

VISION. RESOURCE. RESULTS.

BUILDING BRANDS FOR 20 YEARS

ROCKBRIDGE

×

11.27.17



- 1 ROCKBRIDGE
- 2 INDEPENDENT HOTEL & BRAND STRATEGY
- 3 MARRIOTT RELATIONSHIP



ROCKBRIDGE BRANDS

ROCKBRIDGE

ROCKBRIDGE CAPITAL

 RB HOSPITALITY ADVISORS LLC

ROCKBRIDGE PARTNERS

AFFILIATES











FUTURE COMPANIES (2017)

THE ROCKBRIDGE WAY

- Long-term vision and mindset
- Strong vision & creativity
- Fix deferred maintenance
- Strong relationships with industry partners and brands
- Invest throughout market cycles
- Deal timers not market timers
- Hands-on approach
- Leverage strong balance and investor base
- We are deal makers

ROCKBRIDGE OVERVIEW

\$5.2B

ASSET CAP

208

INVESTMENTS

19% IRR

150 REALIZED PROPERTIES

75

CORPORATE TEAM
MEMBERS

60

OPERATIONS PARTNERS

7 FUNDS

SINCE 2000

30

AFFILIATE
TEAM MEMBERS

BRIDGEPOINT BRANDS



2006-2015

2009 - PRESENT

2015 -

Assets	70	64	4
Employees	90	49	25
Revenue	\$171.5 M	\$53.2 M	-

RBHD OVERVIEW

RBHD

ROCKBRIDGE HOTEL DEVELOPMENT

- Development and construction management company
- Ground-up hotel development and complex redevelopment projects
- 28 investments, \$888M of renovation since inception
- 6 active investments, \$180M of renovation

RBX MEDIA

RBX MEDIA

ESTABLISHED IN
2012

3

TEAM MEMBERS

- Develops and Manages Digital and Static Outdoor Advertising Displays
- Partner with property owners to Enliven, Monetize and Create Brand Awareness
- Current markets: Columbus, Nashville, St. Louis and Philadelphia



COLUMBUS



NASHVILLE



ST. LOUIS

220 ASSETS

38 STATES



70

UNREALIZED



150

REALIZED

ROCKBRIDGE STRATEGY



Capitalize on disruptions in the hospitality industry

ENTITY | CAPITAL STACK

Broken Capital Structures
Failed Partnerships
Discounted Note Sales
Foreclosure / Deed-in-lieu
Maturing Debt / Refinance

ASSET-LEVEL

Misbranded Hotels
Misaligned Amenities
Deferred Maintenance
Operational Deficiencies
Organizational Dysfunction

R

Acquisition / Reposition
Recapitalization
Leverage Brand Relationships
Demand Shifts
Urban Infill Development

INVESTMENT STRATEGY

ROCKBRIDGE BRAND FOCUS

Hard and Lifestyle Brands



Independent and Soft Brands



ROCKBRIDGE STRATEGY



Significant diversification within strategy across 220+ assets¹³



MARKETS¹⁴

PRIMARY	54%
SECONDARY	27%
SPECIALTY	17%
OTHER	2%

100 %



BRAND FAMILY**

MARRIOTT STARWOOD...	34%
HILTON	33%
SOFT BRAND ¹⁵	10%
INDEPENDENT	9%
HYATT	6%
OTHER	7%

100 %



INVESTMENT TYPE*

HIGH-YIELD DEBT	33%
QUASI-EQUITY	12%
EQUITY	54%

100 %



CHAINSCALE***

LUXURY	-%
LIFESTYLE BOUTIQUE ...	26%
UPPER UPSCALE	31%
UPSCALE	27%
UPPER MIDSCALE	15%
OTHER	1%

100 %

MARKET OPPORTUNITY



MARKET DISRUPTIONS CREATING CHANGE AND OPPORTUNITY

OPPORTUNITY DRIVERS

- **Deferred maintenance**
- **Risk capital demand**
- **Demographic shift**
- **Customer disintermediation**

VALUE CREATION DRIVERS

- **Demand highs and Supply lows**
- **Pricing power**
- **Changing customer preferences**
- **Rockbridge strategy produces**

INDEPENDENT HOTEL & BRAND STRATEGY

2017

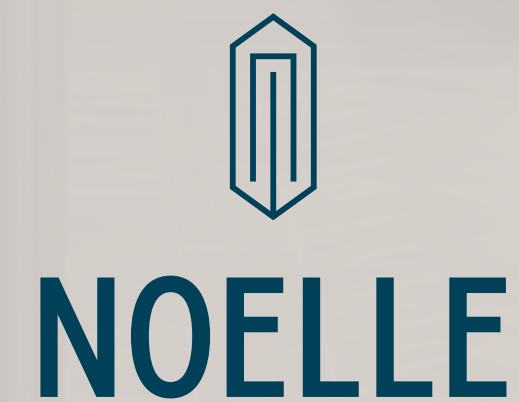



INDEPENDENT HOTEL & BRAND STRATEGY

- **Creating independent hotels with a unique point of view**
 - *From scratch or by leveraging asset's history and location*
 - **Focus on all details of the design and operation**
 - **Creating individual brands and experiences**
- **Creating destinations versus just a hotel**
 - *Local partnerships*
 - *Strong independent restaurants and beverage outlets*
 - *Local and curated retail*
 - *Art programming, etc.*



THE
LAYLOW
WAIKIKI




CLIFF HOUSE
MAINE

THE
ALIDA
412
WILLIAMSON ST

**Traditional Hotel Operators
struggle to delivery on
independent promise and
strong restaurant experience.**

INDEPENDENT OPERATIONS



H R I P R O P E R T I E S



MAKEREADY™



Passionate People. Proven Results.



Brands



Independents



M

MAKEREADY™

CONCEPT — DESIGN — OPERATION



Why makeready™

We are experienced in local and independent brand building. We create strong brands

We are designed from the ground up to address the challenges faced by traditional hotel operators

We develop experiences that are an essential part of the community with an independent point of view

We cultivate emotionally deep connections with the guests and teams to create sustainable value

M

At The best we are nearly invisible—
For the mark of a craftsman can be
found not only in what is seen—
but often what remains unseen

The philosophy



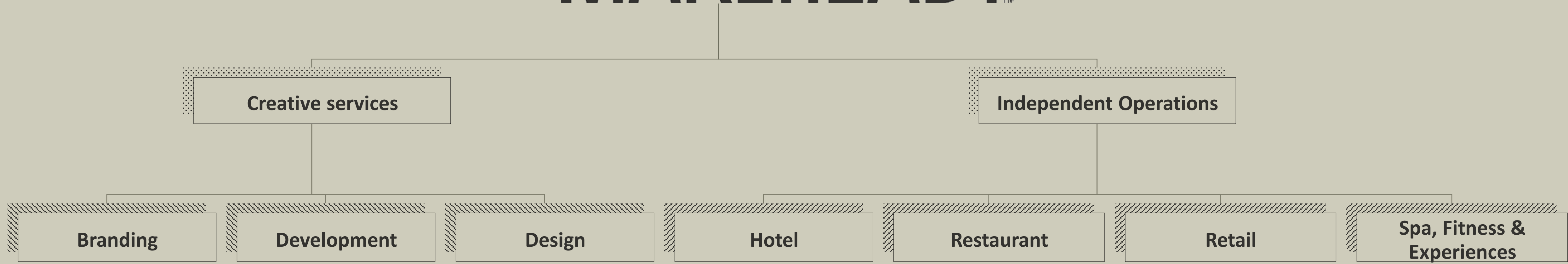


WE CREATE INDEPENDENT HOTEL, RESTAURANT
AND RETAIL BRANDS WITH INDIVIDUAL POINTS OF
VIEW, TO PROVIDE THE OPPORTUNITY FOR PEOPLE
TO CONNECT TO THE WORLD AROUND THEM—CITY
BY CITY AND PERSON BY PERSON

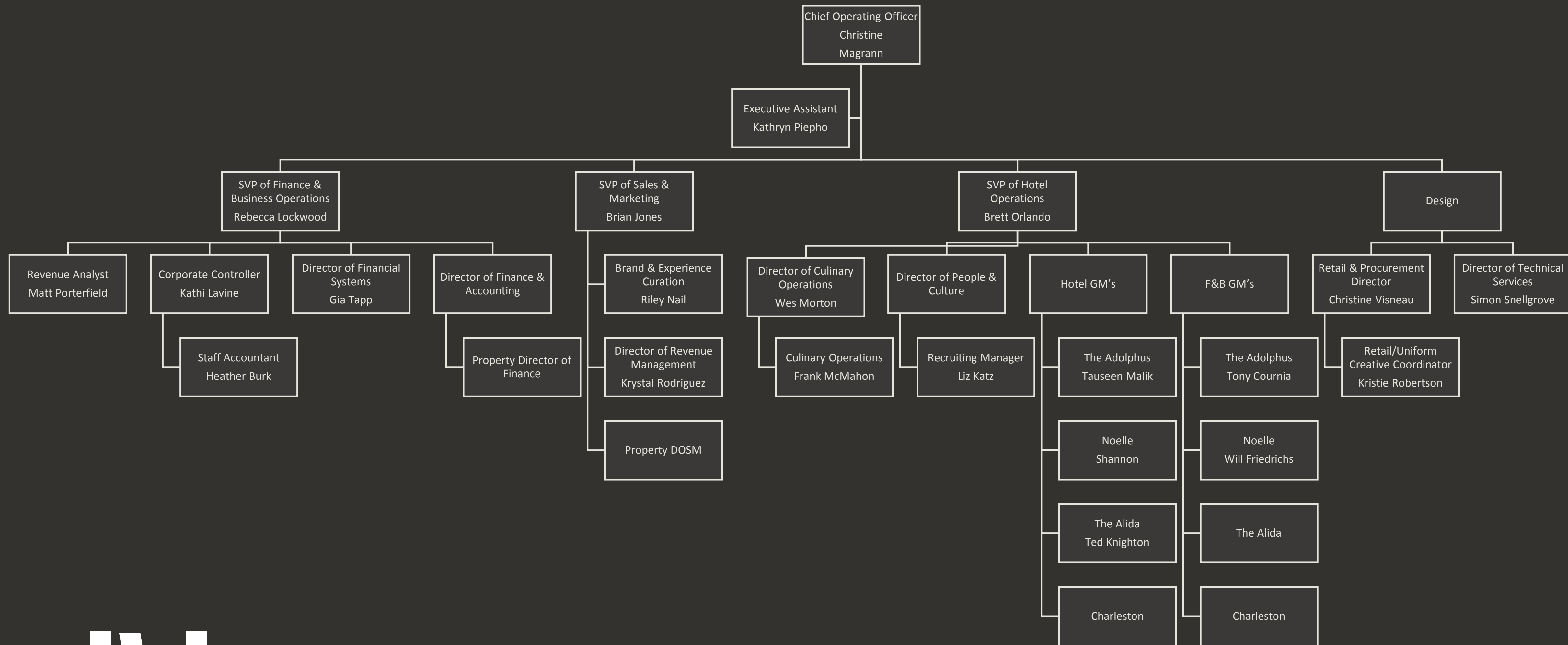
The purpose



MAKEREADY™

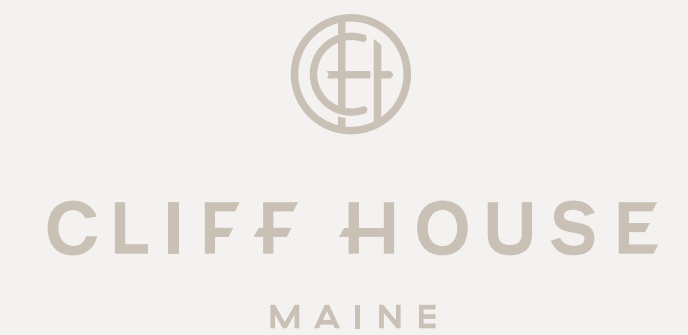


The structure



INDEPENDENT HOTELS & BRANDS

ROCKBRIDGE



THE ADOLPHUS HOTEL / DALLAS, TEXAS

OPPORTUNITY



- Iconic and Storied History in Dallas
- Meaningful Narrative to its Community
- Hotel's Legacy and Cultural Institutions
- Thoughtful, Immersive Experiences



CHALLENGE

- No pool & no spa
- Limited fitness center
- Restaurant experience
- Back of House modernization
- Past useful life and MEPs needed modernized
- Sense of arrival
- Ground lease issues
- Title Clean Up

→ INVESTMENT \$130 MILLION

PARTNER BRANDS

SWOON
[THE STUDIO]

MAKEREADY™

RBHD

RETAIL AND F&B BRANDS

POOL
ADOLPHUS
DALLAS

SPA
ADOLPHUS
DALLAS

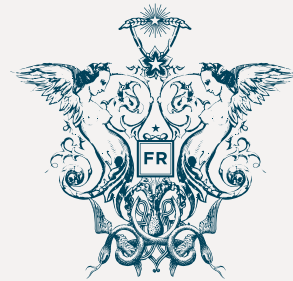
CENTURY
EST. 1912
ROOM
THE ADOLPHUS HOTEL

STETSON

BARBER SHOP
1321 COMMERCE ST.
DALLAS, TEXAS
ESTD. 75202

OTIS
COFFEE
AND FINE FOODS

COMMERCE
GOODS + SUPPLY



THE FRENCH ROOM

RODEO
BAR & GRILL

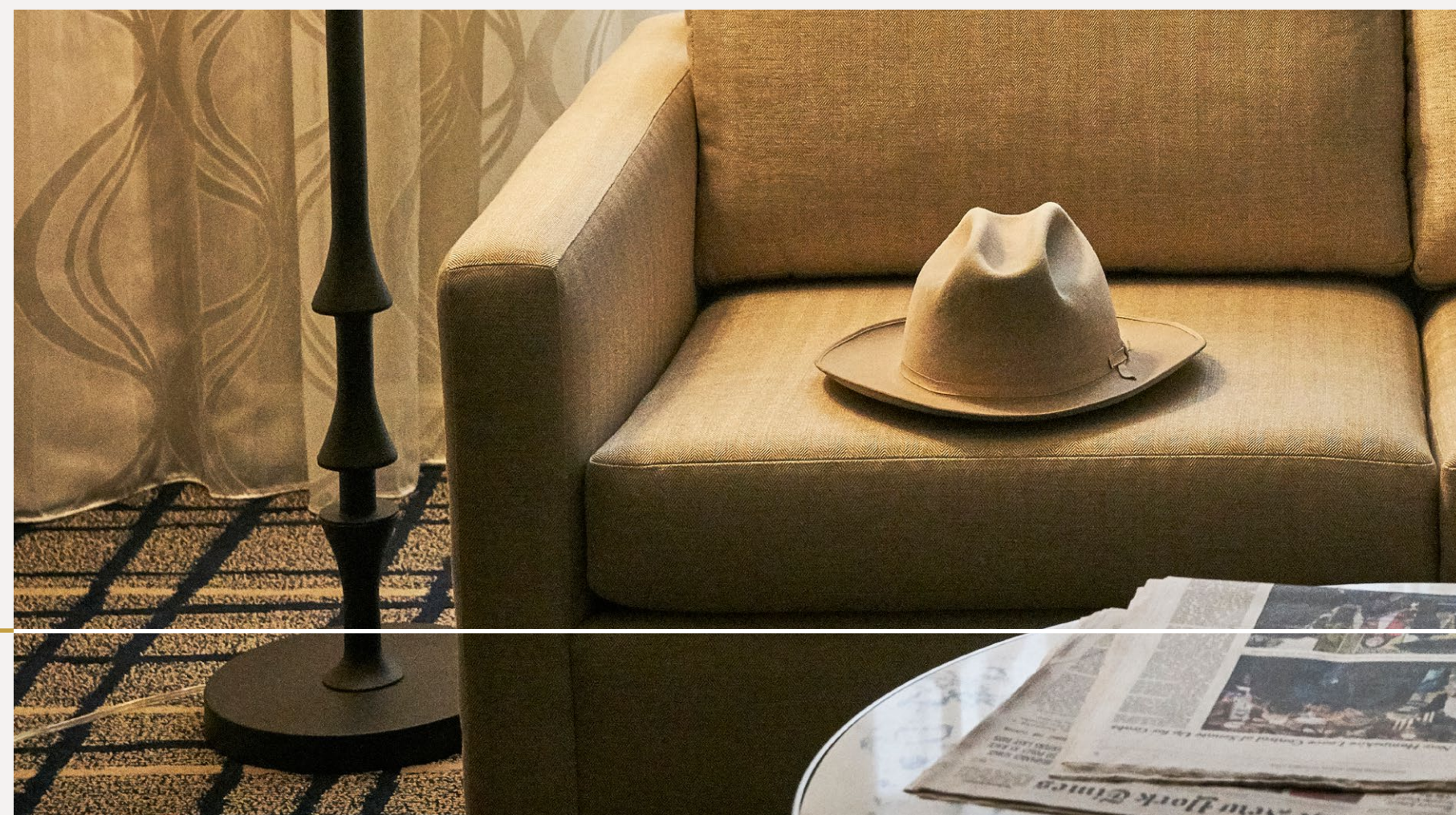


CITY HALL
BISTRO

Tea
AT THE Adolphus
DALLAS, TX



Vibrant / Storied /
Iconic / Compelling /
Authentic / Intuitive







NOELLE

OPPORTUNITY

- Authentic Nashville – True Nashville
- Destination and Creative Anchor
- Connects to the local craftsman, creators and artisans
- A platform for the local makers and craftsman to thrive
- A platform for a brand that will simultaneously pay homage to the city's history, and push its narrative forward



INDEPENDENT HOTEL STRATEGY / NOELLE



CHALLENGE

- Conversion of an existing office building to a hotel
- New tower that adds 60 rooms to the room count
- Variety of room layouts due to the floor plan of the existing building
- Opportunity to create a new and unique Hotel, F&B and retail experience in downtown Nashville
- New, branded retail roof top bar with excellent views of Nashville and a wood burning fireplace
- Unique suites on the 12th floor of the hotel

→ INVESTMENT \$62.3 MILLION



PARTNER BRANDS

MAKEREADY™

RETAIL AND F&B BRANDS

DRUG
COFFEE
STORE

ARCHIVES

KEEP
SHOP

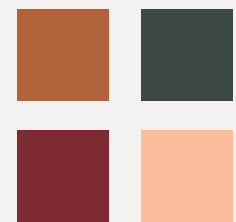
TRADE ROOM
NOELLE

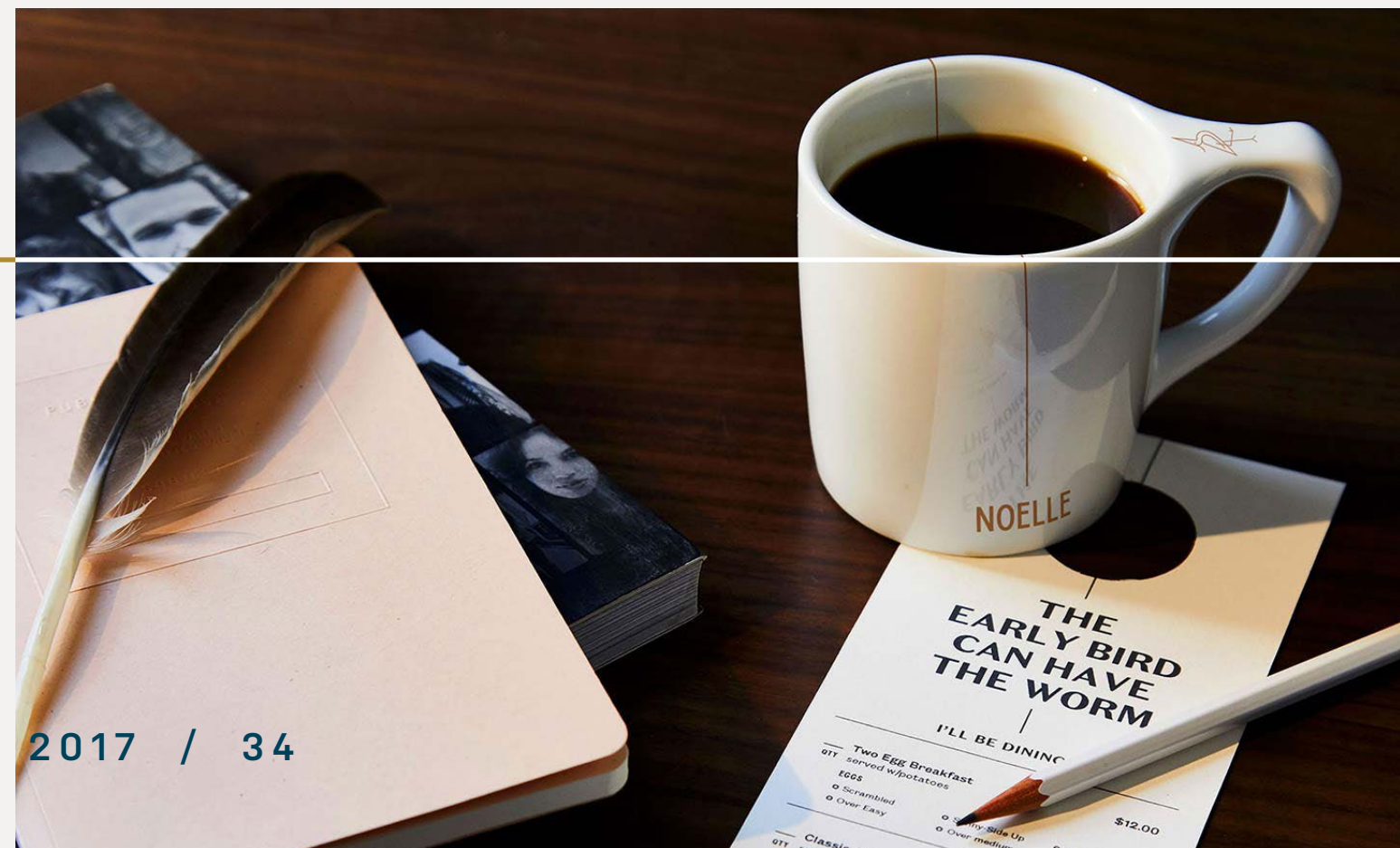


Rare Bird



Reflective / Sophisticated
/ Considerate / Warm /
Mischievous / Intelligent





THE LAYLOW / WAIKIKI, HAWAII

THE LAYLOW WAIKIKI

OPPORTUNITY

- Extend the ground lease to allow for re-investment in asset
- Create independent, high-character hotel which was lacking in Waikiki
- Align quality with the International Market Place and Saks Fifth Avenue next door
- Convert the second floor roof / storage to destination podium with pool, F&B and lanai experience
- Optimize ground floor retail



CHALLENGES

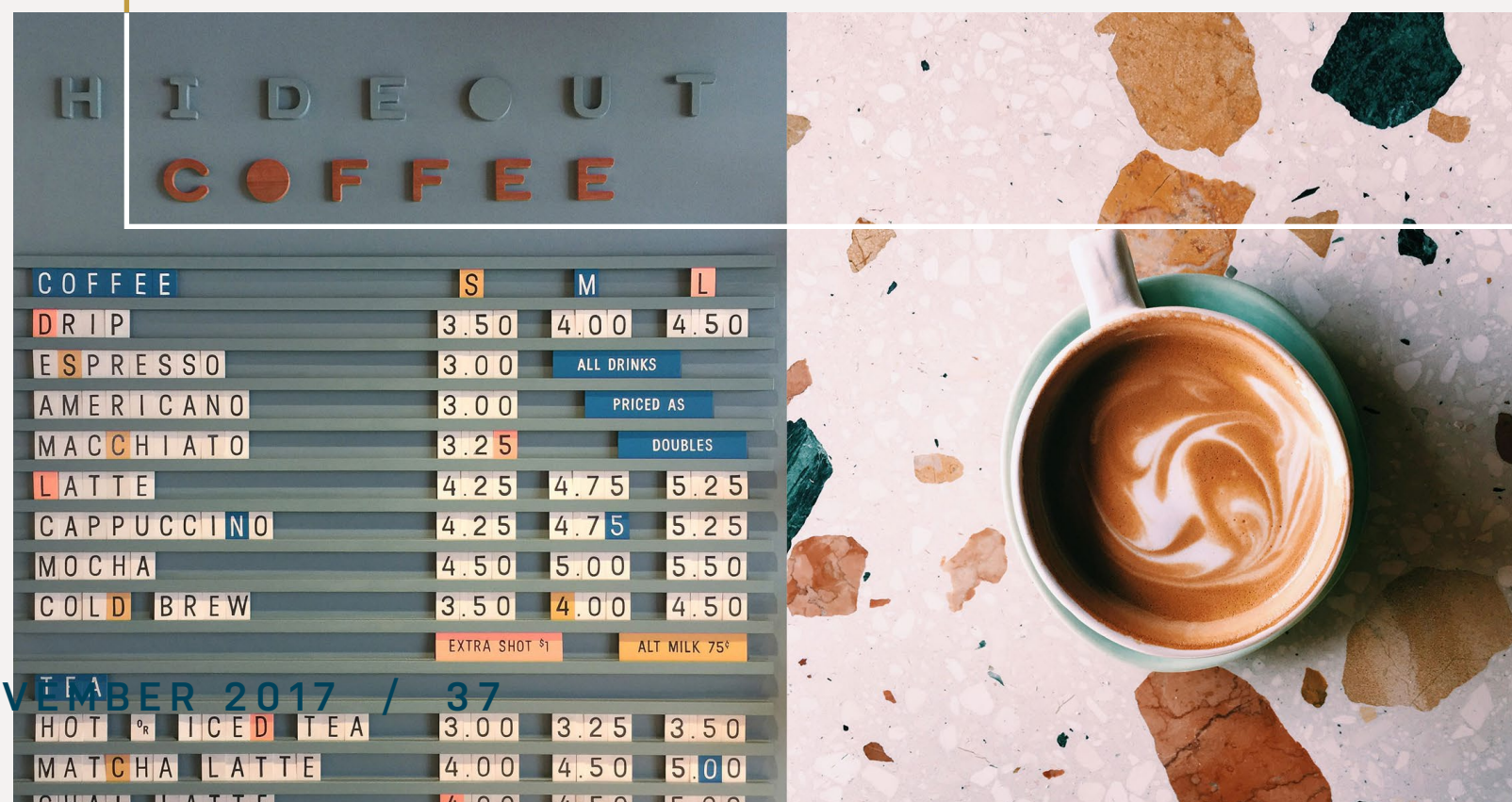
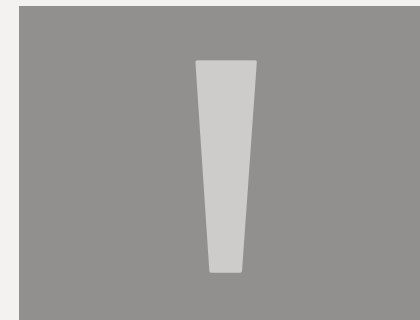
- Underutilized property in core of Waikiki
- Property in need of total transformation and re-branding
- Poor sense of arrival & limited / sad lobby
- Bad retail / poor layout / no alignment with hotel potential
- No hotel restaurant / bar / destination experience
- No pool (actually, saddest pool in the history of the world in the back alley)
- Large guest rooms in need of total reimagining, expanded bathrooms
- All mechanicals beyond useful life
- Ground lease extension necessary to facilitate renovation
- Elevated lobby / bar / restaurant / coffee / pool to former storage / roof on podium

→ INVESTMENT \$70.6 MILLION

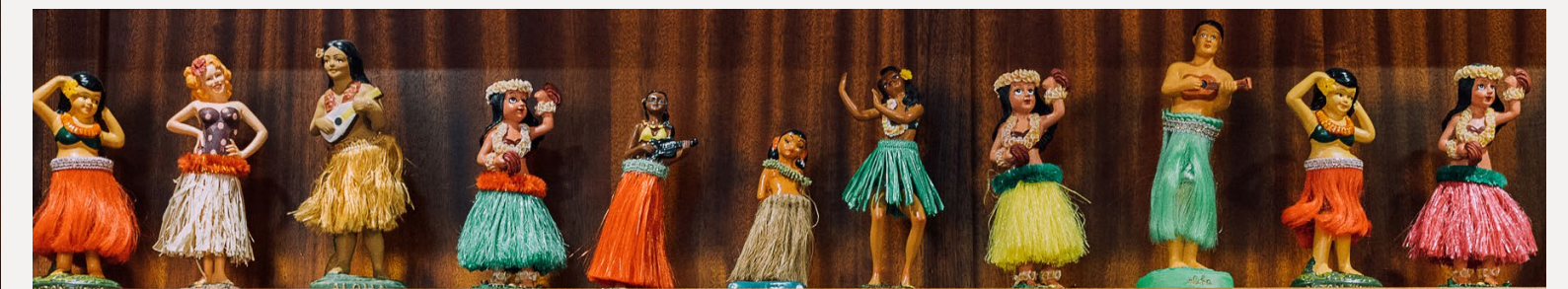
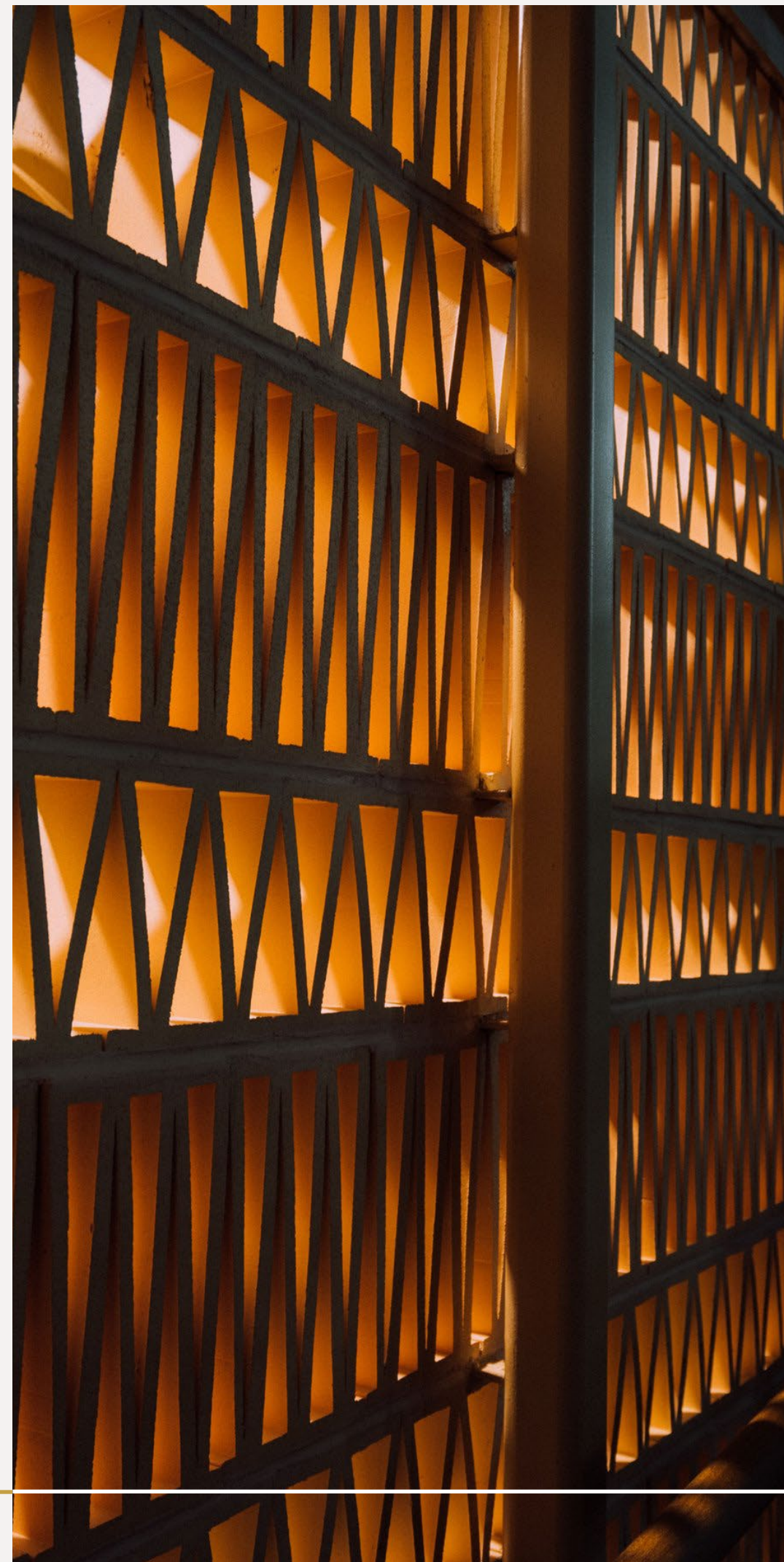
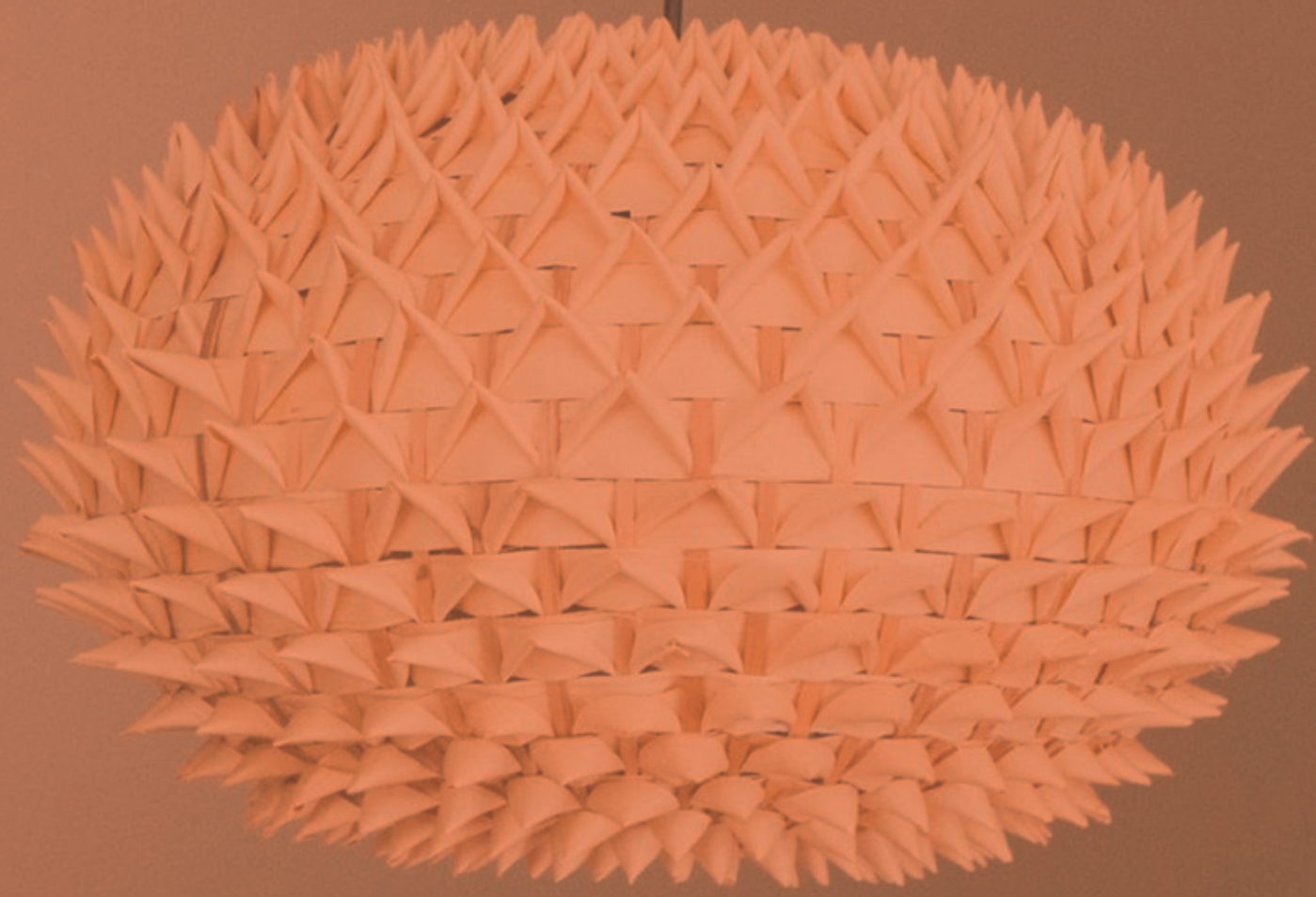
PARTNER BRANDS



RETAIL AND F&B BRANDS



Mid-Century Modern /
Present-Day Hawaiian
Charm / A Secluded Oasis



INDEPENDENT HOTEL STRATEGY / THE LAYLOW





CLIFF HOUSE

MAINE

OPPORTUNITY

- Maximize 70 acre property with un-paralleled views of the Atlantic
- Renovate and reposition property to align with the exceptional real estate
- Take over for 100+ year family ownership and install institutional tools and business plan
- Build entitled 94 rooms, all with unobstructed ocean views
- Add best-in-set meeting space to drive year-around operation (formerly seasonal operation)
- Create multiple distinct, high-quality F&B experiences
- Create 12 suite spa to complement amenity offering

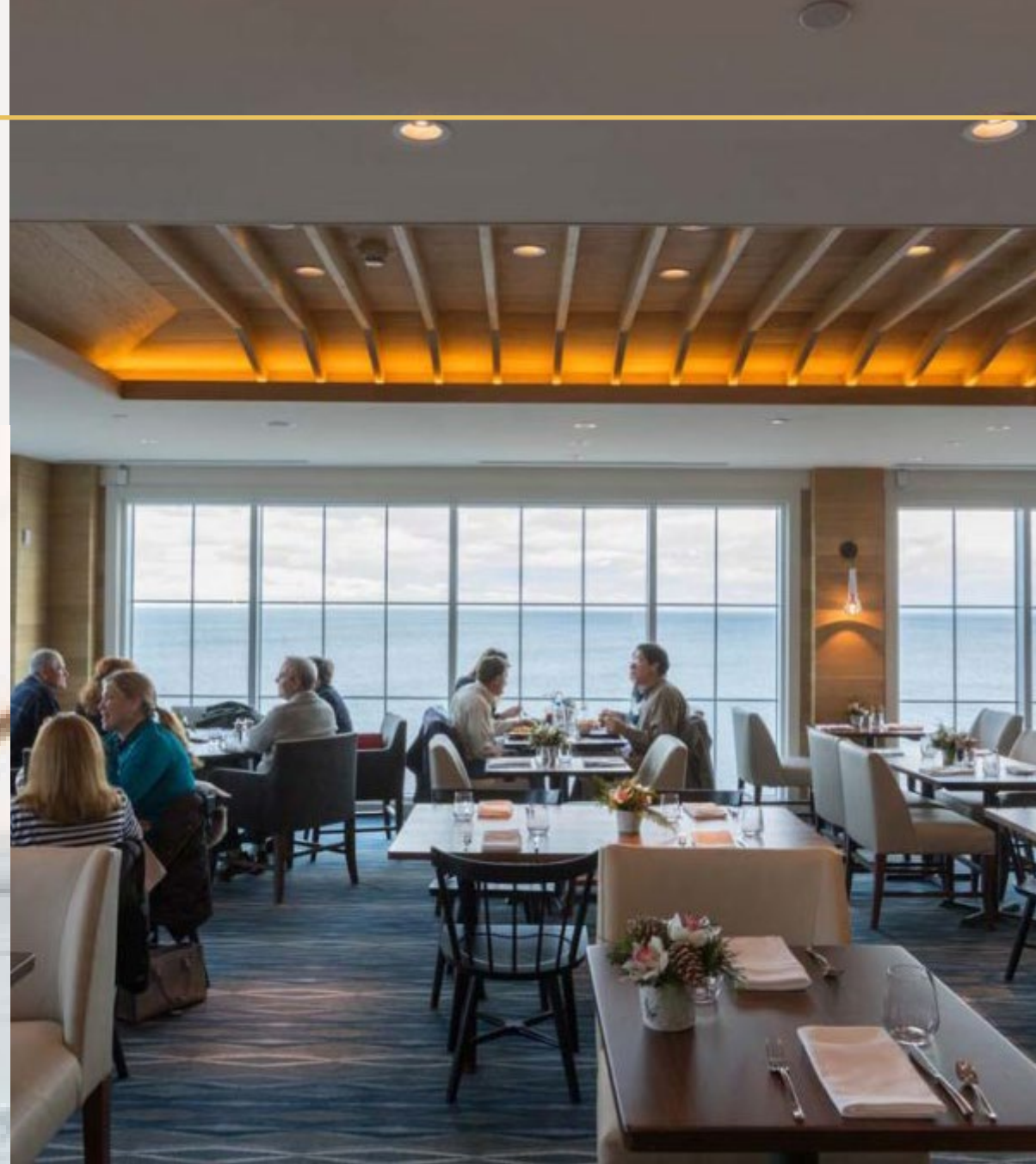




CHALLENGES

- Hotel product did not match world-class location / views
- Property required total transformation
- Lacked meeting space for year-round operation / meet group opportunity
- Entitled guest rooms needed to be imagined, designed and construction
- Views from property did not maximize potential
- Historic family ownership did not possess vision to capitalize on the property's opportunity
- Pool experience was underwhelming
- Needed to create well branded, high-quality F&B outlets and amenities
- Challenges with abutters – purchased abutting properties
- Shoreland and local entitlement / zoning approval challenges

→ INVESTMENT \$85 MILLION



RETAIL
AND F&B BRANDS



BALD HEAD
COFFEE CO.

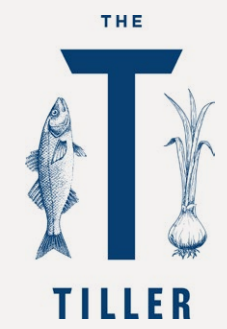


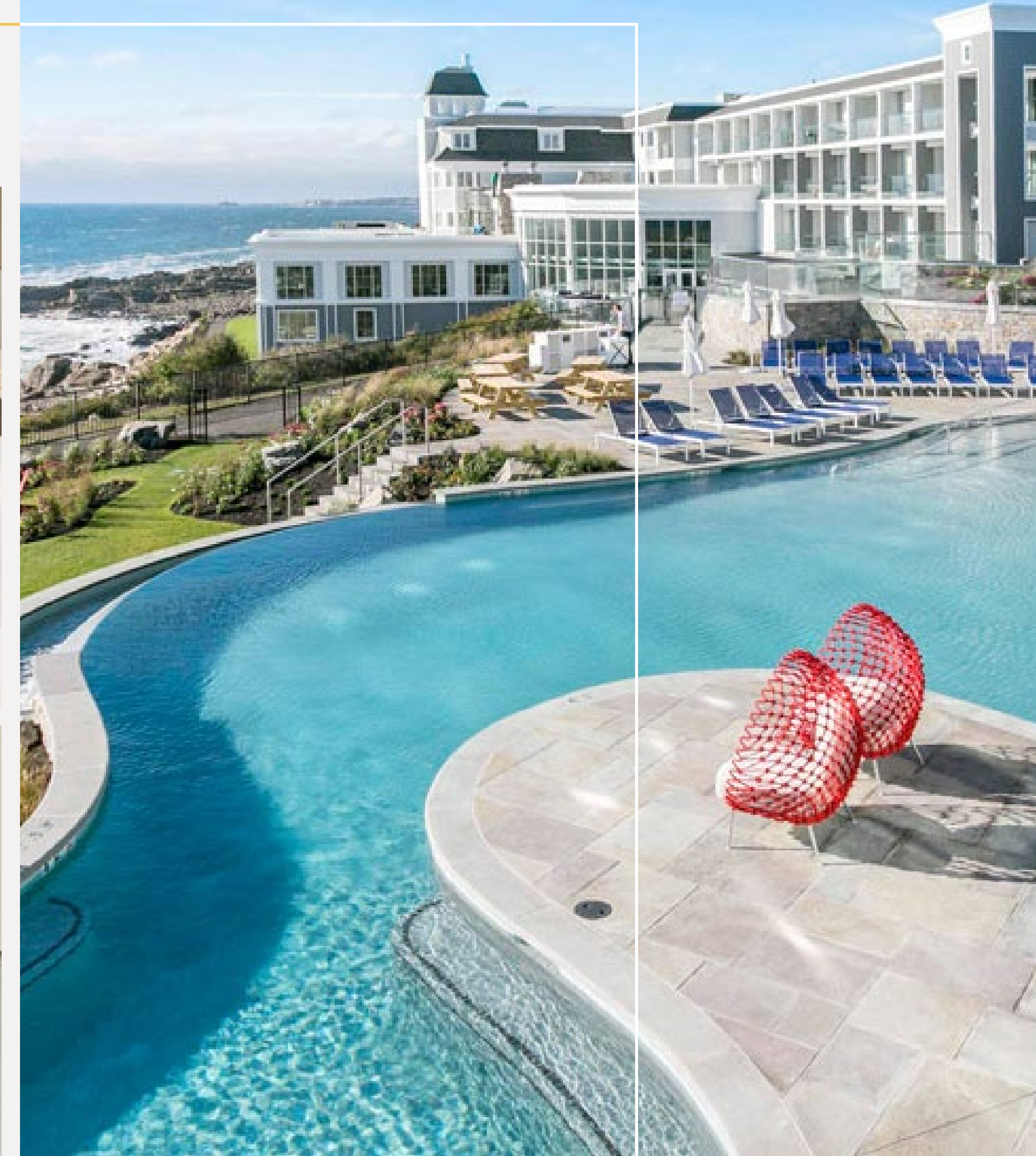
THE SPA
AT CLIFF HOUSE

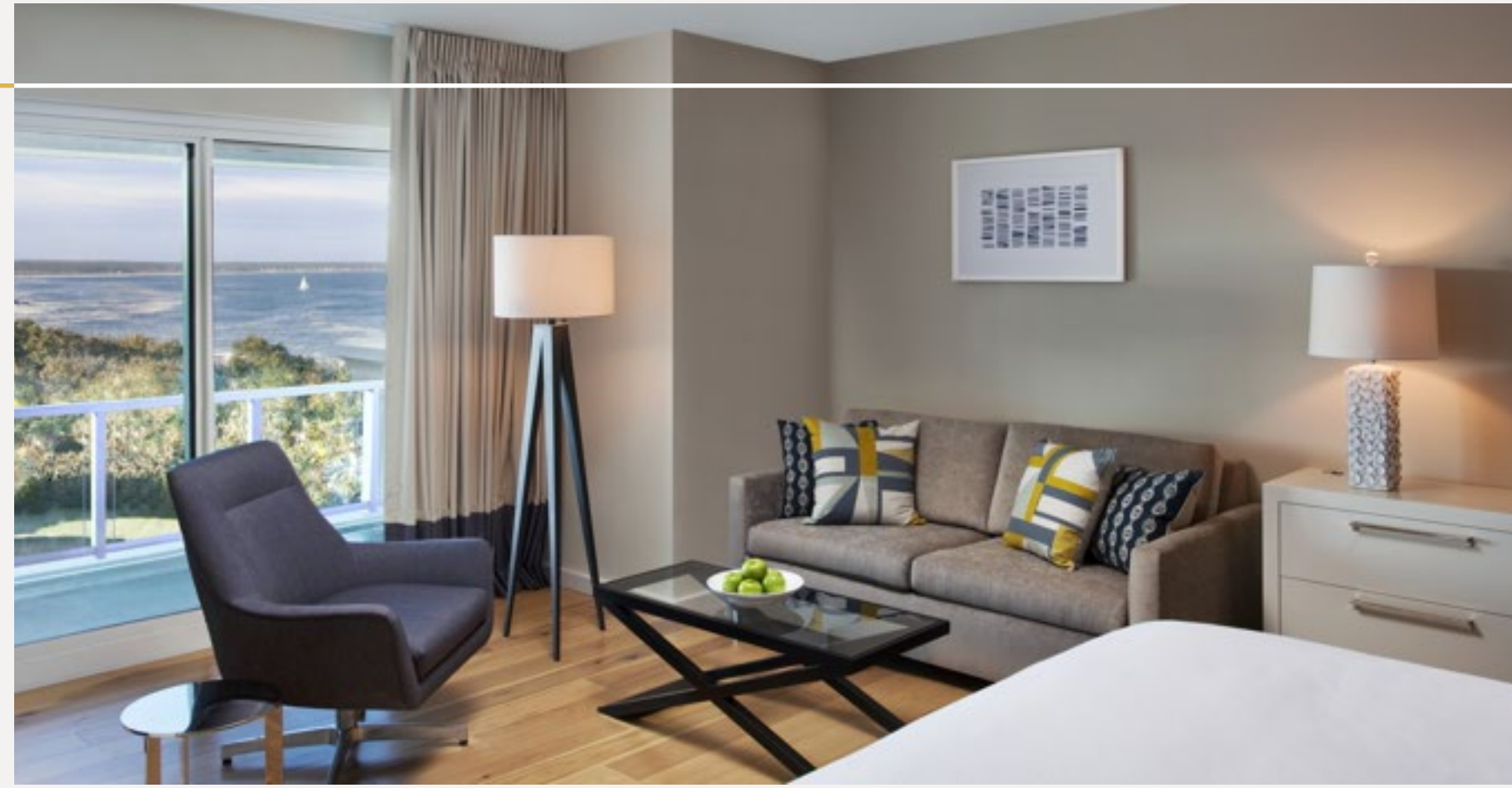
PARTNER BRANDS



DESTINATION®
HOTELS



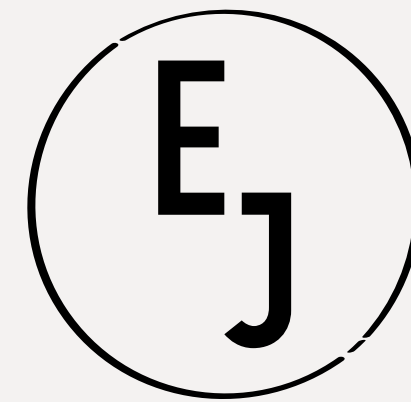




**Captivating / True
Maine / Enriching /
Thoughtful**



ELIZA JANE / NEW ORLEANS, LA



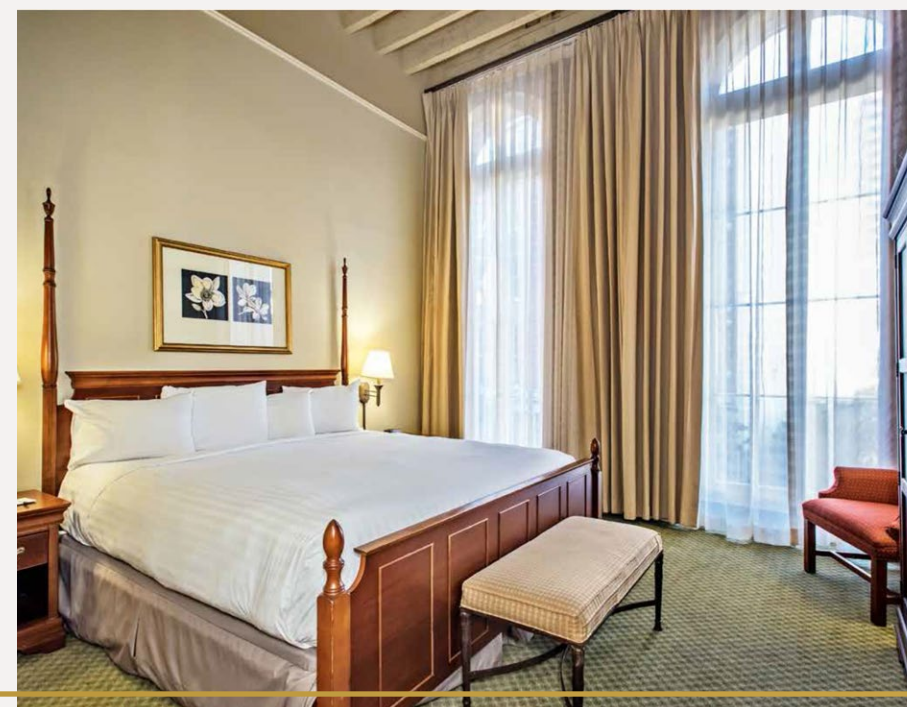
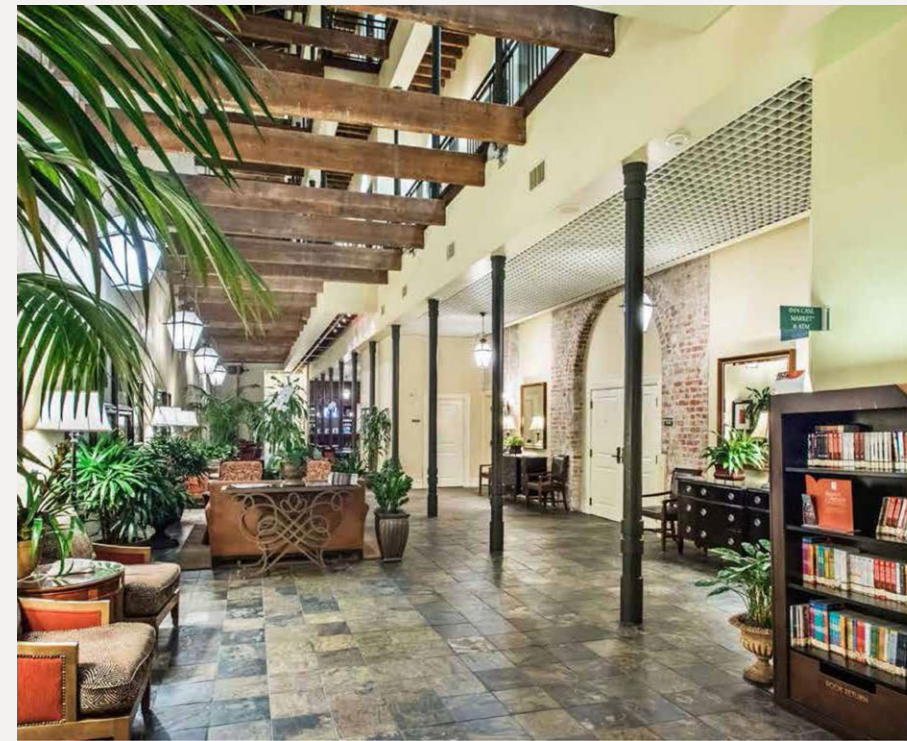
OPPORTUNITY

- A+ location: Walkable to all demand generators, not in French Quarter
- Unique, historic buildings with great architectural features and stories to tell
- 3 vacant warehouse buildings: Add 51 oversize guestrooms plus destination restaurant
- Deliver 4-star product superior to much of the existing independent and soft brand supply

CHALLENGE

- Deteriorating common area
- Required zoning variance
- Comprehensive renovation in 9 buildings built in 1800's
- Executing the right F&B plan
- Delivering right room product
- Majority of room lacked windows
- Renovation with new partner
- Aggressive timeline

→ INVESTMENT \$28 MILLION

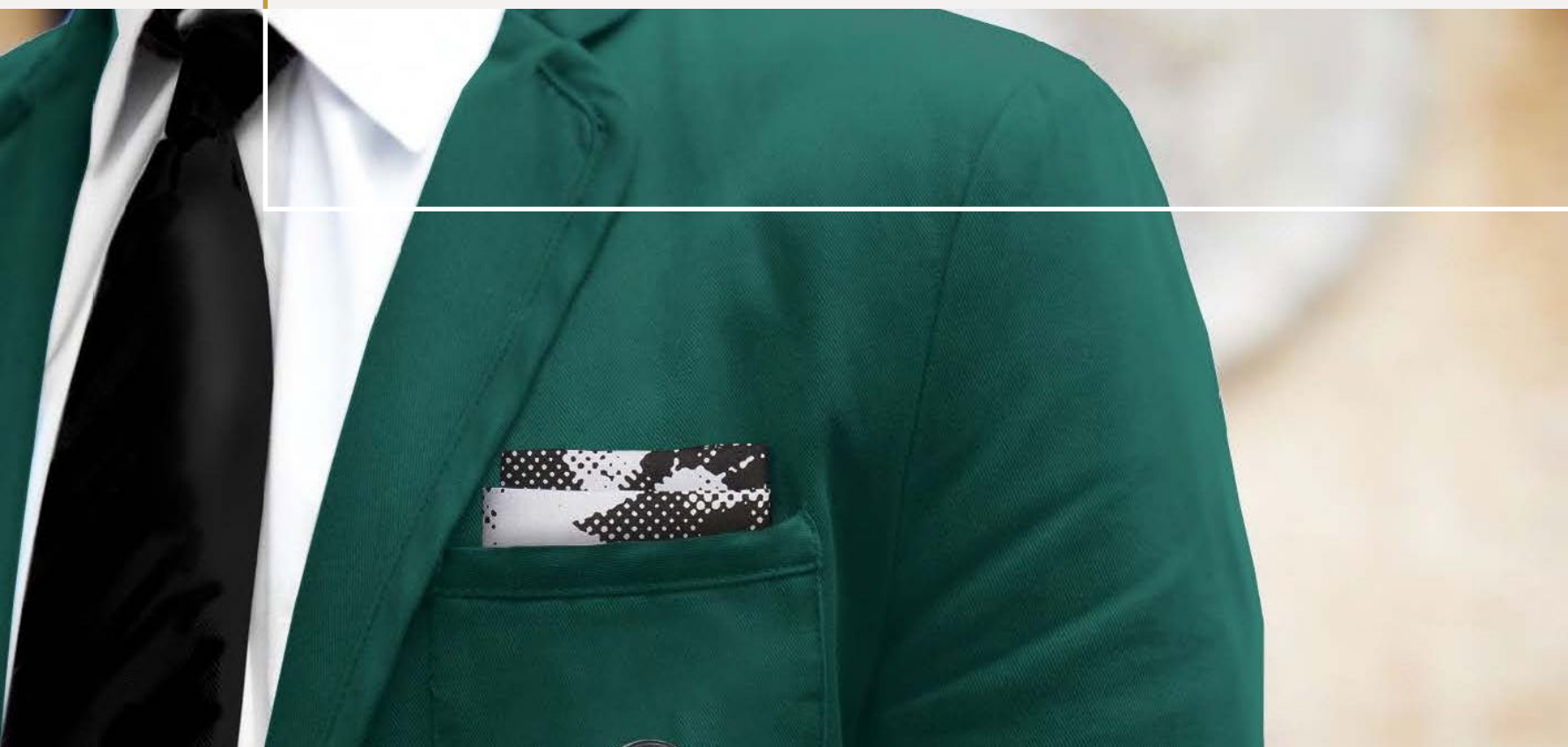


PARTNER BRANDS

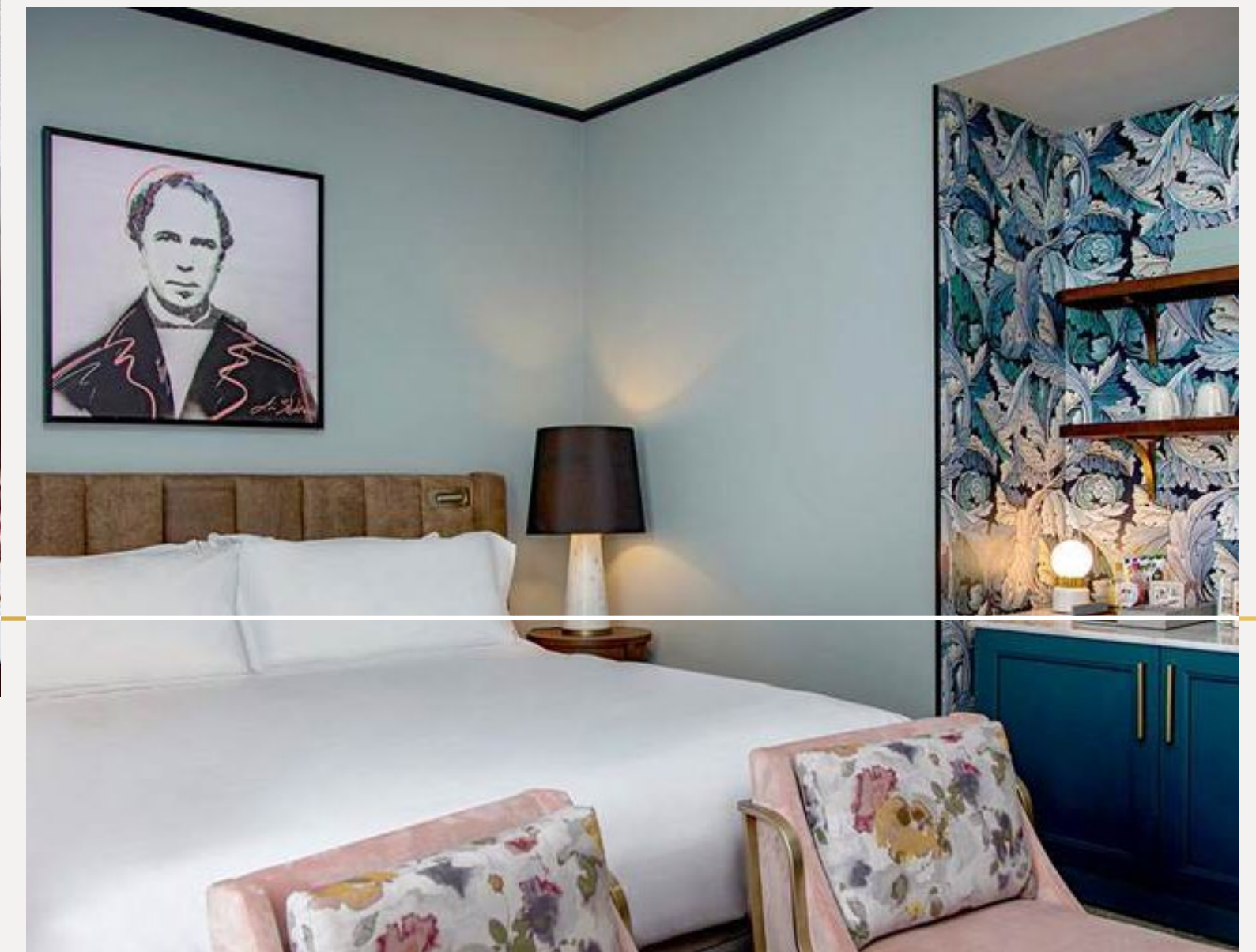


RETAIL AND F&B BRANDS

COMING SOON



Genuine / Easy / Spirited

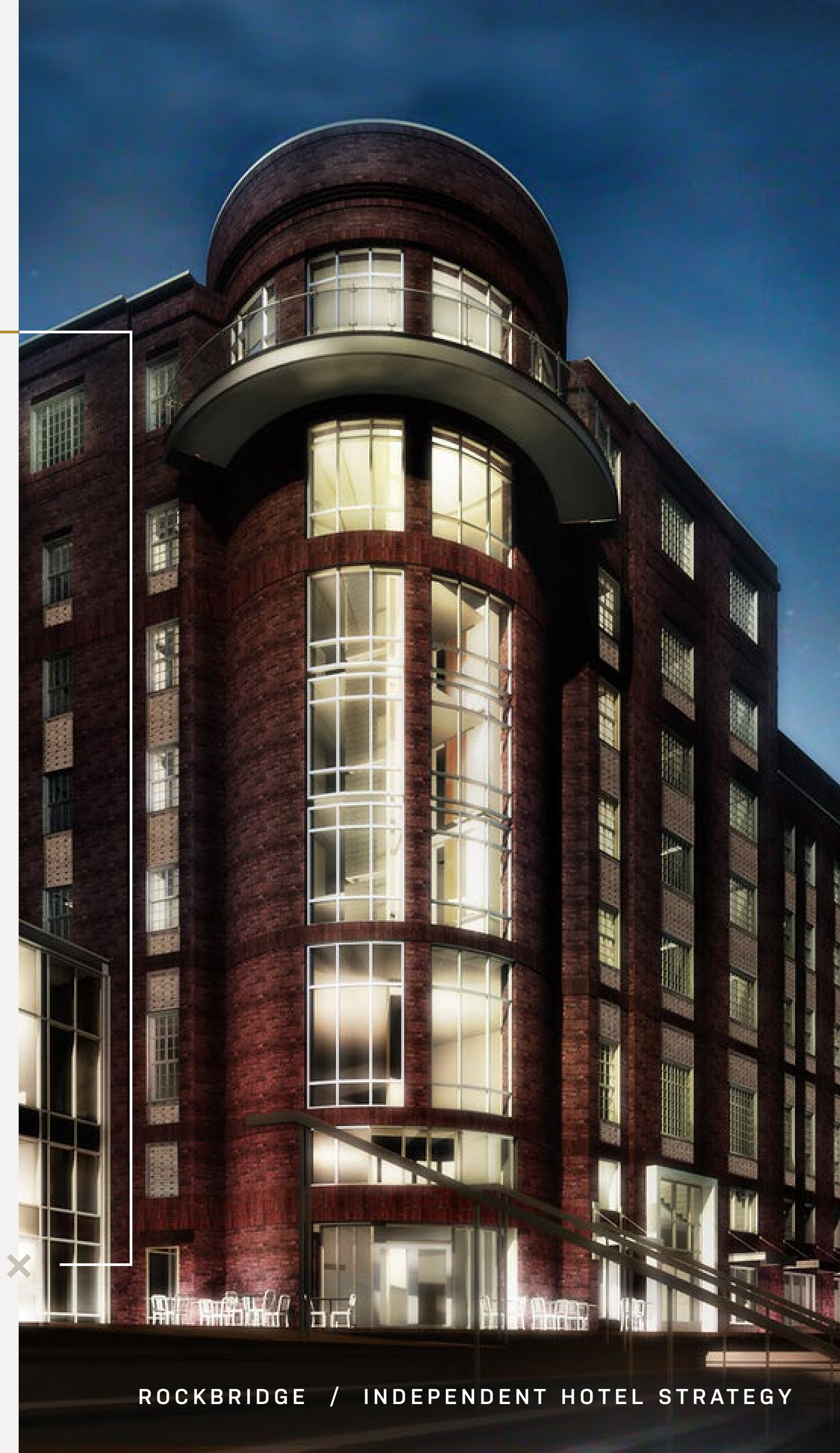




THE
ALIDA
412
WILLIAMSON ST

OPPORTUNITY

- “A” location in Savannah Historic District
- Premier hospitality market with high barriers to entry
- Build the highest quality hotel in Savannah including rooftop bar and event space, structured parking on-site and ground floor restaurant.
- Ability to partner with City of Savannah to construct pedestrian access to Historic River Street





CHALLENGE

- Difficult site / grade changes
- Entitlement issues – historic
- Cost and escalation
- Environmental

→ INVESTMENT \$76.3 MILLION



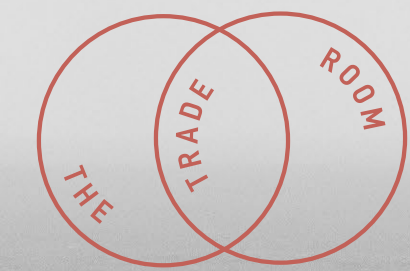
RETAIL
AND F&B BRANDS

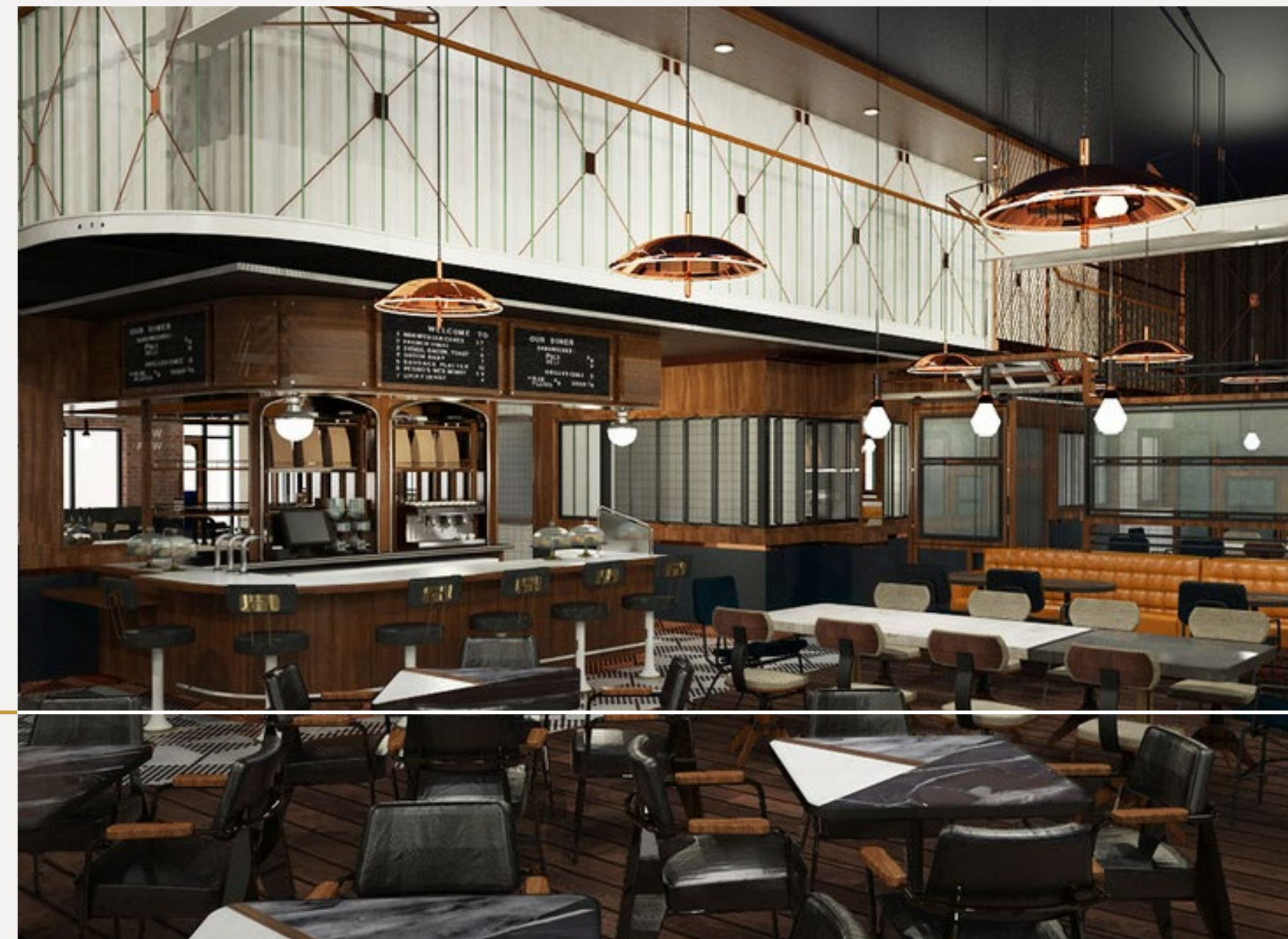
Rhett

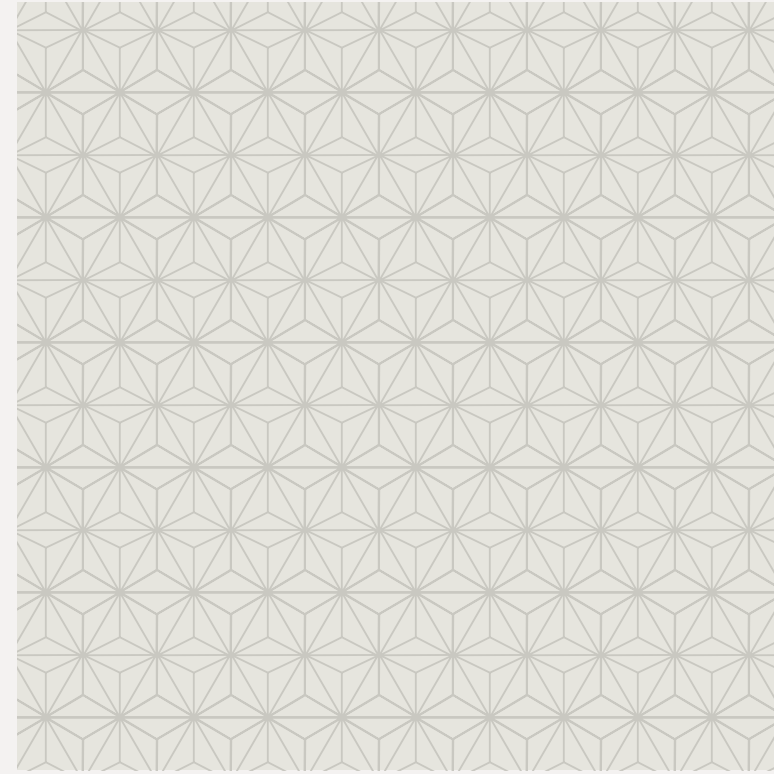
THE LOST
SQUARE

PARTNER BRANDS

LMNOP

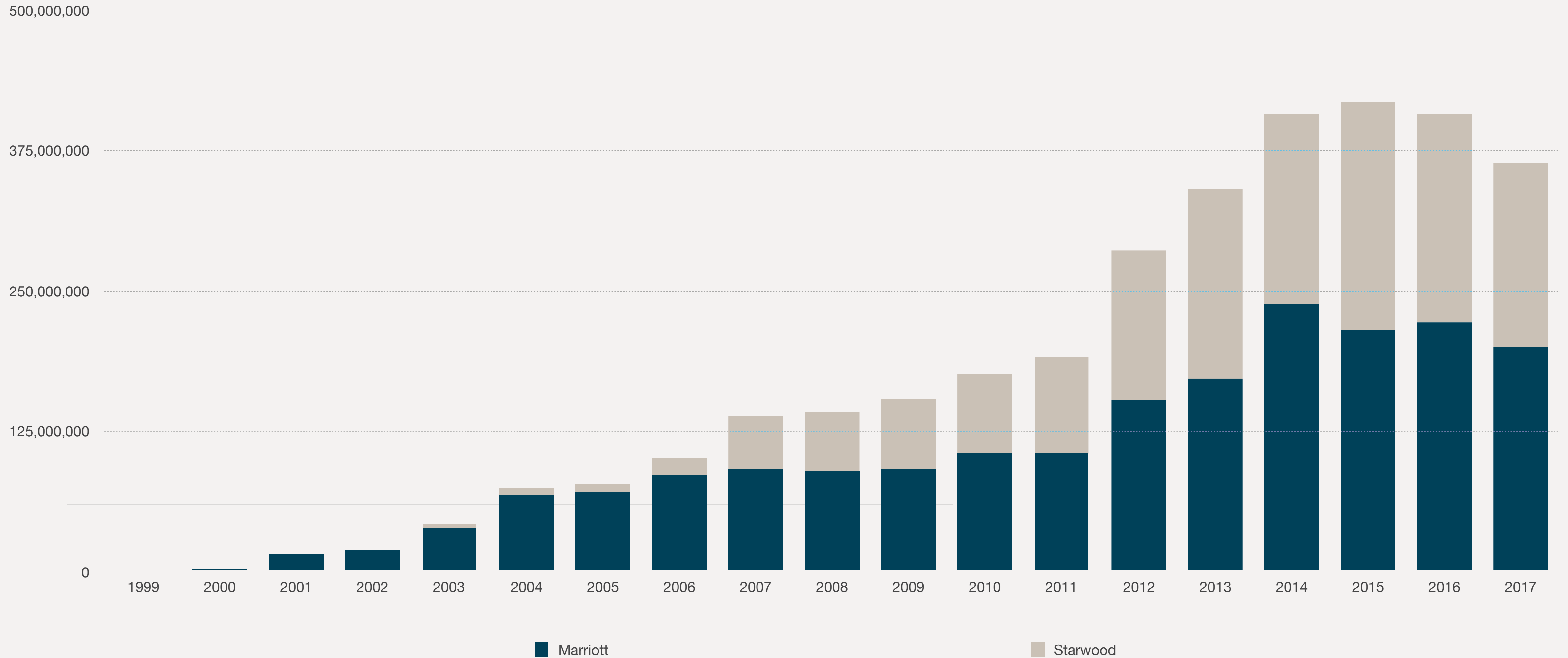






**Conversational /
Inviting / Humble /
Knowledgeable**

INVESTMENT OVER TIME



Rockbridge & Marriott / Starwood

Strategic Relationship Overview

Marriott

Rockbridge - History

- 10,400+ Rooms
- \$1.5 billion Capitalization
- \$2.5 billion Revenue (2000-2017)

Rockbridge - Current

- 2,800 Rooms
- \$620+ million Capitalization
- \$328 million Capital Investment (since 2010)
- \$222 million Revenue (2017)

Collaboration

- Delivered Marriott – Louisville (East) – 2012 Development of the Year
- Delivered on 2 Autograph Collection affiliated properties

Starwood

Rockbridge - History

- 3,900+ Rooms
- \$700 million Capitalization
- \$1.1 billion Revenue (2000-2017)

Rockbridge - Current

- 2,250+ Rooms
- \$480 million Capitalization
- \$342 million Capital Investment (since 2010)
- \$111 million Revenue (2017)

Collaboration

- Among first owners to commit and build new brands:
 - Le Meridien (Atlanta, Indianapolis, Chicago)
 - Tribute Collection (Savannah, Nashville, Charleston)

Post-Marriott / Starwood Merger

Rockbridge - History

- 14,300+ Rooms
- \$2.2 billion Capitalization
- \$3.6 billion Revenue (2000-2017)

Rockbridge - Current

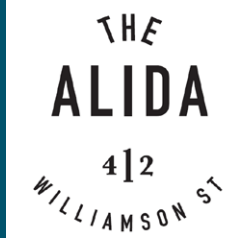
- 5,050+ Rooms
- \$1.1 billion Capitalization
- \$670 million Capital Investment (since 2010)
- \$333 million Revenue (2017)
- ~\$400 million Revenue (at Stabilization)

Collaboration

- Opportunity to partner and strategically invest to build brands together

The Alida – Savannah, GA

Property Positioning



\$76 million Total Investment

- *\$439k cost per key*

\$21 million Total Revenue (Stabilized)

78% Occupancy (Stabilized)

\$250 ADR (Stabilized)

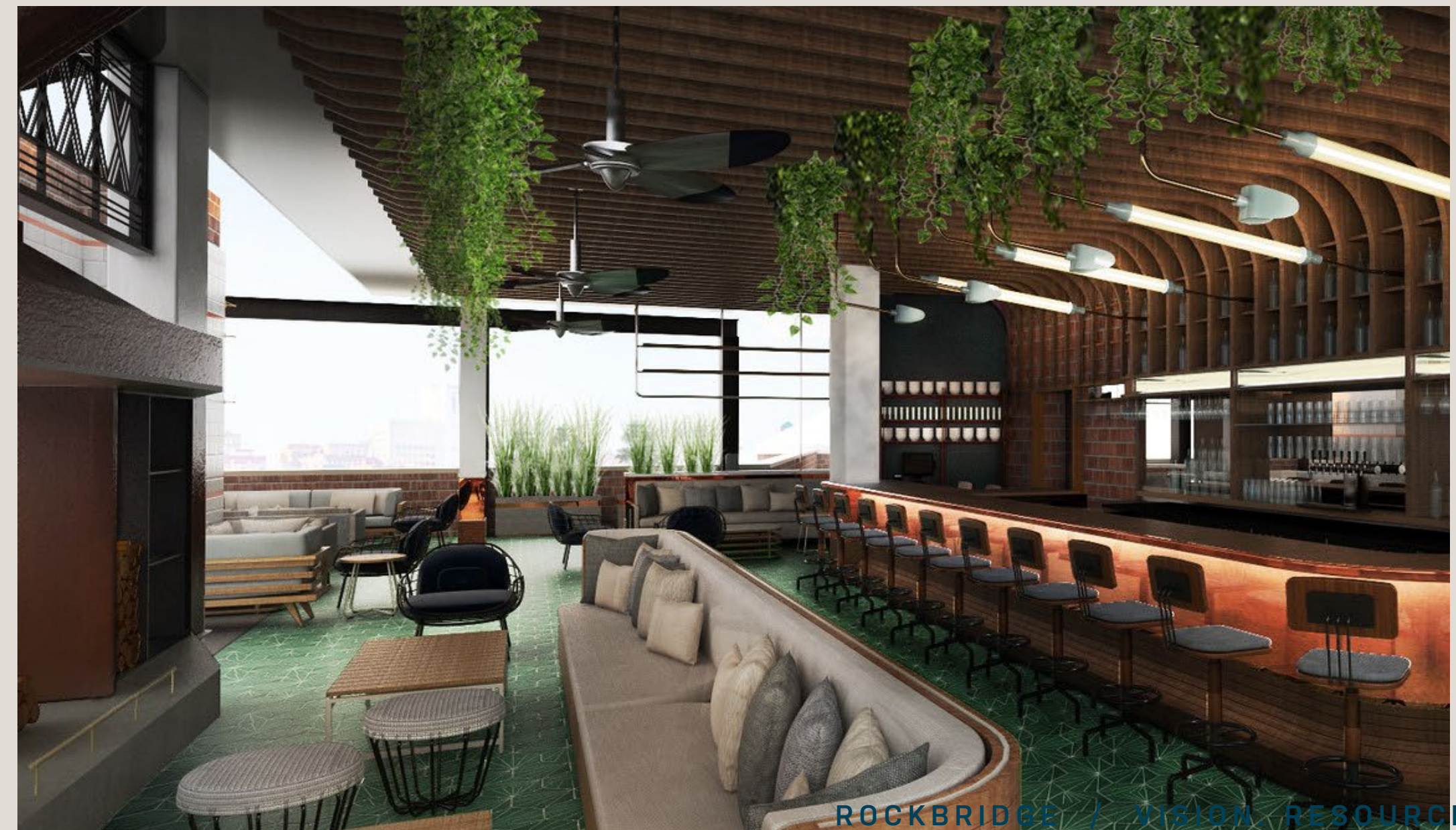
\$195 RevPAR (Stabilized)

Premier Positioning

- *At / Above*
 - *The Bohemian (Autograph Collection)*
 - *The Brice (Kimpton)*
 - *Andaz*
- *JW / Luxury Collection competitor*

Superior Property & Amenities

- *Purpose built product*
- *Rooftop bar and event space*
- *Ground floor pool and bar experience*
- *Rhett - Ground floor restaurant*
- *First floor lobby bar*
- *Structured parking on site*
- *Public-Private partnership to create pedestrian access to Historic River Street*















The Noelle – Nashville, TN

Property Positioning

\$78.6 million Total Investment

- *\$351k cost per key*

\$26.3 million Total Revenue (Stabilized)

70% Occupancy (Stabilized)

\$336 ADR (Stabilized)

\$235 RevPAR (Stabilized)

Premier Positioning

- *At / Above*
 - *The Thompson*
 - *21c*
 - *The Hutton*

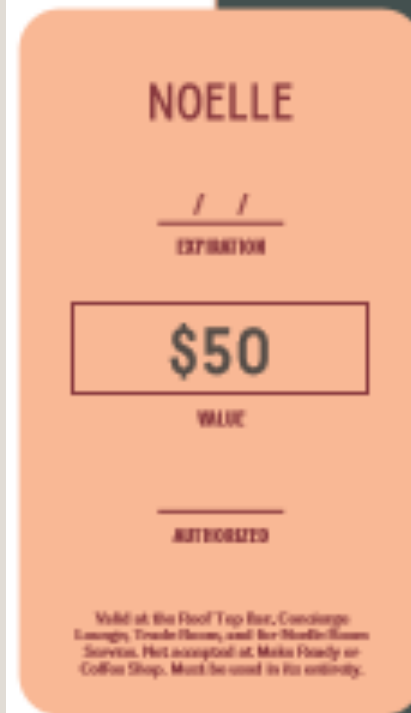
Superior Property & Amenities

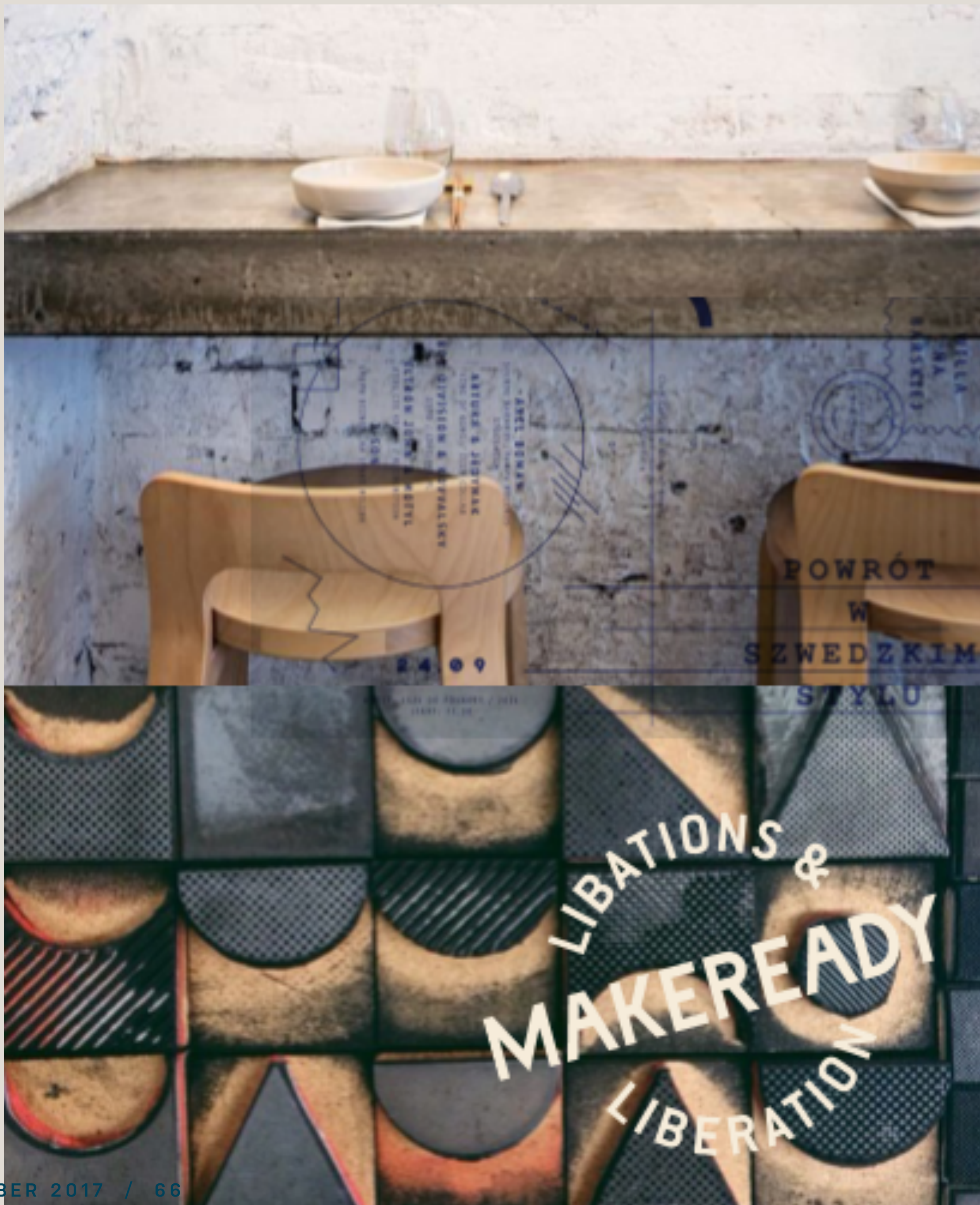
- *Historic hotel character with 66 key modern room addition*
- *Rare Bird - Private rooftop bar and event space*
- *Makeready - Restaurant with active local print shop*
- *Trade Room - Lobby bar*
- *Drug Store Coffee – partnership with local Barista Parlor*

NOVEMBER 2017
Partnerships with local artisans



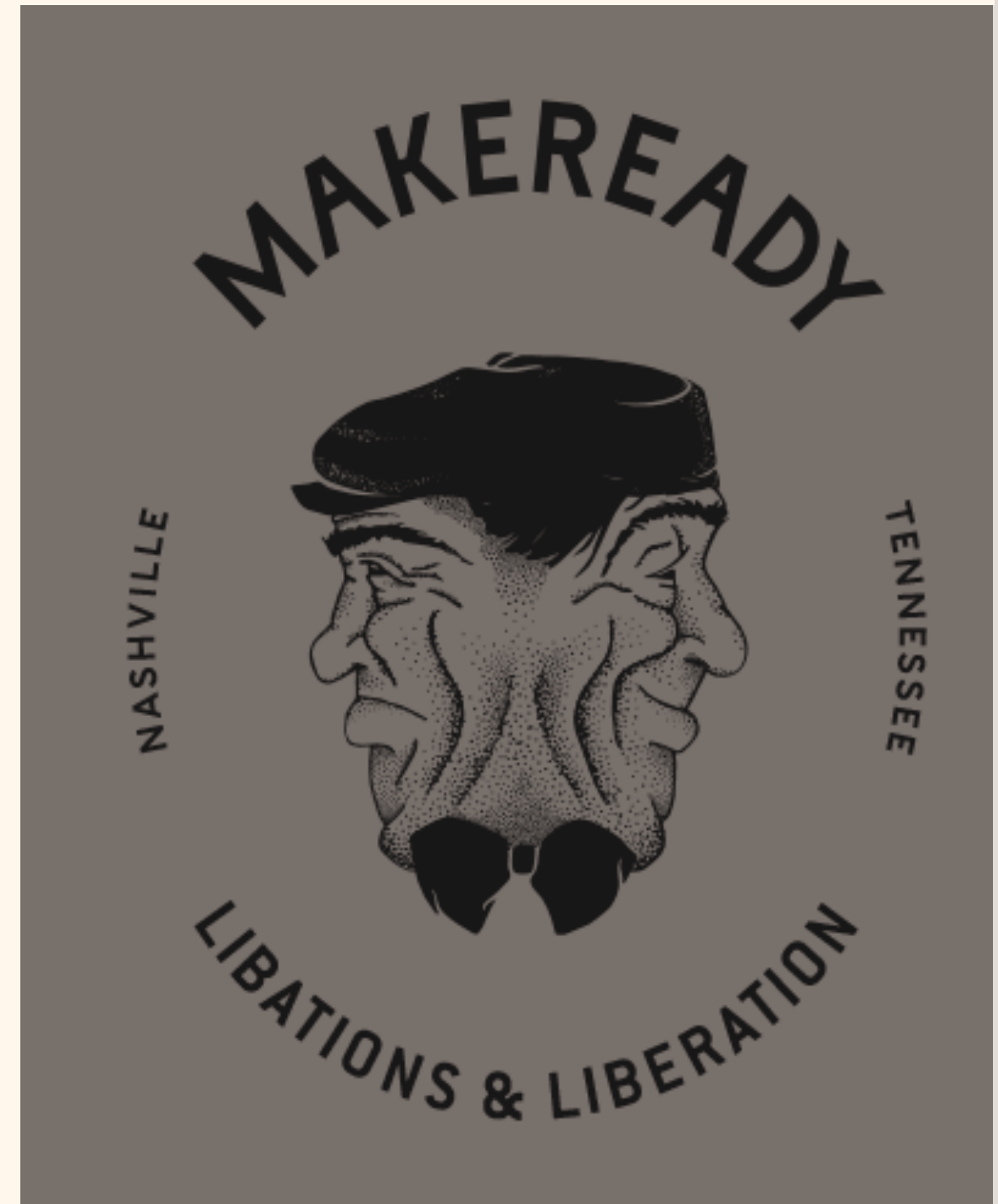
ROCKBRIDGE / VISION. RESOURCE. RESULTS.





Culinary Offerings

- ◆ **Drug Store Coffee**— Partnering with Nashville's Andy Mumma and the Barista Parlor team, Drug Store Coffee is a new flavor of this local mainstay.
- ◆ **Trade Room**— The lobby bar showcases the original Art Deco details of this 1930 building. Offering a comfortable space for networking over coffee during the day and a lively gathering spot in the evening, Trade Room encourages the exchange of ideas—whether you're in the mood to barter or banter.
- ◆ **Makeready Libations & Liberation**— Makeready is a restaurant, printshop, and beer hall that celebrates hard work and a good time. Committed to our local partners for items both on and off the plate, we proudly serve those in need of a friendly face after a hard day's work. Our in-house printshop guarantees patrons both a unique and immersive experience.
- ◆ **Rare Bird**— The lively rooftop beer garden at Noelle plays host to Nashville's lovely and unique. Rare Bird celebrates the spirit of Nashville's unabashed personalities looking for a casual hang or ready to let loose. It's a place to get above the everyday runaround, take in a view of the Cumberland River, a cocktail, and tell a tall tale or two.

















The Brak – Charleston, SC

Property Positioning

\$72.2 million Total Projected Investment

- *\$722k cost per key*

\$20.2 million Total Revenue (Stabilized)

85% Occupancy (Stabilized)

\$350 ADR (Stabilized)

\$298 RevPAR (Stabilized)

Premier Positioning

- *At / Above*
 - *The Spectator*
 - *The Restoration*
 - *The Dewberry*
 - *The Bohemian*

Superior Property & Amenities

- *Great location*
- *One of only entitled hotels sites*
- *Unique experience and luxury retreat*

















Key Rockbridge / Marriott Partnership Opportunities

I. Enhance Post-Marriott / Starwood Merger Relationship

II. Rockbridge / Tribute Alignment

- The Alida – Savannah, GA*
- The Noelle – Nashville, TN*
- The Brak – Charleston, SC*

III. Other Issues

- Marriott – Raleigh, NC*

IV. What's Next: How do we Grow Together

Thank You.



×

ROCKBRIDGE