

# Hotel Development Site

3000-3010 General De Gaulle Drive | New Orleans Westbank

## OFFERING MEMORANDUM



**NAL** **Latter & Blum**  
HOSPITALITY ADVISORY SERVICES  
— A BOUTIQUE INVESTMENT CONSULTING FIRM —

# Hotel Development Site

3000-3010 General De Gaulle Drive

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## EXECUTIVE SUMMARY

The Hospitality Division of NAI Latter & Blum is pleased to announce the exclusive representation of **3000-3010 General DeGaulle Drive** – A hotel development site on the New Orleans West Bank. The site was previously planned and designed as a 124 room Value Place – Extended Stay Hotel with a separate 8,200 SF street facing building designed as a restaurant, retail / office and conference center that was to include a WOW Café and Wingery Restaurant. To date, approximately \$1.5 million in fully engineered improvements were made consisting of all site and underground work that included excavation and replacement of non-compactable top and other soils, utilities, drive-way and parking pads and roadway ingress and egress/aprons. At the time of the GC work, the site had all City and Zoning Approvals for the next stage of construction. Upper General DeGaulle Drive is a high traffic (55,000+ VPD) corridor that is experiencing substantial redevelopment that has included two medical buildings, an office building, a Family Dollar store, a Waffle House, the renovation of Latter & Blum's residential and administration building (7,000+ SF), the acquisition of Westpark Office Park (100,000 SF) by LCMC, and the demolition and proposed redevelopment (2018) of the former School Board property (6+ acres) at Westbend Parkway.

New Orleans has been transformed into an Institutional lodging market, in a large part because of rising Revenue Per Available Room "RevPAR" growth in 2010-2017 and an overall economic surge in the region. These events have created a higher barrier to market entry and, today, over 77% of the hotels in the market are owned by public or private institutional lodging entities.



## PROPERTY HIGHLIGHTS

- **Improvement Highlights:** \$1.5 million worth of fully engineered improvements were made to the site for the construction of an extended stay hotel.
- **Proximity to Major Demand Generators:** The subject property resides on the highly trafficked General DeGaulle Drive, 10 minutes from Downtown New Orleans and the historic French Quarter.
- **Unencumbered by Management:** This offering represents an exciting opportunity to build anything from a limited select service to an extended stay hotel free and clear of management encumbrance.
- **New Construction/Parking:** With 2.45 acres of gross land area, this opportunity allows for plenty of on-site parking along with the development of a hotel.
- **Site Details:**
  - Gross Land Area: 107,025 SF
  - Unit Price: \$14.02 PSF
  - Sale Price: \$1,500,000



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Additional information and an opportunity to inspect the property will be made available upon written request to interested and qualified prospective investors.

Owner expressly reserves the right, in its sole discretion, to reject any or all expressions of interest or offers regarding the property and/or terminate discussions with any entity at any time without notice. Owner shall have no legal commitment or obligations to any entity reviewing this Offering Memorandum or making an offer to purchase the property unless and until such offer is approved by Owner, a written agreement for the purchase of the property has been fully executed, delivered and approved by Owner and its legal counsel, and any obligations set by Owner thereunder have been satisfied or waived.

This Offering Memorandum and the contents, except such information, which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose this Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Owner or NAI Latter & Blum and that you will use the information in this Offering Memorandum for the sole purpose of evaluating your interest in the property and you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of Owner or NAI Latter & Blum. If you have no interest in the property, please return the Offering Memorandum forthwith.

COMPETITIVE SET



CURRENT COMPETITIVE SET					
Rooms			Rooms		
	Westbank Development Site				
	Travelodge New Orleans Westbank	206		Courtyard Marriott New Orleans West Bank	120
	La Quinta Inn New Orleans West Bank/Gretna	154		Homewood Suites New Orleans Westbank/Gretna	97
	Holiday Inn New Orleans West Bank Tower	180			
TOTAL ROOMS					757

# LODGING MARKET OVERVIEW

NEW ORLEANS PERFORMANCE METRICS						
Smith Travel Research (STR) Year-End 2015 Operating Metrics (Ranked by RevPAR)						
Market	RevPAR	% Change	ADR	% Change	Occupancy	% Change
New York	\$219.39	(1.70%)	\$259.11	(1.60%)	84.7%	0.0%
San Francisco	\$188.05	7.5%	\$222.90	7.1%	84.4%	0.4%
Oahu Island	\$187.32	4.1%	\$219.55	3.0%	85.3%	1.1%
Miami	\$152.83	6.0%	\$195.75	5.9%	78.1%	0.0%
Boston	\$143.81	7.9%	\$188.08	6.2%	76.5%	1.5%
Los Angeles/Long Beach	\$126.19	8.8%	\$158.37	7.5%	79.7%	1.2%
San Diego	\$115.11	8.6%	\$150.73	6.1%	76.4%	2.4%
Anaheim/Santa Ana	\$113.31	9.4%	\$143.98	6.2%	78.7%	3.0%
Seattle	\$113.14	8.8%	\$148.45	7.8%	76.2%	0.9%
Washington D.C.	\$105.75	5.4%	\$149.64	3.0%	70.7%	2.3%
<b>New Orleans</b>	<b>\$103.30</b>	<b>3.4%</b>	<b>\$148.20</b>	<b>2.3%</b>	<b>69.7%</b>	<b>1.0%</b>
Chicago	\$99.88	6.9%	\$142.69	5.9%	70.0%	1.0%
Austin	\$99.43	8.3%	\$134.76	6.3%	73.8%	1.9%
Nashville	\$93.11	11.1%	\$126.67	8.7%	73.3%	2.2%
Denver	\$91.41	7.9%	\$120.78	7.4%	75.7%	0.5%
Philadelphia	\$87.24	5.5%	\$128.01	4.3%	68.2%	1.2%
Orlando	\$86.19	9.1%	\$112.00	4.8%	77.0%	4.1%
Tampa/St. Petersburg	\$82.28	13.8%	\$114.56	7.7%	71.8%	5.6%
Phoenix	\$79.77	12.8%	\$121.09	8.0%	65.9%	4.4%
Minneapolis/St. Paul	\$76.72	5.8%	\$112.17	4.2%	68.4%	1.5%
Houston	\$74.42	(3.30%)	\$108.63	1.6%	68.5%	(4.80%)
Dallas	\$69.81	10.0%	\$98.91	5.7%	70.6%	4.1%
San Antonio*	\$69.33	3.2%	\$106.83	3.1%	64.9%	0.0%
Atlanta	\$68.40	9.3%	\$97.78	6.4%	69.9%	2.7%
St. Louis	\$64.73	5.3%	\$99.03	3.5%	65.4%	1.8%
Detroit	\$61.91	6.6%	\$94.14	5.5%	65.4%	1.8%
Norfolk/Virginia Beach	\$53.87	7.4%	\$94.45	3.3%	57.0%	4.0%
<b>Top 25 Markets</b>	<b>\$108.47</b>	<b>6.1%</b>	<b>\$147.30</b>	<b>4.3%</b>	<b>73.6%</b>	<b>1.7%</b>
<b>All Other Markets</b>	<b>\$64.88</b>	<b>6.4%</b>	<b>\$104.97</b>	<b>4.5%</b>	<b>61.8%</b>	<b>1.8%</b>
<b>Total United States</b>	<b>\$78.67</b>	<b>6.3%</b>	<b>\$120.01</b>	<b>4.4%</b>	<b>65.6%</b>	<b>1.7%</b>

Source: Smith Travel Research

\* Not a Smith Travel Research top 25 Market



## LOCAL MARKET DEMAND GENERATORS

- **Robust Tourism/Leisure Market** – With 10.45 million visitors in 2016, the \$7.41 billion tourism industry has exceeded pre-Katrina visitor levels and continues to be one of the area’s largest economic drivers. the City of New Orleans launched a strategic plan in 2010 with the goal of attracting 13 million visitors and creating \$11 billion in direct spending, 33,000 additional jobs, and \$700 million in tax revenue by the City’s 300<sup>th</sup> anniversary in 2018.
- **Strong Business Demand** – Due to low operating costs, aggressive state tax credits, and cooperation among city, state, and federal leaders, New Orleans has been successful in revitalizing business. Recently, the Wall Street Journal called New Orleans the “Most Improved City for Business” and Forbes Magazine listed it as one of the “Top 15 Big Cities for Jobs.”
- **Oil and Gas Offshore Industry** – The Hotel has a thriving business serving oil and gas and maritime corporate clients. The oil and gas industry in the Gulf is one of the major contributors to the increase in RevPAR.
- **Convention Center** – The newly renovated Ernest N. Morial Convention Center provides 1.1 million square feet of contiguous exhibit space, making it the sixth largest convention facility in the nation. The venue consistently ranks in the country’s top ten facilities in terms of attendance.
- **French Quarter** – Established in 1718, the French Quarter is the oldest neighborhood in New Orleans and is one of the City’s primary tourist attractions. The area is known as the birthplace of jazz and is home to many world renowned jazz clubs, bars, lounges, retail stores and destination restaurants, and serves as the epicenter of the City’s many festivals.



- **Festivals** – The City is host to world-renowned events, including Mardi Gras, The New Orleans Jazz and Heritage Festival, and Essence Music Festival. The University of New Orleans released an economic impact study which estimated that Mardi Gras generates over \$840 million annually.
- **Mercedes-Benz Superdome** – Since 2006, a total of \$336 million was spent on upgrades and improvements to fully modernize the stadium. Home to the NFL's New Orleans Saints, the Superdome is also the host of the Allstate Sugar Bowl and has been host to the Super Bowl and NCAA Men's Basketball National Championship.
- **World Famous Cuisine** – New Orleans is known for its unique French-inspired Cajun and Creole regional cuisine and boasts more than 1,300 restaurants, including three run by famed New Orleans chef Emeril Lagasse. Currently, there are 50% more restaurants open in New Orleans than before Katrina.

## Conclusion

New Orleans has made a Full Recovery from the effects of Hurricane Katrina, and the 2008/2009 Financial Crisis. Because of the robust nature of its Convention Business and strong leisure growth via recurring special events, the City's glamour is fully present again today.



## NEW ORLEANS ECONOMIC OVERVIEW

An economic and social renaissance is underway in New Orleans, thanks to the convergence of a number of factors — education reform, an influx of young entrepreneurial talent, a motivated labor force, a business-friendly governor and an energetic emphasis on regional cooperation in the wake of Katrina. According to the director of economic development for Jefferson Parish, over 7,000 businesses have sprouted up in Jefferson Parish since 2005.

The following are notable points about the New Orleans MSA:

**Continued Capital Investment** — Since Hurricane Katrina, the region has seen approximately \$30 billion in investments. Most of these projects are ongoing and will continue contributing to the local economy.

**New Relocations** — An influx of professionals into the city has caught the attention of several major companies looking to relocate. In the past few years, New Orleans has welcomed Globalstar, Blade Dynamics, Gameloft, and General Electric. These companies account for more than 1,500 new jobs.

**Diverse Local Economy** — The New Orleans region has a diverse economy with major presences in many sectors including oil/gas, tourism, port, film, and aerospace manufacturing. The federal government also has a significant presence in the area. NASA's Michoud Assembly Facility is located in New Orleans East and is operated by Lockheed Martin.

**Significant Port Activity** — The Port of New Orleans is the sixth largest port in the United States based on volume of cargo handled, second largest in the state after the Port of South Louisiana, and 12th-largest in the U.S., based on value of cargo. The Port of South Louisiana, also based in the New Orleans area, is the world's busiest in terms of bulk tonnage and, when combined with the Port of New Orleans, it forms the eighth largest port system in volume handled.

**Tourism Hub** — Tourism is a major staple of New Orleans economy, a \$7-billion industry that accounts for 40% of New Orleans' tax revenues.

**Thriving Location for Start Up, Tech, & Film Industries** — New Orleans has aggressively pursued new businesses by offering tax credits refunding 30% of start-up costs. The high-tech sector is flourishing as "Hollywood South" now represents the third largest film industry behind Los Angeles and New York.

## TOURISM & CONVENTIONS

Over the past 20 years, the tourism industry in the New Orleans region has more than doubled. The tourism industry generates approximately 40% of the area's tax revenues and \$7 billion in visitor spending per year.

### ERNEST N. MORIAL CONVENTION CENTER

One of the largest components of visitors to New Orleans is convention business. The Ernest N. Morial Convention Center is a world class structure with 1.1 million square feet of contiguous exhibit space, a 4,032-seat auditorium, two luxury ballrooms and 140 separate meeting rooms. A \$250-million expansion adding 411,000 square feet of exhibit space and 73 meeting rooms was completed in 1998 making Ernest N. Morial among the five largest in the United States. Additionally, in 2012 the convention center received another \$50-million upgrade in preparation of the Super Bowl. According to the New Orleans CVB, pre-bookings for 2017/2018 are tracking well ahead of pace and when compared to 2016 in terms of 10,000+ peak room nights (only one in 2016), the next two years are on track for up to 10 (four definite as of January 2016).

### CASINOS

An additional source of tourism growth and revenue generation has been the gaming industry, which opened up its doors in Louisiana in the early 1990s. New Orleans' casinos employ over 15,000 workers locally and generate approximately \$2.4 billion-plus per year.



### FRENCH QUARTER

New Orleans is a city rich in history, world renowned for its Cajun and Creole influence, Dixieland jazz, and annual festivals like famed Mardi Gras. The French Quarter, which was founded in 1718 and comprises a 10 by 15 block area just east of the CBD, is the original boundary of the City of New Orleans. Today it is a popular tourist destination as well as an important residential area and business district. Flush with historic structures such as St. Louis Cathedral and the Pontalba Apartments (said to be the oldest apartments in North America), the French Quarter represents both the past and present of New Orleans, and has remained the central point for much of the city's activity. The French Quarter also stages Mardi Gras, the world-famous celebration held annually in New Orleans that draws people from all over the world, and is aptly described as, "The Greatest Free Show on Earth." Economic impact reports indicate that Mardi Gras generates over \$1 billion in tourist spending.

## MAJOR CAPITAL PROJECTS

The incredible recovery of New Orleans has been driven largely by billions of dollars in federal funds. Eleven years after Hurricane Katrina flooded 80% of the city and displaced 400,000 residences, New Orleans has become one of the fastest-growing US commercial real estate markets. Luxury housing, retail and office projects are under way in a construction boom fueled by \$120.5 billion in federal funds. Major projects such as the Bio-District, a 1,500-acre downtown development that will include two hospitals, research facilities, offices, and retail, as well as the \$1-billion Louis Armstrong International Airport expansion are redefining the city and reigniting growth, which has in-turn attracted significant private institutional investment to the market.

The following are some of the largest ongoing and recently completed construction projects in New Orleans totaling \$8.73 billion:

Top Construction Projects	Description	Cost	Estimated Completion Date
<b>1 Orleans Parish Public School System Rebuild</b>	Public school rehab and rebuild	\$1.8 billion	Completed
<b>2 Huey P. Long Bridge Widening</b>	Widening bridge from 2 to 3 lanes in each direction.	\$1.2 billion	Completed
<b>3 Public Housing Rebuild</b>	Rebuild 4 public housing projects to create mixed-income communities	\$1.2 billion	Completed
<b>4 University Medical Center</b>	560,000 SF Hospital 746,000 SF Diagnostic Center 254,000 SF Ambulatory Care Building 1,346-Car Parking Structure	\$1.06 billion	Completed
<b>5 Louis Armstrong North Terminal</b>	Addition of the new 30-gate North Terminal at Louis Armstrong International Airport	\$1 billion	2019
<b>6 VA Complex (Bio-District)</b>	30-Acre Veterans Affairs Hospital in lower Mid-City Serving the Gulf Coast	\$1 billion	Completed
<b>7 New Orleans Street Repairs</b>	Road reconstruction and resurfacing including streetscape and sidewalk projects	\$997 million	Various
<b>8 National WWII Museum Expansion</b>	A multiphase expansion featuring six pavilions	\$370 million	Completed
<b>9 Port of New Orleans Expansion</b>	Cold storage facility, cargo crane installation, intermodal freight yard, Julia Street terminal expansion	\$103 million	Completed

National WWII Museum Expansion



New Orleans Bio-District



## ACCOLADES...

*Fodor's: #1 in the Top 25 Places to Go in 2013*

*ABC Travel Guides for Kids: Top Seven US Family Destinations for 2013*

*Southern Living: "Tastiest Towns in the South" for 2013*

*Orbitz.com: #3 Sexiest Cities 2013*

*Brookings Institutions: #1 Metro Area for overall economic recovery*

*Brookings Institution: #1 Growing Metro Area for employment*

*2012 World Tourism Award for  
outstanding accomplishments in the travel industry*

*Forbes Magazine: Top 15 big cities for jobs in 2012*

*Yahoo!: Top Ten destinations searched for in 2012*

*Travel+Leisure Magazine: "America's Favorite City 2012 Overall"*

*Group Today: "Best Southern Destination" in the 2012 Reader's choice awards*

*Forbes Magazine: #4 Metro Area for overall job growth in the USA*

*Away.com: "One of the Five Most Affordable U.S. Cities for Travelers"*

*Conde Nast: "Top 10 Cities in the United States" by Traveler's Readers' Choice*

*Forbes Magazine: Top 10 Best Cities for Working Mothers*

*Bloomberg Businessweek: Top 15 in "Best Cities in America" Rankings*

*U.S. Census: Fastest Growing major U.S. City*

*Kiplinger: New Orleans as the Best City for Retirees*

*Travel+Leisure: "Best U.S. city for shopping based on consumer experience"*

*AAA Southern Traveler's Annual Best of the South: Best Large City for a Weekend*

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