIPTION   |
| Address                  | 660 Maryville Center Drive, St. Louis MO 63141  |
| Guestrooms               | 299 guestrooms  |
| Year Built / Renovated   | January 1992 / Underwent last major renovation in 2011  |
| Tenure                   | Fee Simple  |
| Site Area                | ±6.31 acres   |
| Structure / Construction | Concrete footings, slab-on-grade structure / Concrete framing   |
| Management               | Available unencumbered of management / Currently managed by Crescent Hotels & Resorts   |
| Franchise                | Marriott International Inc.   |
| Food & Beverage          | <ul style="list-style-type: none"> <li>• Blue Fire Grille</li> <li>• In-room dining</li> </ul>  |
| Meeting Space            | ±21,000 square feet, including the ±6,500-square foot Grand Ballroom  |
| Parking                  | 320 spaces; 132 surface spots, 181 garage spots and seven accessible spots  |
| Other Amenities          | <ul style="list-style-type: none"> <li>• Fitness center</li> <li>• Indoor / outdoor pool and whirlpool spa</li> <li>• Business center</li> <li>• High speed wireless Internet</li> <li>• Complimentary on-site parking</li> </ul> |

**GUESTROOMS**

The Marriott St. Louis West features 299 well-appointed guestrooms, including one Presidential Suite, situated across floors X through eight. Averaging XXX square feet, each room features a sofa, coffee maker, alarm clock, Bath & Body Works bathroom amenities and working desk with ergonomic chair. Additional in-room amenities include high-speed wireless Internet access, 32 inch flat-panel TVs, and in-room dining. Concierge suites are located on the Xth-Xth floors and allow access to the concierge lounge, which offers a complimentary continental breakfast, evening hors d'oeuvres and a selection of desserts.

The following chart details the guestroom configuration and sizes within the Hotel.

| GUESTROOM BREAKDOWN    |                 |           |
|------------------------|-----------------|-----------|
| Room Type              | Number of Rooms | Size (SF) |
| King                   | XX              | 450 SF    |
| Double Double          | XX              | 450 SF    |
| Presidential Suite     | XX              | XX        |
| <b>Total / Average</b> | <b>299</b>      |           |





## LOCATION OVERVIEW



### ST. LOUIS MSA

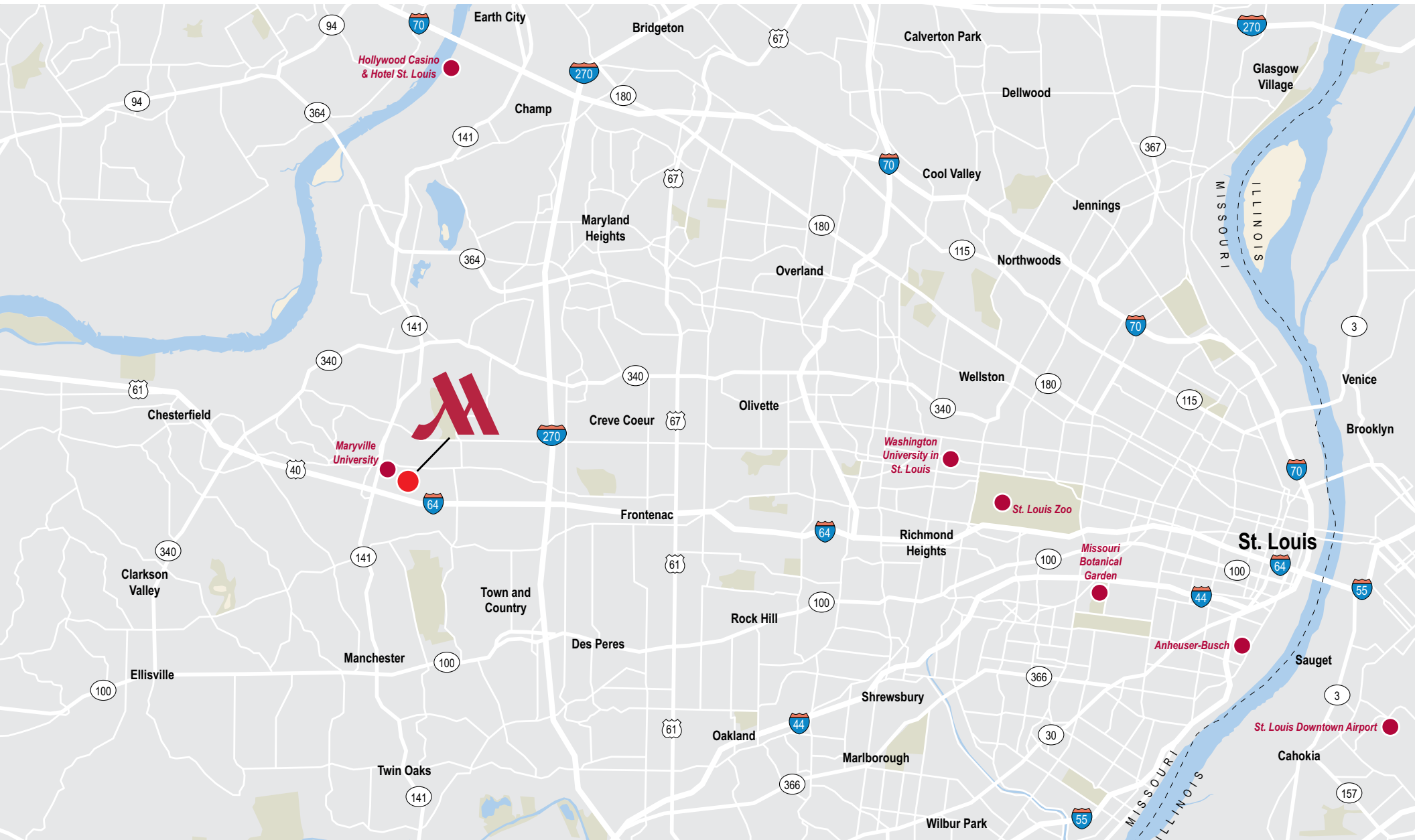
St. Louis, the largest city in Missouri, has a metropolitan statistical area (MSA) that ranks as the 20th largest in the nation. Known as the “Gateway to the West,” St. Louis is within approximately 500 miles of one-third of the U.S. population and within 1,500 miles of 90 percent of the people in North America.

Greater St. Louis has a diverse number of strengths, from its business environment and cost of living to its health care and quality of transportation. According to Bloomberg Business, approximately 85 percent of homes listed in St. Louis are considered affordable for Millennials, requiring them to pay no more than 30 percent of their household income on rent based on median income. In addition, St. Louis was found to be the most affordable city in the U.S., which continues to bring a younger, broader talented workforce downtown to support the city’s exceptional educational and cultural institutions and superb recreational amenities.

St. Louis offers more free major attractions than any major city outside of the nation’s capital including the St. Louis Zoo, St. Louis Art Museum, St. Louis Science Center, Missouri History Museum, Anheuser-Busch Brewery, Missouri Botanical Garden, and Contemporary Art Museum St. Louis, which are all located less than 20 miles from the Marriott. The city of St. Louis hosts nearly 26 million visitors each year, infusing the St. Louis economy with more than \$5.4 billion and supporting more than 88,000 jobs.



# LOCATION OVERVIEW





LOCATION MARKET OVERVIEW





**Sheraton Hotel Westport  
Chalet St. Louis**

191 W Port Plaza Dr  
St. Louis, MO 63146  
**Guestrooms:** 299  
**Opened:** June 1973  
**Meeting Space:** ±42,000 sq. ft.  
**Food and Beverage:** Lucerne Restaurant, Lucerne Lounge, and Tiki Bar.  
**Other Amenities:** Business center, outdoor pool, Sheraton Fitness, complimentary airport transportation, and complimentary parking.  
**Distance from the Marriott:** 7.4 miles



**Sheraton Hotel Westport  
Plaza St. Louis**

900 Westport Plaza  
St. Louis, Missouri 63146  
**Guestrooms:** 210  
**Opened:** June 1979  
**Meeting Space:** ±42,000 sq. ft.  
**Food and Beverage:** Orchids Lounge, Terrace Restaurant, and The Drunken Fish.  
**Other Amenities:** Business center, Sheraton Club Lounge, outdoor pool, indoor heated pool, Sheraton Fitness, complimentary airport transportation, and complimentary parking.  
**Distance from the Marriott:** 7.7 miles



**Hilton St. Louis Frontenac**

1335 S Lindbergh Blvd  
Saint Louis, MO 63131  
**Guestrooms:** 263  
**Opened:** June 1970  
**Meeting Space:** ±23,000 sq. ft.  
**Food and Beverage:** Provinces Bar & Grill and Provinces Restaurant.  
**Other Amenities:** Business center, outdoor pool, fitness center, local area transportation and complimentary parking.  
**Distance from the Marriott:** 5.5 miles



**DoubleTree Hotel St. Louis  
Chesterfield**

16625 Swingley Ridge Rd  
Chesterfield, MO 63017  
**Guestrooms:** 224  
**Opened:** February 1984  
**Meeting Space:** ±36,000 sq. ft.  
**Food and Beverage:** The Lobby Bar, The Café, and Starbucks.  
**Other Amenities:** Business center, outdoor pool, fitness center, local area transportation, and complimentary parking.  
**Distance from the Marriott:** 4.8 miles



## Hilton Garden Inn St. Louis Chesterfield

16631 Chesterfield Grove Rd  
Chesterfield, MO 63005

**Guestrooms:** 100

**Opened:** September 1999  
Meeting Space: ±1,200 sq. ft.

**Food and Beverage:** Great American Grill and Pavilion Pantry.

**Other Amenities:** Complimentary Wi-Fi, 24-hour business center, indoor pool, fitness center, local area transportation, and complimentary parking.

**Distance from the Marriott:** 5.6 miles



## Drury Plaza Hotel Chesterfield

355 Chesterfield Center E  
Chesterfield, MO 63017

**Guestrooms:** 274

**Opened:** May 2006

**Meeting Space:** ±4,200 sq. ft.

**Food and Beverage:** Complimentary breakfast and 5:30 Kickback small plates and drinks served daily.

**Other Amenities:** Complimentary Wi-Fi, 24-hour business center, indoor/outdoor pool, 24-hour fitness center, local area transportation, and complimentary parking.

**Distance from the Marriott:** 4.0 miles



## Hyatt Place St Louis Chesterfield

333 Chesterfield Center  
Chesterfield, MO 63017

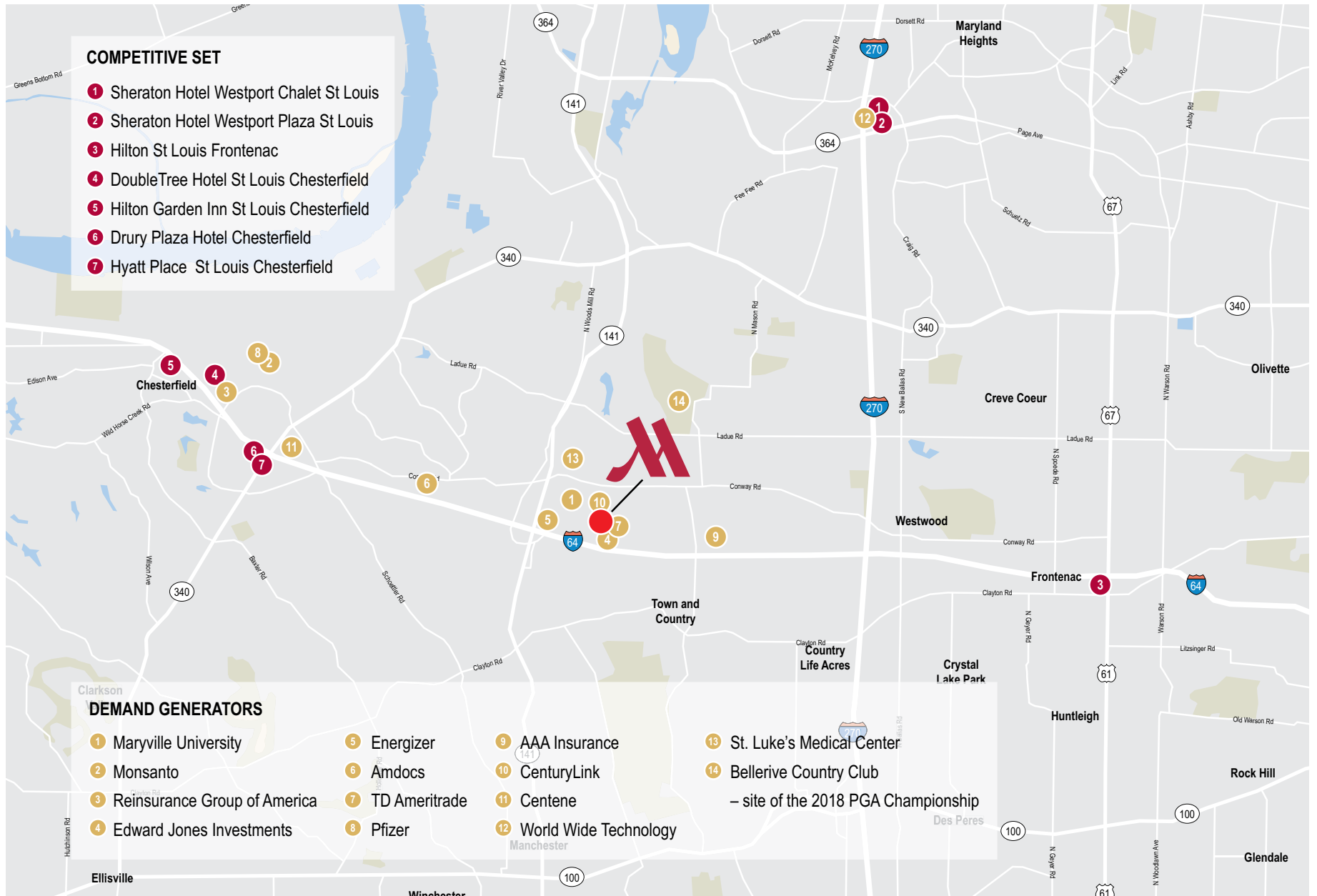
**Guestrooms:** 145

**Opened:** December 2013  
Meeting Space: ±2,300 sq. ft.

**Food and Beverage:** Complimentary Gallery Kitchen Breakfast, 24/7 Gallery Menu, 24/7 Gallery Market, and Coffee to Cocktails Bar.

**Other Amenities:** Complimentary Wi-Fi, indoor pool, 24-hour StayFit Gym, convenience shop, and complimentary parking.

**Distance from the Marriott:** 4.0 miles





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