



LODGING NEEDS ASSESSMENT

April 28, 2016

Prepared For: City of Burien

PRESENTED BY:
CBRE Hotels
Seattle, Washington



SCOPE AND METHODOLOGY

In evaluating the lodging needs of the City of Burien, we:

- Reviewed, identified, and quantified a sample of lodging properties in the neighboring SeaTac area, as well as, the overall airport submarket and provided a survey summarizing the number and quality of rooms, broken into traditional hotel market segments;
- Analyzed the potential market demand for hotel rooms in the City of Burien based on a number of economic drivers, including population growth, current and proposed attractions, proposed developments, and current corporate lodging needs.
- Analyzed the expansion plans for Seattle-Tacoma International Airport and the passenger traffic growth estimates over the next 20 years.
- Determined the overall lodging needs for a hotel in the City of Burien based upon our findings through the course of our fieldwork.

SCOPE AND METHODOLOGY (CONTINUED)

In evaluating the lodging needs of the City of Burien, we:

- Determined the appropriate programming for a lodging product in Burien and analyzed the best areas within the City of Burien for a future development.
- Prepared a forecast of the potential occupancy and average daily rate ("ADR") a proposed Hotel could reasonably achieve over its first five years of operation.
- Identified additional considerations for the City of Burien in planning for a future lodging development within the city limits.

DEFINITIONS

Chain Scales: Chain Scale Segments are a method by which hotels are grouped based on the quality, and the actual average room rates achieved as defined by STR, Inc. The Chain Scale Segments used in this presentation are:

Condensed Chain Scale	Average Room Rate Position	Example
Economy	Lowest 40%	Motel 6 and Extended-Stay Amercia
Midscale (Incl. Midscale & Upper Midscale)	Lower Middle 30%	Best Western (Midscale) or Hampton Inn & Suites (Upper Midscale)
Upscale (Incl. Upscale & Upper Upscale)	Upper Middle 30%	Courtyard by Marriott(Upscale) or Hilton (Upper Upscale)
Luxury	Top 15%	Hotel 1000 or Four Seasons

DEFINITIONS (CONTINUED)

- **Average Daily Rate (ADR):** A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold.
- **Occupancy:** Occupancy is the percentage of available rooms that were sold during a specified period of time. Occupancy is calculated by dividing the number of rooms sold by rooms available.
- **Revenue Per Available Room (RevPAR):** The product of Occupancy and ADR. A metric that allows us to compare market performance levels on a Per Room Basis relative to other regions.
- **Compound Annual Growth Rate (CAGR):** The average year-over-year growth rate over a specified period of time.
- **Flag or Brand:** The hotel company owning the rights to a given hotel chain, e.g. Marriott International, Hilton Worldwide.
- **Full-Service Hotel:** Full-service hotels are generally upper-priced, upper upscale, or luxury hotels with a restaurant, lounge facilities and meeting space, and offer extensive service levels, often including bell service and room service.
- **Limited-Service Hotel:** Limited-service hotels have rooms-only operations, (i.e. without food and beverage service) or offer a bedroom and bathroom for the night, but very few other services and amenities. These hotels are often in the budget, economy, or midscale group.
- **Extended-Stay:** Extended Stay hotels are typically properties that attract 40 to 60 percent of their demand from hotel guests who stay for 5 or more consecutive nights. These properties quote weekly rates and offer fully furnished kitchenettes as part of the accommodations, e.g. Homewood Suites or Residence Inn.

CBRE HOSPITALITY RESEARCH (“CBRE-HR”)

SEATTLE

REGIONAL ECONOMIC SUMMARY

“Economic activity in the District grew at a moderate pace during the reporting period of late August through early October. Overall price inflation appeared to firm slightly, and upward wage pressures increased further. Retail sales grew moderately, while demand for business and consumer services picked up further. Manufacturing output was largely unchanged overall. Agricultural activity edged up. Conditions in residential and commercial real estate markets expanded further. Overall price inflation appeared to pick up slightly on balance.

Real estate activity picked up further. Contacts reported continued strong growth in residential housing construction. Construction of new multifamily units continues to outpace construction of single-family units, and sales of existing homes remained strong. Contacts in the Bay Area and Los Angeles reported that prices for lower-end units grew faster than prices of luxury units, and they emphasized that affordability will remain a concern for the foreseeable future.

Upward wage pressures grew moderately across the District. The impact of higher minimum wages implemented over the past year began to filter through to the retail sales sector and increased wages for lower-skilled workers in some areas.”

Federal Reserve Bank Beige Book, October 14, 2015

Seattle, Next 4 Quarters

The arrows show the forecast direction of change over the next 4 quarters vs. the previous 4 quarters. Green indicates the change will be above the long run average, yellow indicates it will be the same, and orange indicates it will be below.

Occupancy

Occupancy will decrease to 75.8%, a decline over the past 4 quarters' rate of 76.2%, but above the long run average of 68.9%

Average Daily Rate

ADR growth expectations are weakening, 6.9% vs. the past 4 quarters' rate of 8.4%, but are above the long run average of 3.8%

Revenue Per Available Room

RevPAR growth projections are falling to 6.3% as compared to the past 4 quarters' rate of 10.1%, but are greater than the long run average of 4.2%

Supply (orange indicates above long-term average)

Supply growth is climbing, 4.1% vs. the past 4 quarters' rate of 2.0%, and greater than the long run average of 2.6%

Demand

Forecast demand growth will stay about the same at 3.6%. This is greater than the long run average of 2.8%

Source: PKF Hospitality Research | CBRE Hotels, Q3 2015

HOTEL MARKET SUMMARY

By year-end 2015, Seattle hotels are forecast to see a RevPAR increase of 9.5%. This is the result of an estimated increase in occupancy of 0.6% and an 8.8% gain in average daily room rates (ADR). The 9.5% boost in Seattle RevPAR is better than the national projection of a 6.7% increase.

Leading the way in 2015 RevPAR growth is the lower-priced segment of Seattle. The properties in this category are forecast to achieve a 9.3% gain in ADR and see a 2.3% increase in occupancy, resulting in an 11.8% RevPAR increase. Upper-priced hotels are projected to experience an ADR growth rate of 8.7%, along with a 1.0% loss in occupancy, resulting in a 7.6% RevPAR increase.

Looking towards 2016, Seattle RevPAR is expected to grow 6.6%. This is less than the rate of growth in 2015. Prospects for RevPAR growth in the lower-priced segment (positive 8.1%) are better than in the upper-priced segment (positive 4.9%). Seattle market occupancy levels are expected to range from 72.5% to 76.0% during the 5-year forecast period.

Seattle Forecast Summary

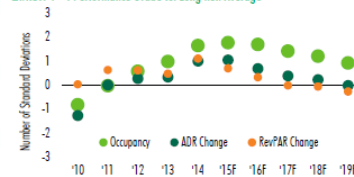
YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2010	65.4%	6.9%	\$110.27	-2.4%	\$72.17	4.3%
2011	68.7%	5.0%	\$114.42	3.8%	\$78.61	8.9%
2012	71.1%	3.6%	\$120.22	5.1%	\$85.54	8.8%
2013	72.8%	2.3%	\$126.69	5.4%	\$92.22	7.8%
2014	75.5%	3.7%	\$137.55	8.6%	\$103.87	12.6%
2015F	76.0%	0.6%	\$149.63	8.8%	\$113.72	9.5%
2016F	75.7%	-0.4%	\$160.19	7.1%	\$121.25	6.6%
2017F	74.6%	-1.5%	\$169.12	5.6%	\$126.11	4.0%
2018F	73.7%	-1.2%	\$177.29	4.8%	\$130.68	3.6%
2019F	72.5%	-1.6%	\$183.80	3.7%	\$133.33	2.0%

Source: PKF Hospitality Research | CBRE Hotels, STR Inc., Q3 2015

Long Run Averages 1988 to 2014

Occupancy: 68.9%, ADR Change: 3.8%, RevPAR Change: 4.2%

EXHIBIT 1*: Performance Grade vs. Long Run Average



Source: PKF Hospitality Research | CBRE Hotels, STR Inc., Q3 2015

**See Appendix for exhibit descriptions

Hotel Horizons® Forecast

➤ Beginning in 2007, CBRE Hospitality Research unveiled its powerful Hotel Horizons®, an economics-based hotel forecasting model that projects five years of supply, demand, occupancy, ADR, and RevPAR for the U.S. lodging industry.

➤ Hotel Horizons® forecasting and reports are published on a quarterly basis for 59 markets and six national chain-scales and are based on actual monthly performance data collected by STR, Inc., as well as numerous economic indicators such as real personal income, payroll employment growth, gross domestic product, and inflation, and supply forecasts based on actual construction starts.

SEATTLE MSA MARKET PROFILE

TOTAL ROOMS SUPPLY: 42,502

TOP BRANDS - SEATTLE							
Upper-Priced Brands	Properties	Rooms	% Market	Lower-Priced Brands	Properties	Rooms	% Market
Courtyard by Marriott	9	1,751	4.1%	Extended-Stay America	15	1,745	4.1%
Marriott	4	1,463	3.4%	Silver Cloud	8	1,210	2.8%
Sheraton Hotel	2	1,414	3.3%	Best Western Plus	9	955	2.2%
Westin	2	1,228	2.9%	Hampton Inn & Suites	6	934	2.2%
DoubleTree by Hilton	3	1,189	2.8%	Motel 6	7	819	1.9%

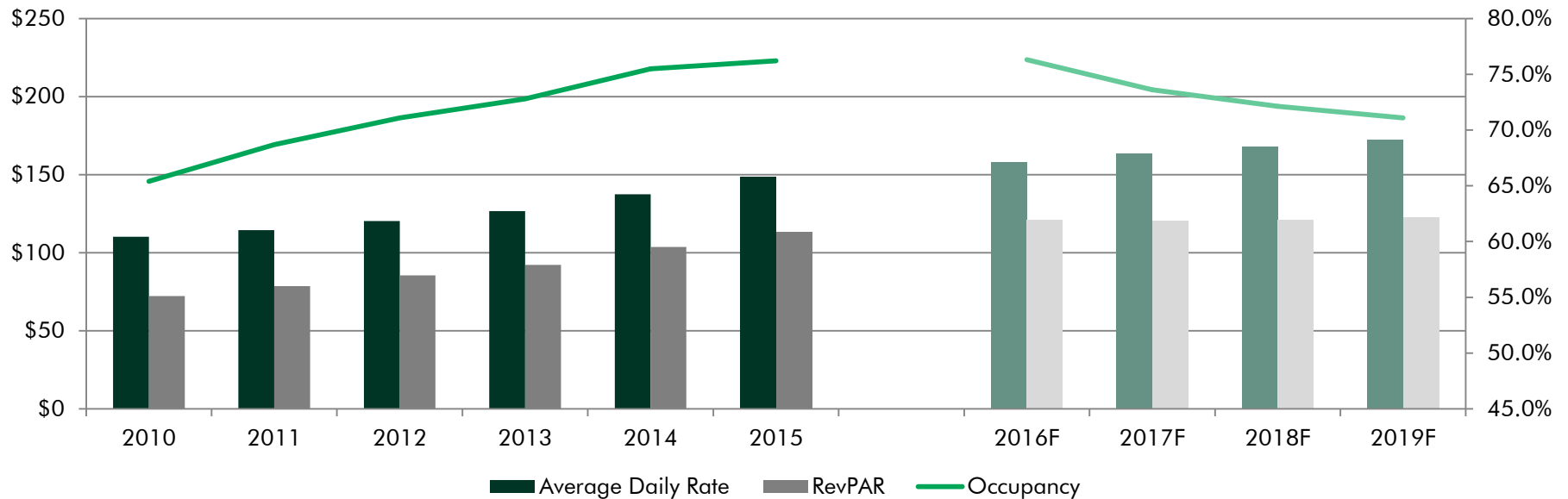
SUPPLY PIPELINE - SEATTLE									
Phase	Upper-Priced			Lower-Priced			Unclassified/Independent		
	Properties	Rooms	% Market	Properties	Rooms	% Market	Properties	Rooms	% Market
Unconfirmed	0	0	0.0%	0	0	0.0%	1	347	0.8%
Planning	10	1,558	3.7%	9	1,181	2.8%	1	250	0.6%
Final Planning	9	2,694	6.3%	8	1,161	2.7%	0	0	0.0%
Under Construction	9	1,769	4.2%	1	167	0.4%	0	0	0.0%
Total	28	6,021	14.2%	18	2,507	5.9%	1	250	0.6%

SEATTLE MSA MARKET PERFORMANCE

	Long Run Average	2010	2011	2012	2013	2014	2015	2016F	2017F	2018F	2019F
Occupancy	68.9%	65.4%	68.7%	71.1%	72.8%	75.5%	76.2%	76.3%	73.6%	72.1%	72.1%
% Change	-	-	5.0%	3.5%	2.4%	3.7%	0.9%	0.2%	-3.5%	-2.0%	-1.4%
ADR	-	\$110.27	\$114.4	\$120.22	\$126.69	\$137.43	\$148.35	\$158.28	\$163.53	\$167.81	\$172.56
% Change	3.8%	-	3.8%	5.1%	5.4%	8.5%	7.8%	6.7%	3.3%	2.6%	2.8%
RevPAR	-	\$72.17	\$78.61	\$85.53	\$92.23	\$103.77	\$113.03	\$120.79	\$120.39	\$121.03	\$122.68
% Change	4.2%	-	8.9%	8.8%	7.8%	12.5%	8.8%	6.9%	-0.3%	0.5%	1.4%

Source: CBRE Hospitality Research

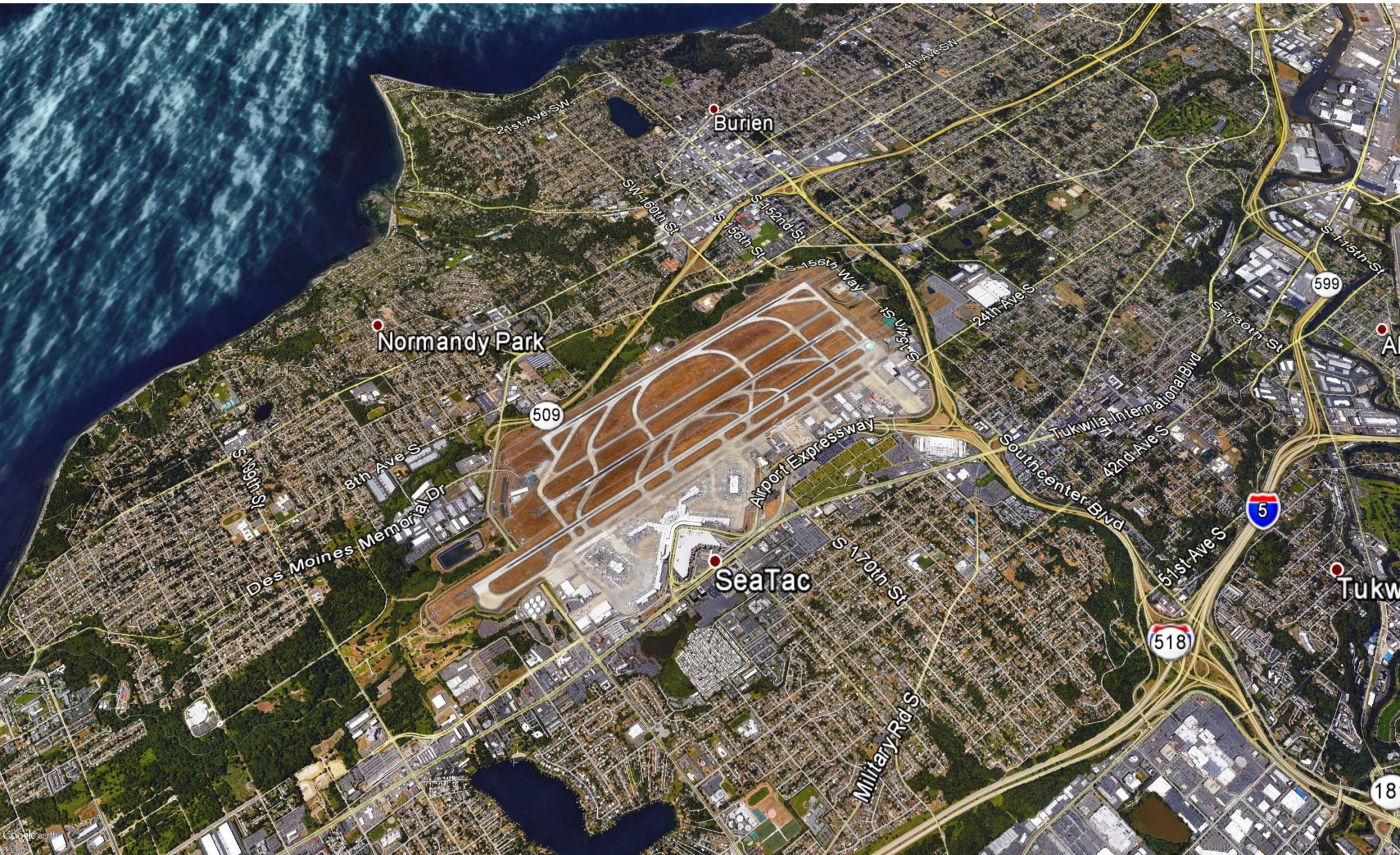
RevPAR growth to remain relatively flat, despite a significant influx of new supply within the City of Seattle



SEA-TAC / AIRPORT MARKET PROFILE

TOTAL NUMBER OF HOTELS: 61

TOTAL ROOMS SUPPLY: 8,064



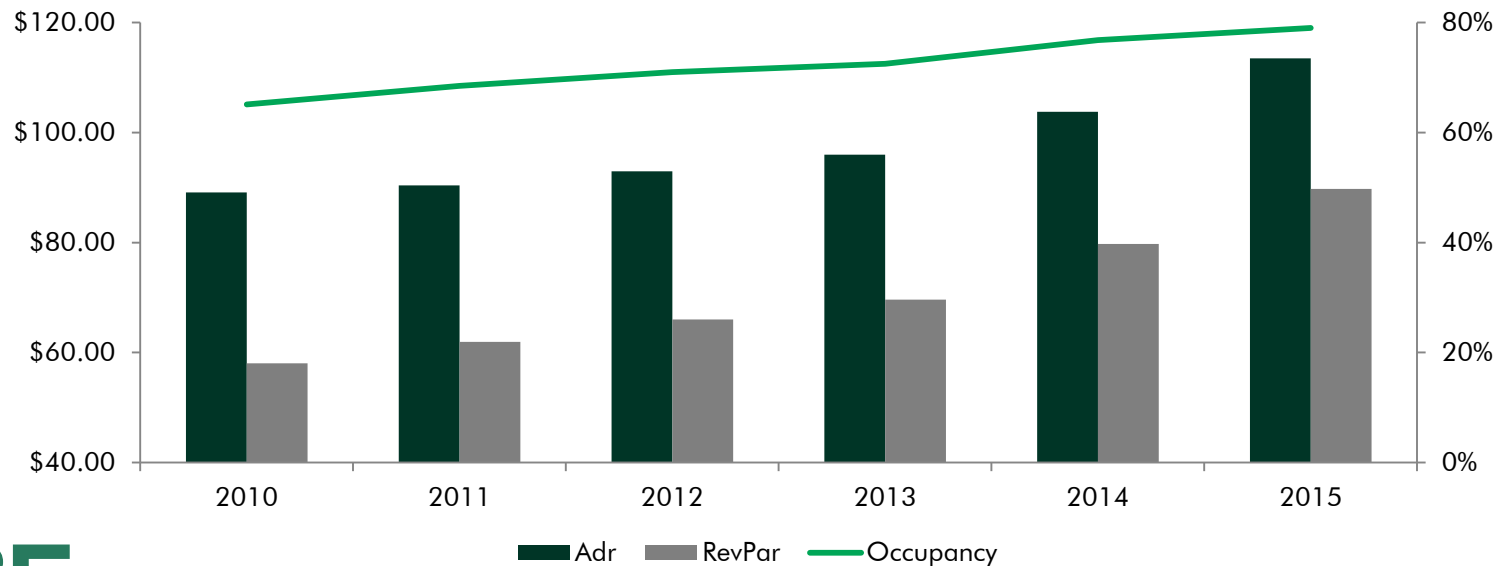
SEA-TAC AIRPORT SUBMARKET LODGING PERFORMANCE

	2010	2011	2012	2013	2014	2015
Occupancy	65.1%	68.5%	71.0%	72.5%	76.8%	79.0%
% Change		5.2%	3.6%	2.1%	6.0%	2.9%
ADR	\$89.14	\$90.37	\$92.98	\$95.97	\$103.77	\$113.53
% Change		1.4%	2.9%	3.2%	8.1%	9.4%
RevPAR	\$58.05	\$61.93	\$66.01	\$69.59	\$79.74	\$89.73
% Change		6.7%	6.6%	5.4%	14.6%	12.5%

Source: CBRE Hospitality Research

The submarket has achieved strong RevPAR growth over the past five years, including double-digit growth in 2014 and 2015

Sea-Tac Airport Submarket



SEA-TAC AIRPORT SUBMARKET LODGING PERFORMANCE

Sea-Tac Airport – 2016 Lodging Market Performance Estimates – All Hotels

Estimated Occupancy ¹	Estimated Average Daily Rate	Estimated RevPAR
79.0%	\$121	\$96

¹ Hotel demand peaks during the summer and during mid-week (Tuesday through Thursday). During those times, hotels will be unable to accommodate additional guests, creating a shortage of rooms.

² Average Daily Rate represents a blended average of the yearly average rate of all of the Sea-Tac Airport hotels.

National Lodging Market Statistics – 2016 Estimates

Estimated Occupancy	Estimated Average Daily Rate	Estimated RevPAR
65.7%	\$126	\$83

AIRPORT SUBMARKET - MIDWEEK AND YEARLY SEASONALITY

Performance by Day of Week (2015/2016)

Day of Week	Occupancy	ADR	RevPAR
Sunday	66.9%	\$101.91	\$68.21
Monday	78.6%	\$116.88	\$91.89
Tuesday	84.0%	\$124.03	\$104.19
Wednesday	85.1%	\$124.39	\$105.89
Thursday	82.5%	\$117.44	\$96.86
Friday	78.7%	\$106.01	\$83.40
Saturday	77.6%	\$104.85	\$81.35

Performance by Month (2015)

Day of Week	Occupancy	ADR	RevPAR
January	64.1%	\$91.20	\$58.48
February	71.9%	\$95.23	\$68.50
March	77.8%	\$97.74	\$76.09
April	77.9%	\$100.08	\$78.01
May	82.5%	\$107.83	\$88.91
June	91.6%	\$141.45	\$129.63
July	91.4%	\$139.41	\$127.46
August	90.6%	\$140.48	\$127.27
September	85.1%	\$120.43	\$102.53
October	78.7%	\$109.53	\$86.18
November	71.6%	\$100.44	\$71.87
December	64.3%	\$92.00	\$59.15
Total Year	79.0%	\$113.53	\$89.73

ATTRIBUTES OF THE CITY OF BURIEN

Key Attributes:

- The city is known for its thriving health care community and offers the largest number of providers, per capita. These health care providers include hospitals, health centers, clinics, private practice doctors, dentists and various wellness specialist.
 - Four of the top employers in Burien include: the Highline Medical Center, Burien Nursing and Rehabilitation Center, Navos and Ruth Dykeman Children's Center.
- Burien benefits from a very accessible location that is situated a mere five minutes west of the Sea-Tac International Airport, 12 minutes south of Seattle and approximately 30 minutes north and southwest of Tacoma and Bellevue, respectively.
- The Puget Sound Regional Council has designated Burien as one of the 25 "Regional Growth Centers" that will experience urban growth over the next decade.
- Currently, the city does not contain a traditional hotel. The city's lodging supply is primarily comprised of small independently-owned bed and breakfasts. Excess lodging demand needs are currently being accommodated in neighboring areas, including SeaTac, Tukwila and Des Moines.
- Burien offers a robust restaurant scene that attracts guests staying from the surrounding areas. Notable restaurants include the Greek House, 909, Tin Room Bar and Theater, and Angelo's Restorante.
- Downtown Burien represents the heart of the city with a vibrant art scene and active local theatre group. The area features a wide array of boutique shops, restaurants and bars, as well as, parkland like Seahurst Park. Most of the recent development in Burien has occurred in this area as its town square continues to grow with new multi-family and commercial developments.

ASSESSMENT OF LODGING NEEDS TODAY

Finding #1	Assessment
Port Authorities are now evaluating expansion plans to facilitate the expected growth in passenger traffic at Seattle-Tacoma International Airport over the next 20 years.	<ul style="list-style-type: none">• SeaTac has experienced significant growth in passenger traffic over the past three years, hosting peak levels of approximately 42.3 million passengers in 2015, an increase of over 27 percent since 2012. The airport now represents the 13th busiest airport in the U.S.• According to the Port of Seattle, annual passenger traffic is projected to nearly double by 2034, raising concerns about the capacity of the airport's existing facilities.• While plans for an expansion are preliminary at this time, initial costs are estimated to be approximately \$10 billion and will focus on adding additional gates and taxiways and improving passenger circulation to terminals and onto planes.• The expansion of SeaTac is expected to support the continued growth of the local economy as well as the overall Puget Sound region, including the surrounding lodging markets.• Increased passenger traffic at SeaTac will benefit markets proximate to the airport, like Burien, as this represents new potential demand that will require accommodations in the area.• An expansion of the airport means demand will grow through local companies in the area, airline crews, stay/park and fly demand and distressed passengers – comprised of travelers who have experienced delays, missed connection or are otherwise forced to spend a night in the local market.

ASSESSMENT OF LODGING NEEDS TODAY

Finding #2	Assessment
No new supply additions are anticipated to open within the airport submarket until mid-2017. The 225-room Four Points by Sheraton in Des Moines represents the newest lodging product in the area, which opened in February 2016.	<ul style="list-style-type: none">• With no new additions to supply expected until 2017, the airport submarket is projected to benefit from continued performance growth due to compression emanating from the city of Seattle and anticipated increases in passenger traffic at SeaTac International Airport.• Most of the hotels proximate to the airport represent dated lodging facilities, as many are over 30 years old in age.• A new hotel in Burien will benefit from proximity to SeaTac Airport which is located within a five minute drive to the east and would be accessible via two routes.

ASSESSMENT OF LODGING NEEDS TODAY

Finding #3	Assessment
Currently, the Highline Medical Center is utilizing hotels in and around the nearby SeaTac market to accommodate its lodging needs.	<ul style="list-style-type: none">• As a part of CHI Franciscan Health – one of the largest healthcare systems in the greater Puget Sound – the Highline Medical Center has a need for nearby lodging facilities to accommodate families of patients, visiting doctors and surgeon and business partners of the hospital.• According to representatives of the Highline Medical Center, the presence of a hotel within Downtown Burien would benefit the hospital as it provides a convenient location for guests to stay.• The medical center generates approximately 5,000 to 10,000 room nights annually for hotels in the nearby area. While all of this demand is not expected to be captured by a potential hotel in Burien, it is assumed that a portion will be.• Demand mix associated with the Highline Medical Center is a combination of both transient short-term and extended-stay demand. While guests of patients may only stay for short durations, it is not unusual to see visiting professionals need lodging accommodations for in excess of two weeks.

ASSESSMENT OF LODGING NEEDS TODAY

Finding #4	Assessment
Currently, the Washington State Criminal Justice Training Commission is utilizing hotels in and around the nearby SeaTac market to accommodate its lodging needs.	<ul style="list-style-type: none">• The Washington State Criminal Justice Training Commission has a need for nearby lodging facilities to accommodate trainees for their traditional training, executive training, advanced training and fire arms training programs.• According to representatives of the Training Commission, the presence of a hotel within Downtown Burien would be greatly beneficial to the trainees as the training facility can only accommodate up to 17 individuals.• The Training Commission generates approximately 10,000 to 15,000 room nights annually for hotels in the nearby area.• Demand mix associated with the Training Commission is primarily extended-stay demand. Currently, overflow demand from the training facility is sent to nearby hotels while programs are conducted. These programs can run for up to one month at a time.

ASSESSMENT OF LODGING NEEDS TODAY

Finding #5	Assessment
Local residents of Burien have expressed a strong interest in having a hotel within the city limits.	<ul style="list-style-type: none">• Currently, the city does not contain a traditional hotel lodging facility.• Residents of Burien are forced to nearby areas like SeaTac to find accommodations for visiting guests.• A lodging product in Burien would benefit from events like weddings, family reunions and other local gatherings.• A proposed hotel was identified by city council as one of the top five economic development priorities for growth.

ASSESSMENT OF LODGING NEEDS FOR BURIED

Overall Assessment of Burien's Lodging Needs

- Based on discussions with the local economic drivers within the city limits, we have determined that lodging demand does currently exist in Burien and is being accommodated in nearby markets like SeaTac and Des Moines.
- While Burien is not established as a hotel market, the continued growth of the Puget Sound and SeaTac Airport, specifically, would help to facilitate additional demand to support a lodging facility.
- Local economic drivers like the Highline Medical Center and Washington State Criminal Justice Training Commission would benefit from the presence of a hotel in downtown Burien, given the area's proximity and ease in accessibility.
- The abundance of long-term extended-stay demand emanating from Burien through the hospital and training commission could support the development of a quality upper-midscale extended-stay hotel.
- Should a hotel be developed within Burien, we are of the opinion the property would need to be affiliated with a national-recognized Hotel brand, such as Marriott, IHG, Choice, Hilton, or Hyatt. Hotels associated with these brands benefit from a strong central reservation system and guest loyalty rewards programs.
- Based on our research, we have determined that approximately 15,000 to 20,000 room nights are being accommodated by hotels in neighboring markets from demand originating in Burien.

RECOMMENDATION FOR AN APPROPRIATE LODGING FACILITY

Proposed Hotel - Burien, Washington Summary of Recommended Facilities	
Room Count:	80 to 100 guestrooms
Ideal Lot Size:	+/- 2.0 to 3.0 acres
Chain Scale:	Upper Midscale / Limited Service or Extended Stay
National Affiliation:	Yes
Timing for the Development:	+/- 12-month pre-development planning and +/- 12-month construction period (potential opening date could be as early as January 1, 2019)
Gross Building Area:	45,000 to 65,000 SF
Gross Square Feet Per Room:	+/-550 to 650 SF
Food & Beverage Facilities:	Complimentary Breakfast Area or Café (per individual brand requirement)
Meeting Space:	1 room (+/- 1,000 SF)
Other:	Business center, fitness center, pool, sundries shop
Parking Ratio:	Onsite parking with approximately one space per guestroom
Airport Transportation:	Provide a complimentary airport shuttle service

Potential Branding for the Proposed Hotel:

- **TownePlace Suites by Marriott:** Mid-price extended-stay brand that tailors to guests whose travel requires stays in excess of five days. (Closest Existing Product: 137-room Hotel located 6.7 miles east of downtown Burien in Tukwila)
- **Home2 Suites by Hilton:** An affordable extended-stay brand that targets both business and leisure travelers. (Closest Existing Product: 139-room Hotel located 5.2 miles east of downtown Burien in Tukwila)
- **Holiday Inn Express & Suites:** Mid-price limited service brand that is tailored to the business traveler. (Closest Existing Product: 171-room Hotel located 4.5 miles southeast of downtown Burien in SeaTac)
- **Fairfield Inn & Suites by Marriott:** Mid-price limited service brand that targets the business and leisure traveler. (Closest Existing Product: 146-room Hotel located 4.5 miles southeast of downtown Burien in SeaTac)
- **Hampton Inn & Suites by Hilton:** Mid-price limited service brand that targets the business and leisure traveler. (Closest Existing Product: 218-room Hotel located 4.0 miles southeast of downtown Burien in SeaTac)
- **Tru by Hilton:** One of the newest hotel brands in the industry providing a simplified and contemporary approach to lodging accommodations, targeting both business and leisure travelers. (Currently no existing hotels in the market)

POTENTIAL HOTEL DEVELOPMENT AREAS

The shaded areas in the map below details the most appropriate locations within the City of Burien for a new hotel development. Given the economic dynamics of Burien, sites located proximate to demand generators and/or additional amenities such as restaurants and retail are expected to benefit a potential lodging facility.



KEY ATTRIBUTES IN SELECTING A HOTEL SITE

Key Attributes:

- The site should be visible from surrounding thoroughfares in order maximize the proposed Hotel's exposure in the local market.
- The site should be situated in an easily accessible location within the city limits. Additionally, locations proximate and easily accessible to local demand generators, like the Highline Medical Center or Washington State Criminal Justice Training Facility, will benefit the performance of a future lodging development.
- As the recommended lodging facility will offer limited services to its guests, the site should benefit from proximity to various additional amenities. These amenities include full-service sit-down restaurants, quick-service restaurants, service stations, and retail outlets.
- While an expansive conference facility for the proposed Hotel may be deemed plausible, it should be noted that a detailed analysis to determine the meeting demand for such a facility was not included within the scope of this lodging needs assessment. Based on our initial market research, a potential conference facility would be able to cater to small commercial and leisure gatherings and events that typically attract visitors from outside the surrounding area, such as small corporate meetings, theatre productions, weddings, and reunions. While costs to develop such a facility may be considered high by some development groups, an opportunity could exist to enter into a public-private venture with the City of Burien.

PROJECTED PERFORMANCE OF A PROPOSED HOTEL

Key Assumptions:

- **Room Count:** 80 keys. While a lodging facility between 80 to 100 rooms is deemed appropriate for the City of Burien, we have utilized a room count at the low-end of this range.
- **Chain Scale:** For the purposes of this analysis, we have assumed the proposed Hotel will represent a upper-midscale lodging facility with limited-services and an affiliation with a national hotel brand (TownePlace Suites by Marriott, Tru by Hilton, Home2 Suites by Hilton, etc.)
- **Projected Opening Date:** January 1, 2019.
- In order to project an appropriate ADR level that the proposed Hotel could reasonably achieve, we first needed to determine a hypothetical ADR under the condition that it was open in 2015 (the last full year of operation for the airport lodging market). Furthermore, utilizing growth rates deems appropriate for the airport lodging market, we were able to project performance for the proposed Hotel upon its opening (2019).

Proposed Hotel – Burien, WA Projected Performance

Year	Hypothetical ADR	Market Growth	Introductory Discount	Actual ADR	Percent Change	Occupancy	Occupied Rooms	RevPAR	Percent Change
2015	\$115.00	-							
2016	\$122.00	6.0%							
2017	\$128.00	5.0%							
2018	\$133.00	4.0%							
2019	\$137.00	3.0%	1.5%	\$135.00	1.5%	70%	20,400	\$94.78	
2020	\$141.00	3.0%	0.0%	\$141.00	4.4%	73%	21,300	\$102.37	8.0%
2021	\$145.00	3.0%	0.0%	\$145.00	2.8%	75%	21,900	\$108.75	6.2%
2022	\$149.00	3.0%	0.0%	\$149.00	2.8%	75%	21,900	\$111.75	2.8%
2023	\$153.00	3.0%	0.0%	\$153.00	2.7%	75%	21,900	\$114.75	2.7%

Source: **CBRE Hotels**

ASSESSMENT OF LODGING NEEDS IN THE FUTURE

Finding #6	Assessment
Additional notes to consider for a proposed Hotel.	<ul style="list-style-type: none">• A potential hotel site will benefit from proximity to additional amenities for guests such as restaurants, retail shopping and groceries stores.• As Burien currently does not contain a traditional hotel, developers may proceed more quickly with a new development project if incentives were provided by the city. Such incentives include, but are not limited to:<ul style="list-style-type: none">• Transient Occupancy Tax Rebates (i.e. 50% rebate for 10 years)• Assistance with land assemblage• Contribution of parking or shared parking• Upon completion of the first proposed Hotel, the city will need to evaluate the performance of the property over a one to three year period to determine if an extension of additional incentives are needed.• An effective way to attract a developer for a potential hotel development is to prepare and launch a formal Request For Qualification and Proposals ("RFP") process.