

today's hotelier

January 2020 | todayshotelier.com

Publication of AAHOA

Commercial real estate

What to expect in 2020

THE C-SUITE

Jeff Higley discusses the importance of empowerment

20/20 VISION:
AAHOA Board Members Define a New Decade

CECIL STATON
AAHOA President & CEO

**NEW YEAR,
NEW LEADERSHIP,
NEW OUTLOOK:**
AAHOA welcomes its next
President & CEO





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¹ Bill Hall, SVP Franchise Operations; ² Phil Hugh, Chief Development Officer; ³ Matt Hostetler, SVP Franchise Sales & Development with the 2019 Red Roof Franchise Advisory Council



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10
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Red Roof's Franchise Advisory Council (FAC) members serve as a liaison between the franchisees in their area and the Red Roof Franchising executive team. And with Franchisee Satisfaction at 90%, it seems to be working well. FAC member Amit Patel of Irondale, AL, says, "Unlike other brands, it's not just a formality. We have a strong voice and are truly involved in decisions and communicating with all franchisees." Mayaben Patel, member

from Saraland, AL, who has multiple brands in her portfolio tells us, "Other franchisors can't hold a candle to Red Roof when it comes to responsiveness. Even from senior management." And council member Sheetal Patel of Kingman, AZ, explains, "We help keep everyone on the same page. I converted to Red Roof because I knew the consistent quality would help upgrade my customer base, and I'm already seeing the difference."

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5 THINGS TO KNOW

ABOUT CECIL THIS MONTH

1.

Cecil's New Year's resolution for 2020 is to meet as many AAHOA Members as possible. Cecil and AAHOA are dedicated to serving and constantly learning more about all of AAHOA Members' interests and needs.

2.

Cecil and his wife, Catherine, are devoted to their 9-month-old rescue dog, Mr. Darcy. In 33 years of marriage, they've had only three dogs and consider them a big part of their family. They refer to Mr. Darcy as their "Supermutt" because his DNA test shows he has a very interesting genetic heritage.

3.

Shirley, Cecil's 83-year-old mother, is his hero. She overcame enormous obstacles to become a successful businesswoman in her own right and is the matriarch and hero of his entire family.

4.

For those seeking a classic read, Cecil recommends *Atlas Shrugged*, a 1957 novel by Ayn Rand. A book about what happens when the country takes for granted its achievers – those who grow business, employ people, and impact the economy – this older title is still relevant to the current political debate and what's going on in our country.

5.

Cecil and Catherine have two children, Cecil III (Trey) and William.

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GENEVA TODDY
TODAY'S HOTELIER
MANAGING EDITOR

“

My hope is that *Today's Hotelier* continues to win awards but also grows and evolves with its audience. I want to make sure we provide America's hotel and hospitality professionals with content that serves and represents you.”

What it means to be “the voice”

THIS ISSUE OF *TODAY'S HOTELIER* is our “Looking to the Future” issue and debuts our magazine redesign. It seems almost as cliché as “new year, new me,” but the theme is deceptive. Editors' jobs are hard. We track down writers, story ideas, and photos while yelling at everyone about deadlines. So, I wanted to get everyone in the headspace of looking to the future, or thinking about the future, because I want you all to email me with story ideas while telling me it has been your lifelong dream to contribute to *Today's Hotelier*.

I'm mostly kidding.

I have been thinking a lot about what would make this magazine spectacular. *Today's Hotelier* is an award-winning publication, most recently winning the MarCom Gold award for design and creativity for our August 2019 issue. But what does that mean?

My hope is that *Today's Hotelier* continues to win awards but also grows and evolves with its audience. I want to make sure we provide America's hospitality professionals with content that serves and represents you.

But that means you've got to speak up!

So, this is an open call for all AAHOA Members to chime in with your ideas. You can visit our website to contribute here: www.todayshotelier.com/contribute/. If you're an expert on any of these topics, don't hesitate to give me a shout. Have an idea that isn't represented in the editorial calendar? Yell at me anyway!

Today's Hotelier is **your** magazine, so it should have **your** voice.

You all can find me at todayshotelier@naylor.com with story ideas, contributions, or questions.

Finally, I want to thank everyone who has worked with us. You've created an award-winning magazine! Pat yourselves on the back and pour yourselves a celebratory glass of champagne. Tell me your ideas, write articles, advertise with us, and keep this momentum going.

Throughout 2020, I'll be at various conferences and conventions, including AAHOACON20 in Orlando, FL. If you see me running around, say hi and tell me what you think about the magazine. I'm so excited about the future of *Today's Hotelier* and look forward to working with all of you.

Now, let's get to work.

Geneva Toddy

Today's Hotelier Managing Editor





JAGRUTI PANWALA
AAHOA CHAIRWOMAN (2019-2020)

“

2019 was a great year for AAHOA.

The AAHOA Convention & Trade Show in San Diego, CA, was our largest convention to date with more than 8,200 attendees, a huge trade show, and outstanding education sessions. We surpassed 19,300 members, the most in association history.”

AAHOA grows into 2020

2020. TWENTY-TWENTY. TWO THOUSAND TWENTY. No matter how you write it or say it, the year before us just seems impressive. As AAHOA Members though, we know this will be a great year. With new leadership, a great convention, hundreds of AAHOA events, and more industry-leading education, we have much to look forward to.

Late last year, we concluded our extensive nationwide search for the next president and CEO with the hiring of Cecil Staton. He is an accomplished entrepreneur and lawmaker and held executive leadership positions at universities in Georgia and North Carolina. Cecil's upbringing and story of small business success share several parallels with those of many AAHOA Members. He shares our deep appreciation of and commitment to preserving the American Dream. I am excited for more members to meet Cecil so they can learn about him. I encourage you to read the profile piece about him on page 13 and to read his letter to AAHOA Members.

During the nearly eleven-month search for our president and CEO, Rachel Humphrey stepped into the position on an interim basis. She did an excellent job keeping our association moving forward. Her steady hand helped guide AAHOA to its strongest position in our history, and we are grateful for her hard work and leadership. I look forward to continuing to work with her as she resumes her role as AAHOA's COO and Vice President of Franchise Relations.

2019 was a great year for AAHOA. The AAHOA Convention & Trade Show in San Diego, CA, was our largest convention to date with more than 8,200 attendees, a huge trade show floor, and outstanding education sessions. We surpassed 19,300 members, the most in association history. Thousands of hoteliers and hospitality employees completed AAHOA's Human Trafficking Awareness Training. We partnered with AHLA, state associations, and numerous elected officials to promote the industry's anti-trafficking initiatives, and we look forward to continuing these efforts this year. Late last year, AAHOA brought together the Past Chairman and the Board to discuss the association's history and what it means for its future. We also launched MyAAHOA.com, a valuable online resource where AAHOA Members can get the most out of their membership. AAHOA continued to work on our members' behalf with brands and OTAs, and the data you provide us through MyAAHOA has been especially helpful in our progress.

The year before us is full of promise. We are planning significant events to bolster the AAHOA PAC and increase our political engagement. Our advocacy office in Washington, D.C. continues to expand and will take a more active role in helping members engage with state and local governments this year. The upcoming convention in Orlando will have AAHOA's largest trade show floor, ever, and the education sessions and panel discussions will inspire and inform attendees. We also look forward to AAHOA Vice Chair Biran Patel taking the reins this April and the leadership he will provide.

I wish all of you a Happy New Year and look forward to all the great things that we will accomplish together in 2020. ■



RACHEL HUMPHREY
AAHOA COO & VP OF
FRANCHISE RELATIONS

“

I've always known that AAHOA and our members are well-respected within the hospitality industry, but during this past year, it became apparent to me just how many people look to us and our members for leadership and guidance.”

A time for change

FOR MUCH OF THE PAST year, I had the privilege of serving as AAHOA's interim president and CEO. When Chip Rogers announced his departure in late 2018, the AAHOA Officers and Board of Directors trusted in me to take the helm as we searched for our next president and CEO. With the hiring of Cecil Staton late last year, it is time for me to resume my exclusive focus on operations and franchise relations.

Cecil joins AAHOA with a strong background as an entrepreneur, a lawmaker, and an executive. When we asked what we wanted in our next CEO, several things came to mind. He or she needed to have small business experience and an appreciation for all that comes with signing your name on someone's paycheck. They needed to prioritize professional development and understand that education is a key component in helping AAHOA Members reach their potential as hoteliers. Maintaining and growing AAHOA's engagement in the advocacy space was also a must-have. Perhaps most importantly, we felt our next CEO needed to understand AAHOA's Members, your stories, your ambitions, and your futures. The Search Committee chose wisely in recommending Cecil for this role, and I look forward to working with him.

When I joined AAHOA several years ago, and even before that when I assisted my first AAHOA member with a franchise law issue more than 20 years ago, I could never have imagined that I'd serve as president and CEO of this great association, but I was honored to lead. This opportunity gave me new insight into how we serve our members and the role AAHOA plays in the broader hospitality industry, and I am proud of what we accomplished together.

The 30th anniversary celebrations during convention in San Diego were spectacular. It was our largest convention, and so many of AAHOA's founding members and key players in our history came together to mark three decades of accomplishments and look forward to our future. As an association, we are at the strongest point in our history. Membership surpassed 19,300 last year, an all-time high. Jagruti Panwala became the first chairwoman in our association's history. We partnered with Emerald Expositions to reimagine HX: The Hotel Experience Powered by AAHOA, and brought new educational and young professional dimensions to the longest-running hospitality trade show in the country. Our Human Trafficking Awareness Training continues to educate hoteliers and employees about the scourge of human trafficking and the unique role our members play in keeping this crime out of their hotels and communities, and we educated record numbers of members, giving them the tools to stay abreast of this ever-changing industry and operate their hotels at the highest level. We also advocated at the highest level in Washington and the State Capitals, as well as with the Brands.

I've always known that AAHOA and our members are well-respected within the hospitality industry, but during this past year, it became apparent to me just how many people look to us and our members for leadership and guidance. Thirty years ago, we established ourselves as a voice for American hoteliers. Now, we are the voice of America's hotel owners. Our members' perspectives as hoteliers, small business owners, franchisees, developers, financiers, and community leaders are incredibly influential.

Brand executives, vendor partners, and elected officials actively seek out AAHOA and our members to inform important discussions about our industry. As AAHOA enters its thirty-first year, we remain an important voice and a powerful force in the hospitality industry, and I am excited to see what we will achieve next. I am grateful to our Officers, Board, Past Chairmen, Ambassadors, Committee Members, Industry Partners, teams in Atlanta and D.C., and our members who supported me personally and who supported this great association every step of the way, along with my family who made certain that I could serve AAHOA at the highest level. Thank you for this incredible journey, and I look forward to every one of our next steps together. ■

Don't shy away from empowerment – even if you think the word is overused

by JEFF HIGLEY

EMPowerment is one of those buzzwords that often creates exaggerated eye rolling when it's excessively used out of context. However, when it's practiced rather than simply preached, the results are undeniably effective.

REDEFINING A DIRTY WORD

The key aspect of “empowerment” for leaders at all levels is to remember that it means “hands on” as much as ever – but not in the archaic micromanaging way that serves as default mode for many managers. Today's workforce refuses to bow to micromanagers – they bolt for the many greener pastures available as soon as they can when the dreaded micromanager rears its head.

Empowerment can define a company's culture. It can set the tone for the way employees interact with management, co-workers, and most important, clients and prospects.

Empowered hotel employees have confidence and self-awareness. Empowered employees know they can make a difference for a guest because management has given them the ability to make appropriate decisions. Empowered corporate employees keep projects moving forward without having to stop and ask for permission to dot I's and cross T's at every step. Improved productivity is one genuine result of employee empowerment.

Back in the old days, we used the words “trust” and “responsibility” instead of “empowerment.” However, the intent was the same: Provide employees with opportunities to think on their feet, do what's in the best interest of company success, and gain decision-making skills to help them grow their careers.

Some on-the-job empowerment is considered necessary for today's career

seekers. Be sure to vet candidates for decision-making abilities from the get-go. Building a team of such self-empowered employees at the ground floor makes the foundation that much stronger and provides ample opportunities for expansion across the board.

The atmosphere is fueled by having frequent conversations to stimulate ideas and encourage feedback about what decisions have been made and what others are coming. Employees in 2020 want to engage in their development; they are eager to demonstrate their worth to the company through making sound decisions that affect the bottom line (which isn't always a financial bottom line).

The most valuable aspect of empowerment is that it helps companies create diverse and flexible thought processes. As much as every boss (present company included) thinks they have all the answers, empowering employees allows that boss to learn new things, too.

TRUST IN DIVERSITY

The best hiring advice I ever received came in the early 1990s when my boss told me to make sure to avoid hiring clones of yourself, your work habits, your creative process. A team of clones eventually runs the same route over and over – so much so that it creates a path to staleness and mundane predictability. Hire people you can trust with responsibility – even if they get results in different ways than you do, he said. I didn't know it at the time, but that was my introduction to empowerment.

Since then, I've learned there are at least three important steps in the empowerment process:

- 1 Communicate, but don't overdo it!** Let employees know up front what's expected of them, then let them do it.

It's OK to check in and ask if they need any assistance or support, but don't barrage them with “Did you do this?” or “Did you do that?” communications. If you trust them enough to give them the responsibility, give them the independence to operate.

- 2 Provide feedback.** It's generally good to tell people when they do a good job – and to tell them why. The same can be said for coaching employees through mistakes. Be direct and give examples of how things can be done better. Setting up checkpoints for routine updates can provide excellent opportunities for feedback.

- 3 Hold employees accountable.** With responsibility comes consequences if things don't get done. Failure is OK and it shouldn't be a surprise to you when it happens. Someone who empowers employees needs to watch from afar and catch them if they start faltering. But catching them doesn't mean admonishing them. Tell them you've noticed something that they might need help with and provide them with coaching – not ultimatums, demands, or lectures. The bottom line is that employees should know accountability comes with empowerment.

EMPOWERING YOUR EMPLOYEES EMPOWERS YOUR COMPANY

Empowerment can have a lasting effect on your company. As a leader, creating empowered employees helps fill a vacuum when you or another leader leave for another opportunity. If you've done your job well, your employees can step into your roles and make the transition smoother for everyone involved. Of course, there's no replacing experience, but empowered employees who helped build the culture



Jeff Higley, president of The BHN Group.

can keep the trains running on time. There's no substitute for continuity for a company in transition.

The key to successful empowerment is to implement it without a lot of fanfare. Building an empowerment-driven operation is done as a normal course of business. Building a culture that allows employees to make mistakes, learn from others, and ultimately deliver results by being as independent as possible is, in most cases, a reward in and of itself. ■

Jeff Higley is president of The BHN Group and produces ALIS and ALIS LAW among other hotel investment conferences.

“

Empowered hotel employees have confidence and self-awareness. Empowered employees know they can make a difference for a guest because management has given them the ability to make appropriate decisions. Empowered corporate employees keep projects moving forward without having to stop and ask for permission to dot I's and cross T's at every step. Improved productivity is one genuine result of employee empowerment.”

Get involved in your AAHOA state lobby days in the new year

by PETER CLERKIN

AS THE NEW YEAR KICKS off, many state legislatures across the country will convene for new legislative sessions. From taxes and regulations to wages and short-term rentals, it is in state capitals, not the halls of Congress, where many significant decisions impacting small businesses will be made this year. That is why AAHOA's state capital lobby days are so critical to maximizing our members' impact.

Lobby days, often held in conjunction with a state lodging association, are an excellent opportunity to meet your state senators and representatives. Politics, like business, is about relationships. The more lawmakers you know, and the more established your rapport is with them, the more impactful your voice will be when it is time to inform the political process.

These meetings are about building connections and putting a human face on the issues that affect your business. Your presence and engagement with your elected officials can be an insurance against bad policy. Lawmakers often rely upon the guidance that only their constituents can provide when deciding how to vote on an issue with which they are not terribly familiar.

A prime example of how important hotelier engagement is to the legislative process came during the 2018 legislative session in Oklahoma. Lawmakers were at an impasse when it came to education funding. Many of them saw a \$5 per night statewide hotel tax as an easy way to fill the budget gap. If implemented, this would have pushed hotel tax rates in Oklahoma City and Tulsa higher than those in Los Angeles, Chicago, and New York City. Because Sooner hoteliers were politically active and engaged, they rallied at the state capital and let their legislators know that higher taxes could lead prospective guests and event organizers to look elsewhere for accommodations. Ultimately, the proposed tax hike was repealed.

While the agenda for each state house will vary, it is important to stay current on the issues before your legislature. You

have a unique knowledge of the hospitality industry, the regulations that impact your business, the taxes that you pay, and the jobs you create. It is essential you share this perspective with your lawmakers and inform them on the issues that impact our industry. To learn where AAHOA will be organizing state capital lobby days, please visit www.aahoa.com/eventscalendar. ■

“

These meetings are about building connections and putting a human face on the issues that affect your business.”

ROB HAIMER/SHUTTERSTOCK.COM



NEW YEAR, NEW LEADERSHIP, NEW OUTLOOK

Former lawmaker, academic,
and business owner takes the
helm at AAHOA

by HEATHER CARNES

AAHOA's President & CEO, **Cecil Staton**, a successful entrepreneur himself, is no stranger to the struggles of business ownership. From being a resource for lawmakers to ultimately serving in the Georgia Assembly for a decade, Cecil has a long history of advocating for America's business owners. Here, he shares how his experience will lead AAHOA into its next chapter, benefiting hotel owners nationwide.

AS AN ACCOMPLISHED ENTREPRENEUR, LAW-maker, and executive, Cecil joins AAHOA in arguably one of the most exciting times in the association's history. His experience leading large organizations focused on outreach, networking, and relationship building – all of which are hallmarks of our association and industry – will lead AAHOA into the next era.

“AAHOA is at its strongest point in our 30-year history,” AAHOA Chairwoman Jagruti Panwala said. “Membership is at an all-time high, our educational and advocacy initiatives are thriving, and our members are more engaged than ever before.”

Throughout AAHOA's extensive search process, which lasted much of 2019, the search committee looked for someone who would excel in building upon the foundation of AAHOA's success, welcome opportunities to develop meaningful relationships, and bring a unique vision to the association.

“We found such an exemplary leader in Cecil,” Panwala said.

A DEFINING BACKGROUND

Cecil hails from a family of entrepreneurs. Growing up in Greenville, SC, his parents instilled in him the values of entrepreneurship, education, and working hard to achieve the things you want in life. He witnessed their commitment to these values first hand, growing up in his father's shoe shop on Main Street and visiting his mother's office at a company she helped start. Cecil's childhood was heavily influenced by his parents' hard work to provide him with opportunities they didn't have growing up. To this day, Cecil cites his mother, the matriarch of the family, as his hero because of her unwavering passion, hard work, and determination to become a successful businesswoman.

“They worked very hard for our family,” Cecil said. “However, one of the things they expected of me was to get an education – something they didn't have the opportunity to do on their own.”

Cecil's parents' strong belief in education is what would take him to Furman University, and eventually to the halls of Oxford, where he'd earn his doctorate.

“Coming home from Oxford, I was a college professor, administrator, and I started several small businesses,” Cecil said. “After that, I went on to work in government for a number of years, which was really out of my frustration of starting businesses and the many things we had to deal with.”

But more to come on that.

STARTING FROM SCRATCH TO THRIVING SMALL BUSINESS

From observing his parents' experiences to living his own, Cecil knows all too well the challenges business owners face in creating something out of nothing. His venture into small business began with an idea and concept but would eventually go on to be a multimillion-dollar enterprise. He and his wife, Catherine, took the first step in their plan by buying a radio station in Florida.

“I remember when Catherine and I bought our first station,” Cecil said. “It was derelict – it was in a bad location, there was

sand on the floor where the transmitter was, and we had to rebuild it from scratch.”

But after turning that station around, they ended up selling it within a year, making a profit on the sale, and investing the cash into purchasing other radio stations. Bootstrapping their resources, starting from the ground up (literally), learning a new business, and doing every job would allow Cecil and Catherine to grow confident in their skills and business acumen.

“Before you know it, we had 16 radio stations at one time,” he said.

Their broadcasting company would eventually include those 16 stations, a newspaper, and a television station. Dipping their toes into publishing, Cecil and Catherine also began two publishing companies that earned national acclaim for producing two *New York Times* bestselling books.

“I see a parallel with AAHOA because of what we experienced, albeit in a different industry,” Cecil said. “Many AAHOA Members have built successful companies today, and we did the same when we started our own businesses. So, I have an affinity for that and the wonderful opportunity you can have in this country to build a business and your own success.”

PUBLIC SERVICE, ADVOCACY, AND RELATIONSHIP-BUILDING

However, their success would eventually turn into frustration. Starting their own businesses gave them first-hand insight into how government policies and bureaucracy affect business owners' ability to conduct business and create jobs in their communities. And when one gets frustrated, one usually takes action. Cecil did just that, first by advocating for laws that benefited small business owners, then ultimately by becoming a lawmaker himself to help make those laws.

A career in public service, born out of his determination to find or create solutions for small business owners, would allow Cecil to serve for a decade in the Georgia General Assembly, including two terms as Senate Majority Whip.

“For 10 years as a state senator, I sat on one side of the desk where I was privileged to listen to the needs of constituents, and I was always very concerned about the issues related to business, particularly small business,” Cecil said.

First as an advocate and then as a state political leader, Cecil was able to experience, first-hand, the importance of advocacy and how to get things done at the capitol.

“Advocacy is really relationship-building,” he said. “Of course, there were a lot of emails and phone calls, but the best way I learned was through one-on-one interaction with people who came to express concerns about particular issues or legislation that might be considered.”

When it comes to leading AAHOA, Cecil knows that those who are elected to office don't make their way to those seats with all the knowledge they need to make decisions about the issues placed before them.

“At AAHOA, we are the voice to educate those individuals about issues of importance to our members,” Cecil said. “And this is



Cecil and Catherine have been married for 33 years and are the proud parents of two sons, both of whom have graduated from college, one with his master's. Another important member of the family is Mr. Darcy, their rescue dog.

Learn More
See this issue's "5 Things to Know About Cecil" on page 6 to learn more about AAHOA's leader.

Getting to Know Cecil: This or That



Early bird or night owl?

Both. I'm up early checking emails and reading newspapers, while at night I enjoy spending time with my wife.

Coffee or tea?

Coffee. I'm admittedly a Starbucks fanatic.



Mac or PC?

Mac. I actually wrote my doctoral thesis on one of the earliest Macs.

Sweet or salty?

Both. Especially if it's caramel ice cream with sea salt.



Spring or fall?

Fall. The beautifully colored leaves and trees really move me.

Beach or mountains?

Beach. Although preferred in the fall, winter, or spring.



Fitbit or Apple Watch?

Fitbit. Have to get those steps in!

Dear AAHOA Member,

Everyone loves a good story, one that draws readers in as they question how and if the dynamic hero will triumph in the face of adversity. Stories explain and perpetuate ideas, build bridges, and foster understanding. It is the tale of AAHOA and its members' journeys to realizing the American Dream that drew me to the association when I was first contacted about the role of president and CEO.

AAHOA's three decades of success are driven by the spirit and determination of its members. What began as a handful of hoteliers working together to defeat institutional discrimination in the hospitality industry evolved into the nation's largest association of hotel owners; yet AAHOA is more than a typical trade association. Its actions and ethos hold true to the American way of life. This is central to helping AAHOA Members realize the American Dream and one of the characteristics that most attracted me to this organization.

The author Will Herberg observed, "The 'American Way of Life' is humanitarian, forward-looking, optimistic...The American believes in progress, in self-improvement, and, quite fanatically, in education. But above all, the American is idealistic."

As an entrepreneur, one must be idealistic, for one cannot succeed without a fervent belief that the fruits of their labor will yield a prosperous future. I know this first hand as a small business owner. From reviving a failing radio station and building that success into owning 16 radio stations to launching two publishing companies that brought two *New York Times* bestselling books to print, I believed my hard work and commitment to a job done right would lead to progress and a better life.

We all share a common vision and a belief that upward mobility is only possible through hard work and the strength of mind to rise above hardship. AAHOA works to empower hoteliers to create opportunities for their own success. The association's commitment to self-improvement is clear in the resources it provides to hoteliers, from professional development and networking to advocacy. AAHOA strives to lift its members up and match their unshakable optimism and belief that determination and sacrifice will drive their businesses toward ever-greater success. That's why AAHOA embodies the American way of life and its members are a living testament to the American Dream.

I am incredibly excited to be working with the more-than 19,300 AAHOA Members. I hope the pages of this month's magazine give members like you a better understanding of my story and what brought me to AAHOA. As we push forward into 2020, I look forward to hearing more of your stories and learning how AAHOA can contribute to the next chapter in your career.

—Cecil

why AAHOA's work is essential. We're an incredible resource for elected officials, to ensure they are taking into account the needs and concerns of hotel owners when they are making public policy, instinctively looking to us for guidance, answers, and potential solutions to the challenges we face."

AAHOA Members continue to be more and more engaged in advocacy efforts. Since its inception, the AAHOA PAC has grown to one of the top-five hotel industry PACs, with receipts totaling more than \$1 million each election cycle. It plays a huge part in allowing members and the association to forge relationships with elected officials who oversee legislation and regulations impacting hoteliers.

"I found that there's nothing more effective than having someone from a district come to speak to their House or Senate member at the state level, or their congressman or senator in Washington," Cecil said. "It's very important that lawmakers hear from our members who know best the challenges we face."

**INNOVATION, CHANGE, AND
AAHOA'S BRIGHT FUTURE**

As AAHOA enters its fourth decade of existence, the organization is poised for growth and an ever-increasing presence in the industry and across the nation. With record-shattering membership

numbers, initiatives in place around growing and strengthening advocacy efforts, more educational opportunities than ever before, and an annual convention that attracts more than 8,000 attendees a year, AAHOA's future is bright.

"The story of our members is a remarkable one. It's a story of so many people who have achieved their dreams," Cecil said. "I want them to know that we're going to continue to work very hard to make sure that potential is still there, for others and for the future."

Cecil has plans to accomplish this in a number of ways, with a heavy focus on education and advocacy.

"We already do a lot of work and offer a lot of resources to educate those who work in our industry, and, of course, we want to continue to add value for members with our educational offerings," Cecil said. "We'll also continue to create opportunities for our members through our advocacy. We're dedicated to fostering open and productive dialogue with brands, industry leaders, and lawmakers to affect real change when it comes to the needs and concerns of hotel owners today."

Cecil's focus on growth and reaching new hoteliers is also a part of AAHOA's ongoing plan for continued growth and outreach efforts.

"I want to say to those who are not yet members of AAHOA, take a look at what we're doing, and I certainly hope you'll join us," Cecil said. "There's no organization like AAHOA – singularly focused on ensuring hotel owners in this country have what they need to be successful. And we're going to continue to do that each and every day at AAHOA."

As someone who is no stranger to innovation and out-of-the-box thinking, one of Cecil's top priorities is ensuring that the organization is well-suited for its future. Because of the growth, recognition, and ever-increasing profile in the industry, AAHOA has been on a steep upward trajectory.

"I am lucky to be here to help lead that journey and to be able to help to ensure we continue our commitment to meet the needs of our members as we prepare for the future. The speed of change will lead us to innovation in all aspects of our work," Cecil said. "We're going to make sure this organization is well-situated and prepared to continue our upward trajectory."

GROUNDING IN THE PAST, PLANNING FOR THE FUTURE

As a leader who has lived the American Dream himself, Cecil has been inspired by hearing AAHOA Members' stories and knowing, as an organization, how AAHOA continues to be a platform and cohesive voice to represent the interests of hotel owners across the nation.

"What attracted me to AAHOA was really the AAHOA story," Cecil said. This organization – founded 30 years ago by people who were starting businesses, dealing with regulations, bureaucracy, and sometimes discrimination – exists today to help members live their own version of the American Dream."

Cecil says that the interaction with members, hearing their stories, learning about what they've overcome, and how they've

been able to build businesses that they're proud of is truly a worthwhile thing to be a part of. Committed to the original founding principles on which AAHOA would be created, Cecil's sees a future where AAHOA is grounded in the past but with an eye on the present and future.

"At the end of the day, for me, it's about protecting the American Dream," Cecil said. "Our members are the best example I know of the American Dream and what can be achieved in this country, and I hope we can continue to build upon that in the years to come and ensure that is never lost." ■



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What the data says

A look at what the latest research says about the present and future of lodging

by TOM GRESHAM

RESearch into the hospitality industry offers operators a wealth of insight into the business trends driving their industry. The latest data gathered from a variety of expert sources offers reasons for optimism for the industry's continued health in the U.S., though there's evidence a long run of robust growth could be facing headwinds.

THE EXPANSION CYCLE CONTINUES – WITH HICCUPS

The U.S. hotel industry's current expansion cycle reached 115 months in October 2019, according to an STR report released at the same time. The industry has only experienced three months of decline year over year in hotel revenue per available room (RevPAR) since the industry's expansion began in March 2010. However, two of those declining months came in 2019 (June and September), suggesting possible strains. Daniel Lesser with LW Hospitality Advisors said in a U.S. lodging market update for the third quarter of 2019, "the near-time lodging outlook appears choppy as prognosticators have downgraded projected 2020 national RevPar growth."

Overall, revenue per available room in the U.S. rose 0.7 percent year over year in the third quarter of 2019 to \$94.42, according to STR. Other key performance indicators in the third-quarter report included a 0.1 percent drop in occupancy to 70.9 percent and a 0.8-percent increase in average daily rate to \$133.25.

"While RevPAR increased slightly, it was the lowest year-over-year percent change in the metric since the first quarter of 2010, and the first quarter during the current cycle to show an increase in the metric below 1.0 percent," said Bobby Bowers, STR's senior vice president of operations, in a press release. "While demand growth slowed to 1.8 percent, the industry sold more nights than any other Q3 in history. Keeping in line with that theme, third-quarter room revenue reached \$46.5 billion, the highest quarterly room revenue figure in STR's U.S. database."

Large municipalities enjoying strong recent performances include Phoenix, AZ, which saw the largest jump in RevPAR in the country in the third quarter – an increase of 5.3 percent to \$60.57 – and Houston, TX, which experienced the highest rise in occupancy – from 4.4 percent to 62.4 percent.

When considering the five-year stretch between 2014 and 2019, Marcus & Millichap showed that RevPAR has grown 18.1 percent at resorts over that time period, the most among lodging location types. Meanwhile, the slowest growth has been at urban locations, where RevPAR growth has been 7.7 percent.

2019 at a glance

RevPAR \uparrow .07%

Occupancy \downarrow .1%

ADR \uparrow .8%

Most active franchises:

Marriott International
2,534 projects with 420,562 rooms

Hilton Worldwide
2,334 projects with 340,626 rooms

Top brands:

*InterContinental Hotel Group's
Holiday Inn Express*
737 projects with 93,415 rooms

Hampton by Hilton
689 projects with 90,634 rooms



ANDREY_POPOV/SHUTTERSTOCK.COM

Largest jump in RevPAR in the country – **Phoenix, AZ**
Highest rise in occupancy – **Houston, TX**

“

The latest data gathered from a variety of expert sources offers reasons for optimism for the industry’s continued health in the U.S., though there’s evidence a long run of robust growth could be facing headwinds.”

LODGING ECONOMETRICS PREDICTS CONTINUED GROWTH:

2020: 3,168 new hotel openings

2021: 3,171 new hotel openings

47%
LODGING
BOOKED
ONLINE IN 2018

TRAVELER TRENDS

Marcus & Millichap pointed to one area where international-relations challenges appear to have affected a key component of the lodging industry in the U.S.

Chinese visitation to the country had dropped 3.1 percent through May 2019 after rising 15.8 percent annually on average between 2012 and 2018. Overall, international visitation to the U.S., which averaged 3.3 percent growth between 2012 and 2018, had declined 1.9 percent through May.

In Deloitte Consulting's 2019 U.S. Travel and Hospitality Outlook, its experts say "competition for the lucrative international travel segment is rising – and the United States is feeling the pressure." In contrast to sluggish returns on international arrivals into the U.S., Deloitte pointed to popular "rising star" destinations, such as Portugal and Vietnam, some of which are seeing 20-to-30-percent growth in arrivals annually. Overall, the U.S.'s "global share of long-haul travel is dropping, down to 12.2 percent in 2017 from 13.8 percent in 2015."

In the U.S., 47 percent of all lodging was booked online in 2018, according to Phocuswright. Bookings made directly through hotels dropped from 55 percent of market share to 49 percent between 2010 and 2016, while online travel agencies grew to 51 percent of market share. However, Phocuswright research indicates that growth in online travel agency sales is projected to fall to the single digits in 2019 after a streak of double-digit growth and that hotels are regaining market share in bookings, in part through the stepped-up use of loyalty programs, and are expected to return to 50 percent of market share by 2022.

CONSTRUCTION, OPENINGS, AND TRANSACTIONS

Globally, lodging construction is proceeding at a record pace, according to Lodging Econometrics. In September, the company reported the global construction pipeline for lodging reached an all-time high of 14,051 projects, comprising more than 2.3 million rooms, representing a 9-percent increase in projects and an

8-percent rise in rooms year over year. The pipeline includes a record 6,565 projects under construction.

According to the report, which considered development in 176 countries, every global region except Latin America "either continued to set record high pipeline counts or have already settled into topping-out formations amidst concerns of a worldwide economic slowdown." The United States leads the way with 5,653 projects (693,207 rooms) in the pipeline, falling 230 projects short of its record of 5,883 projects in the second quarter of 2008. The U.S. is responsible for 40 percent of projects in the pipeline globally, while China is second at 21 percent with 2,991 projects (592,884 rooms). Dubai is the top city worldwide (173 projects, 50,832 rooms), while New York is second (166 projects, 28,231 rooms).

2010 TO 2016: DIRECT
HOTEL BOOKINGS
DROPPED FROM 55%
MARKET SHARE TO **49%**

OTAs
GREW TO
51%

Among the most-active franchise companies, Lodging Econometrics pointed to Marriott International (2,534 projects, 420,562 rooms) and Hilton Worldwide (2,334 projects, 340,626), while the top brands were InterContinental Hotel Group's Holiday Inn Express (737 projects, 93,415 rooms) and Hampton by Hilton (689 projects, 90,634 rooms).

For openings, Lodging Econometrics reported 1,374 new hotels opened globally in the first half of 2019, representing 196,237 rooms. Another 1,675 hotels (236,334 rooms) were expected to open by the end of 2019. Lodging Econometrics projects new hotel openings of 3,168 in 2020 and 3,171 in 2021, suggesting continuing growth.

The LW Hospitality Advisors 2019 Major U.S. Hotels Sales Survey showed a sharply slowing transaction market in the third quarter of 2019 when compared to a comparable period in 2018. The survey counted 41 single-asset sale transactions over \$10 million, totaling \$3.725 billion, vs. 57 transactions totaling \$6.4 billion a year ago. That marked a decline of 28-percent fewer trades and 42-percent less total-sales dollar volume. Transaction volume also had dropped in the first half of the year, and Marcus & Millichap pointed to economic uncertainty and market volatility being key to the stalling. Overall, the data points to an industry slowdown, a phrase we're likely to continue hearing well into 2020. Though by looking at the numbers, there is hope for select markets. ■



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Hotel ownership at different stages

What to expect with your first hotel vs. your tenth

by SANDY SMITH

NICK ZAVER, PRESIDENT AND CEO OF INSIGNIA HOTEL Management in Lake Charles, LA, remembers the days when he and his wife managed two hotel properties. They were located 30 miles apart and he managed one and she managed the other. “We saw each other late in the evenings and we would go to sleep and off to work in the morning,” Zaver said.

Juggling those two properties was challenging, but the couple kept it up for three years before selling one location. By then, they had begun construction on their third and fourth hotels.

“That’s when I started putting general managers in to oversee the daily operation,” Zaver said.

Taking the hands off the controls a bit – and trusting others – is at the basis of any company’s growth, said David J. Sangree, president of Hotel & Leisure Advisors in Cleveland, OH.

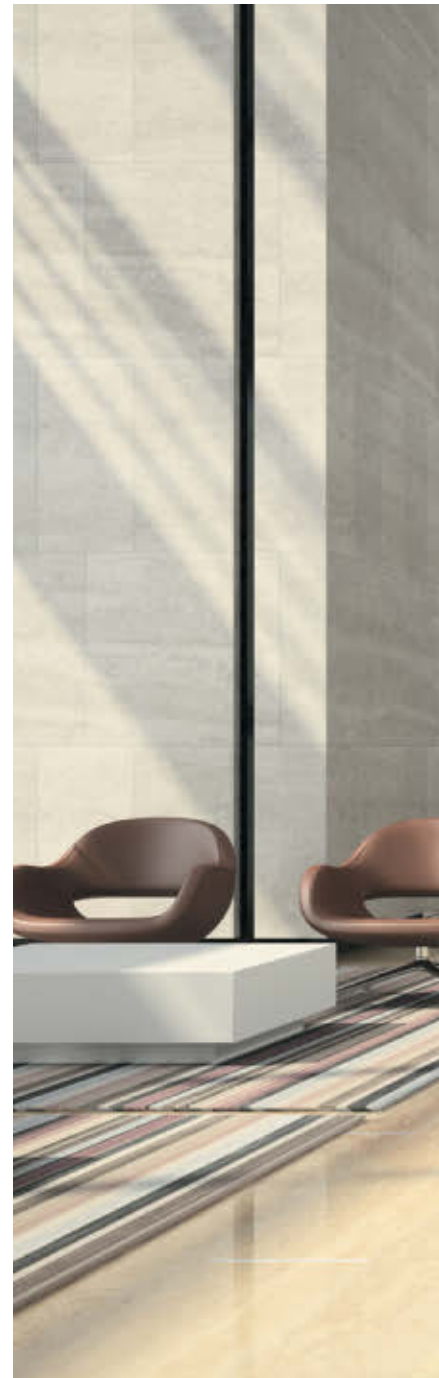
“The main issue for growth is how many people do you want to supervise?” Sangree said. “When you have a single hotel, that person is the general manager in addition to the owner. When you have 10 hotels, you have to be willing to step away from your hotel and into managing your management company. It’s a very different focus.”

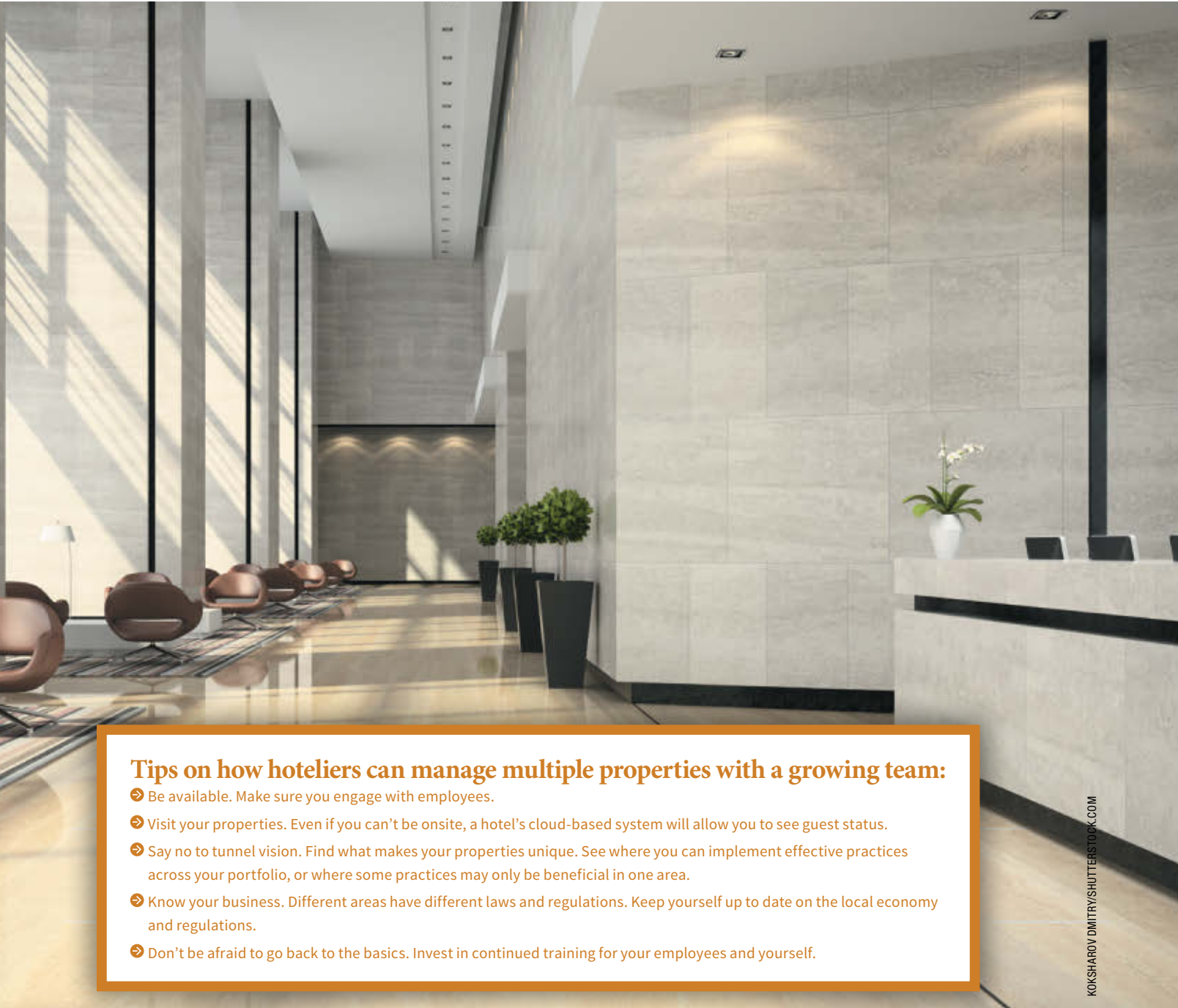
At that point, growth becomes a bit of a snowball, Sangree said. “People who manage management companies are always thinking, ‘That’s too few hotels.’ You might have two regional managers, a director of sales, and a construction manager. You have all this payroll that is not chargeable to a hotel. You’re in this constant search for additional properties.”

Growing into multi-property ownership requires finding just the right speed – and there is no one right answer.

DEPENDING ON OTHERS

Nimisha Patel, partner of Vue Hotels in San Antonio, TX, married into a family that managed multiple hotels. When she and her husband became owners themselves, it was a step backward into managing a single property. “When you’re only running one property, your mindset is solely on that one,” she said. Their second property required a change in their structure and vision.





Tips on how hoteliers can manage multiple properties with a growing team:

- Be available. Make sure you engage with employees.
- Visit your properties. Even if you can't be onsite, a hotel's cloud-based system will allow you to see guest status.
- Say no to tunnel vision. Find what makes your properties unique. See where you can implement effective practices across your portfolio, or where some practices may only be beneficial in one area.
- Know your business. Different areas have different laws and regulations. Keep yourself up to date on the local economy and regulations.
- Don't be afraid to go back to the basics. Invest in continued training for your employees and yourself.

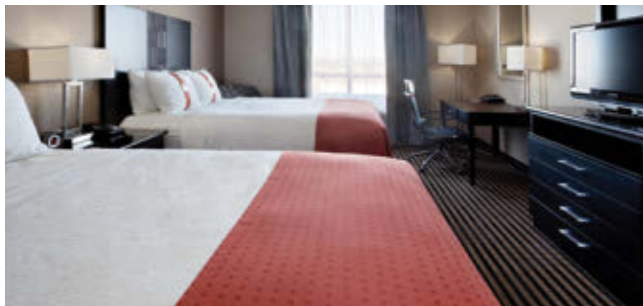
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“

The main issue for growth is how many people do you want to supervise? When you have a single hotel, that person is the general manager in addition to the owner. When you have 10 hotels, you have to be willing to step away from your hotel and into managing your management company. It's a very different focus.”

– DAVID J. SANGREE, PRESIDENT OF HOTEL & LEISURE ADVISORS

PHOTO COURTESY OF VUE HOTELS



The Holiday Inn in San Antonio, TX is part of the Vue Hotels portfolio.

“We had to rely more on others and really trust in their ability to do so,” Patel said. “And that means training everyone to know what the expectations are in each role and holding them accountable for the position that they are in.”

That doesn't mean that she and her husband are totally hands-off. With six properties – all in the San Antonio area – they visit each location at least once a week. “We engage a lot and every person – whether manager or employee – knows that they're able to pick up the phone and call.”

Zaver also is a frequent presence at the eight hotels owned by Insignia. A handful are three hours away and he makes a goal to visit those at least once a month. The others are local. “I typically visit every day,” he said. And when he isn't able to be onsite, he is monitoring the point-of-sale systems frequently.

“I can typically go in at any time of day through my smartphone and actually dig in more detail into the properties,” Zaver said. “Any hotel that has a cloud-based system, I can log in and see, ‘So and so hasn't been checked in. Can you authorize their credit card?’ Those are things that I can communicate late at night where we're not losing any revenue for that night.”

BENEFITS OF BIGGER

Growing larger brings some obvious benefits, not the least of which is income, Sangree said. But there are other advantages, too.

PHOTOGRAPHEE.EU/SHUTTERSTOCK.COM



“Every hotel has something unique that they do,” Sangree said. “The reason hotel managers get transferred around the country is they bring the good things from one hotel to another and they learn something at that property that they can take to the next. You keep growing and improving. When you have multiple hotels, you should be doing the same. Your management company will be expanding their knowledge base.”

Patel said expansion is an opportunity. “If you're able to handle it, you should go for it,” she said. “Your eyes open so much more when you're looking from different perspectives. If you stick to one, you tend to have tunnel vision.”

Both Zaver and Patel are invested in multiple franchise brands. That brings an additional benefit, Sangree said. “It definitely makes sense to diversify, although it is more time consuming,” he said. “There are more franchise conferences to attend and more memos. But the different brands have different marketing strategies and things they teach you. By having hotels from multiple brands, you are able to expand the knowledge base.”

That doesn't mean opening a hotel with every franchise brand out there, Sangree said. He recommends limiting to two or three, though exploring different sub-brands can be beneficial.

Patel's company recently added its first Marriott hotel. “We've always been hardcore Best Western,” she said. “That was easy for us to know inside and out. When we added Marriott, standards, trainings, and culture were different and had to be learned. It's been really nice to be able to embrace both and take the best pieces to help us in our daily operations. It not only helps service-wise, we gain economies of scale, are able to broaden of vision, and really provide quality service and experiences.”

Expansion into a new market can bring added complexity, especially with laws and regulations. “None of that is rocket science, but there is an extra degree of working through those rules and regulations,” Sangree said.

Remaining in the same market allows more involvement in things like the convention and visitors bureau or the city's economic council. According to Sangree, “When you have multiple hotels in the same area, one staff person can represent the entire company.”

WHEN TO SAY WHEN

Zaver got into the hotel business by default. His parents owned an independent hotel and needed his help. He still owns one independent hotel in his portfolio, which also includes Hilton, IHG, Marriott, Best Western, and Choice. He purchased the 20-room independent hotel the year after developing a 100-room Hilton-branded hotel.

“People said, ‘Why have you gone back to basics?’ Never forget the basics on how we succeed in life. Going back to that independent hotel brought a lot of memories back to me,” Zaver said. “The basics are what's going to get you to step two or step three. There are people out there who want to get rich overnight. There's no such thing. You have to learn how to crawl before you learn how to walk.”

But after walking into multiple-property ownership, there is no limit on how far one can go. ■

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The economy segment and millennials

An industry-wide slowdown is expected, but the economy segment – and millennials – may have the answers hoteliers need

by ZOHREEN ISMAIL

Millennials and younger generations are more “experiential” travelers – they want an experience rather than luxury amenities.

HOSPITALITY CONTINUES TO EXCEL AS AN INDUSTRY that offers unique fully integrated experiences. U.S. hoteliers have conquered 2019 by tackling labor challenges, expectations for personalized experiences, and the integration of new technology, thus creating elevated guest experiences.

Although the hospitality industry has experienced significant growth in revenue, it is becoming increasingly difficult for hoteliers to achieve both revenue and profit gains. The depths of the last economic recession in 2009 has now hit that 10-year mark, and hoteliers are anticipating an upcoming recession for the industry.

From 2018 through 2020, annual RevPAR gains for U.S. hotels were projected to range from 0.6 percent to 2.8 percent, according to the June 2018 edition of CBRE's "Hotel Horizons" forecast report. Given this rate of revenue expansion, can hotels continue to achieve profit growth through 2020 and upcoming years? For hotels to achieve profit growth that keeps pace with inflation, expense growth must be limited.

CBRE Hotels Research has adjusted its revenue-per-available room growth outlook downward for the upcoming year according to its September 2019 edition of "Hotel Horizons." The outlook for 2021 has improved, and the firm doesn't anticipate a full-on recession. It is CBRE's view that the U.S. economy will slow but not fall into a recession.

Reasons for the slowdown include increasing competition from new

markets, muted growth in average daily rates, and upward pressure on labor costs. Over the years, hoteliers have been able to effectively respond to difficult operating conditions. One of the largest expenses for hotel owners has been the labor costs. The labor market is tight in the hospitality industry and is a challenge many hoteliers faced and even overcame in 2019. According to the Bureau of Labor Statistics, the leisure and hospitality industry was projected to gain 1.3 million jobs since the recession ended in 2010 and through 2020.

A BIG MOMENT FOR THE ECONOMY SEGMENT

Economy-sized hotels provide fewer amenities and services and thus require fewer employees. This aspect tackles the labor problem. Economy-level hotels is the sector predicted to generate the most revenue flow through the bottom line and have been labeled as the recession-proof segment of the industry.

Trends show millennials and younger generations prefer limited-service lodging over luxury. The 23-33 age group focuses on

Hoteliers can tap into this segment by focusing on:

- digital marketing
- basic essentials for guests
- working with the local economy, artists, and suppliers

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local experiences when traveling. They prefer to spend money on local excursions and local foods as opposed to amenities a luxury hotel would offer, such as valet and room service.

Industry professionals set out to figure out how to attract the millennial traveler and, in order to do that, a careful look at how they were selecting hotels was required. A 2019 research study monitored the online hotel booking pattern of millennials. The goal was to understand their booking journey online. Millennials in the study were asked to find a hotel accommodation for a trip and the entire searching and selecting process was captured for analysis and the participants were later interviewed for further analysis. The booking journey began with a common search engine and then they switched to other channels to find more information or evaluate alternatives before making a final decision. The maximum number of channels the participants used was six different channels. A good portion of the participants also logged on to their social media accounts to help them make decisions.

The study shows the millennial traveler consulted various forms of digital marketing, such as social media and travel blogs, trying to find a hotel that would provide a local, authentic experience. “If a hotel wants to have brand awareness and be considered by potential bookers, it’s a no-brainer that a hotel must be present within an array of online channels,” said Christopher Jones, vice president and co-founder of Blue Magnet Interactive. “Well over 50 percent of bookers in 2018 begin their booking journey first by going to a search engine, so having a strong online presence is critical.”

The average millennial traveler seeks local experiences when traveling and consults with peers when booking through blogs and social media. Economy-sized hotels offer the basic essentials, thus giving millennial travelers an opportunity to spend their money on local experiences rather than luxury amenities.

HOW CAN LUXURY KEEP UP?

Due to the millennial experiential traveler and social media influencer culture, it is understandable why economy-sized hotels are expected to be recession-proof. However, all hoteliers want to prepare their properties for the expected downturn regardless of whether it is an economy property or a luxury brand.

“Luxury hotels will need to take a slightly different approach to marketing than they may have done in the past if they wish to target travelers who care more about experiences than amenities,” Jones said. “Some features a luxury hotel offers no longer carry the same weight with the younger generation of travelers.”

If luxury hotels want to compete for the millennial market, they will need to invite experiences into the hotel to bind the local experience to the property. However, these approaches would work for all segments. For example, Blue Market Interactive worked with a hotel that invited a local graffiti artist to paint murals in several guestrooms. The artist’s bio and photos of their progress were posted to the hotel’s website and promoted on social media. They enhanced the experience by inviting local artists to a gallery showcase onsite to generate more publicity for the property.

“Not every hotel has the ability to invite artists to paint artwork on guestroom walls, but this was one way in which a hotel created a unique experience that tied into the local urban art scene and drove interest in the property as an integrated part of the community,” Jones said.

Although economy-sized hotels have been labeled recession-proof, property owners still need to work to connect themselves to the community in which they operate. “With younger generations of travelers favoring experiences over onsite amenities, the hotels that take the appropriate steps to tie their accommodations into the local culture will be the ones that stand out from those that do not,” Jones said.



DRAGON IMAGES/SHUTTERSTOCK.COM

WHAT’S TO COME IN 2020

It is expected there will be continued focus on getting consumers to book direct in 2020. “We would expect to continue to see the importance of website personalization,” Jones said. “There will be continued investment in data and analytics to deliver a personalized message to the end user.”

As industry professionals may be anticipating an industry slowdown, hotel owners remain focused on attracting the millennial market and creating authentic experiences that connect them to the community in which they operate. ■



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WITH 20/20 VISION



**The AAHOA Board of Directors
shares highlights, triumphs, and
outlooks as we embrace and
define a new decade**

by THE AAHOA BOARD OF DIRECTORS

WHAT ARE YOU LOOKING FORWARD TO MOST THIS YEAR?



We're planning to host at least 12 Town Hall meetings, including women's and youth's. We have goals to raise more PAC funds and have at least 25 members attend legislative events. **We also want to engage at the local level and partner with NCRLA to raise concerns for hoteliers.** I also now serve on the NCRLA Board, so I want to take the partnership to new heights and make it much stronger than ever before.

Akshat A. Patel
North Carolina Regional Director



In 2020, I'm most looking forward to seeing AAHOA continue to increase our efforts to advocate for members on behalf of brands and sharing with members the proactive work we do behind the scenes to advocate on their behalf.

Jayesh R. Patel
Northeast Regional Director



Tackling membership concerns over fair franchising with all the brands, legislative priorities on ADA-related lawsuits, and educating members on human trafficking awareness and prevention.

Kapil Patel
Georgia Regional Director



I am excited about the 2020 AAHOA Convention because we will celebrate several significant milestones, notably completing our 30th year and also completing a year of leadership with women in the two highest positions of power and decision-making. **Women have always been the backbone of our industry, and at AAHOA, they are at the forefront. This sends an important message to our industry.**

Sandip Patel
Washington, D.C. Regional Director



AAHOA Members are accomplished and inspiring individuals. I look forward to meeting as many of them as possible this year and hearing their stories of small business success and their pursuit and realization of the American Dream.

Cecil Staton
President & CEO



I'm looking forward to working on member concerns, such as **franchise and OTA issues.** I'm also looking forward to working with AAHOA's new president and CEO to see how we can take our association to new heights.

Vinay Patel
Treasurer



As we approach 2020 and continue this fast-paced growth, I am looking most forward to serving the interests of our members and putting them first in every decision we make. **Being member-centric is a fundamental pillar of the association's founding and it is the reason we are where we are.** It is vital that we spend 2020 expanding on that principle.

Sawan H. Patel
Southeast Texas Regional Director



In 2020, we will continue to make gains on the issues facing all hoteliers. Franchise mandates, OTA fees, and franchise impact are some of the issues I expect to improve in the coming year.

Sanjay (Sam) Patel
Mid Atlantic Regional Director



Leverage my past 21 years of experience with the association to help it grow to new heights by **helping to increase its member base and partnership opportunities** with resourceful vendors.

Faheem Khan
Industry Partner



I am optimistic we will continue to make superb progress in my company, in AAHOA, and our industry. **The challenges facing our industry are daunting, yet the power of AAHOA – combined with the passion and ingenuity of our members – will continue to address and resolve the issues affecting our industry,** such as OTA fees and franchise mandates.

Imesh Vaidya, CHO
Southwest Regional Director



This year, we will build upon our success in federal advocacy by strengthening our partnerships with state and national lodging organizations. These efforts will mirror the advocacy work we do in Washington. **Helping hoteliers organize to address state and local laws and regulations will have a direct impact on issues that affect hoteliers' bottom lines.** Scaling our approach to federal advocacy for individual states will cement AAHOA's status as an advocacy leader in the hospitality industry.

Jagruti Panwala, CHO
Chairwoman

REFLECTING ON 2019, WHAT WAS THE BIGGEST HIGHLIGHT FOR YOU?



The biggest highlight would definitely be the 2019 AAHOA Convention with more than 8,000 AAHOA Members in attendance. Also, the stance AAHOA took to combat human trafficking for the hotel industry and now to see brands and other associations take the same initiative is phenomenal.

*Hitesh (HP) Patel, CHO, CHA
Immediate Past Chairman*



The biggest highlight for this past year was **being named to the board for the South Carolina Restaurant and Lodging Association.**

*Chetan (Chet) Patel, CHO
South Carolina Regional Director*



My biggest accomplishment is Arkansas becoming its own region for the first time in 30 years and passing two major bills, including protecting hoteliers from having to pay taxes on pre-pay bookings and misrepresentation of service animals in hotels. **I am Arkansas' first Regional Director, which is something I will always cherish.**

*Girish (Gary) Patel, CHA, CHO,
CHIA, Arkansas Regional Director*



The biggest highlight for me was that **we held an AAHOA event in Wyoming for the first time ever.** We held a Town Hall meeting in an area where we were never present, and not only was it a big benefit for AAHOA, the people there were very excited to see us. They were glad we were there and said they look forward to attending our events next year.

*Hiten Patel, CHO
Northwest Regional Director*



Hosting a record-breaking regional meeting with close to 300 attendees along with nearly 80 vendor partners participating in the trade show. Interacting personally with members and potential members and discussing their needs. Sitting on a panel discussing issues relevant to our members in the robust Nashville economy. Overall, the Regional Conference & Trade Show by far is my biggest highlight as it gives me an opportunity to meet my constituents.

*Sunil Patel, CHO, CHA, CHIA
Mid South Regional Director*



2019 was unbelievable! I was able to see things and meet people I would have only dreamed of before. I underestimated how impactful the people I've met and the stories I've heard would be. **Every time a young professional would mention what an impact AAHOA has made in guiding them and supporting them in their goals, it made me realize how just showing up or being engaged can make an impact on others and their potential life trajectory.**

*Purvi Panwala, CHO
Young Professional Director
Eastern Division*



AAHOA's focus to provide and educate hoteliers across the nation with **Human Trafficking Awareness Training** was a great success, and it's growing among AAHOA Members.

*Kalpesh Joshi, CHO
Upper Midwest Regional Director*



One of the biggest highlights of 2019 was going back to basics in purchasing an independent motel, which was a first for us. My parents owned an independent, and while I never have, it was just a great feeling to take all the resources from what I have learned from major hotel chains and use the same best practices at our independent. I feel like I am in the driver's seat.

*Nimesh (Nick) Zaver
Gulf Regional Director*



Representing AAHOA and the hospitality industry is a highlight I reflect upon this past year. **It was an honor to be chosen by the White House to stand behind the president of the United States at the Rose Garden,** where he spoke about a health care rule that can help small business owners all across the country.

*Biran Patel
Vice Chairman*



The Convention was the biggest highlight of 2019 for me – to see where we started and where we have come is an overwhelming accomplishment. To see we are having to rethink our venues for future conventions due to member enrollment and engagement is a proud feeling.

*Sanjay M. Patel
Alabama Regional Director*



The biggest highlight of the year is providing a platform for women hoteliers to engage, learn, and be informed of the ever-changing hospitality industry. **This year, over 2,000 women hoteliers have attended our women's sessions across the nation.** We also provided two women-specific Brand Development Days at Hyatt and Marriott headquarters, where women were given the opportunity to learn about the brand and meet and connect with brand executives.

*Lina Patel, CHO
Female Director Eastern Division*



We had a great year, able to sit face to face with franchisors and discuss the issues many franchisees are facing. **AAHOA is the only organization that will advocate for you with vendors, franchisors, and on Capitol Hill and at the state and local level.** AAHOA defends us from policies that impact our industry.

*Piyush Patel
Director at Large*

AS A HOTELIER, WHAT EXCITES YOU MOST ABOUT THE FUTURE?



One word excites me about the future: hospitality. **Our industry is not for the faint of heart – it is cyclical, competitive, and constantly changing.** But hospitality also constantly brings us new opportunities for profit and progress. Our AAHOA family helps us capture those opportunities. As the marketplace changes, AAHOA will evolve and change. **What will remain constant is AAHOA's role as an essential resource in helping owners to make money, save money, and protect our investments.**

*Bharat Patel, CHO, CHIA
Florida Regional Director*



These are some of the most exciting times for us as hoteliers. **In the next five to 10 years, I see our members breaking ground on hotels like the JW and Ritz Carlton. I see us dominating this industry.**

*Kamalesh (KP) Patel
North Pacific Regional Director*



As a hotelier, the next generation of leaders is what excites me the most about the future. It is apparent that we know the amount of hard work our predecessors have put into this industry to give us an opportunity to succeed. We are now seeing such a strong vibrancy in the industry as young professionals are actively participating in AAHOA. **It is this participation that shows determination in the next generation of leaders to make an impact in the hotel industry through collaboration and innovation.**

*Miraj S. Patel, MBA, CHIA, CHO
Young Professional Director
Western Division*



Today, AAHOA Members own nearly 50 percent of the hotels in America, and I am looking forward to seeing AAHOA increase this percentage of hotels represented. I am a father of two children, and I am looking forward to providing a strong foundation for their future so they can take it to the next level.

*Bhavesh N. Patel
North Central Regional Director*



It will be interesting to see how our industry overcomes various challenges including but not limited to those posed by short-term rentals, rising costs of construction and labor, regulatory overreach, constant change in consumer expectations, rapid changes in technology, and new competition. **Today's threats to the hospitality industry are those that were unimaginable 10-15 years ago. How the hotel industry comes together to overcome these challenges will be exciting.**

*Mayur (Mike) Patel, CHO
North Texas Regional Director*



Advancements in technology are fostering perpetual change in our industry. From automation to the guest experience, technology touches so many parts of our industry. So much has changed, and it will continue to change at a rapid pace. **I'm excited to see how technology identifies and creates more efficiencies in our businesses and allows us to save time and money and reinvest that into expanding our businesses and enhancing the experience for both guests and employees.**

Nishant (Neal) Patel, CHO, Secretary



The industry is going through major changes. There will be more independent hotels, more technology, more government interference, more demand on the owner to police the environment, compliance issues, and more. **Life in three, five or 15 years is going to be totally different. Micro hotels. Modular building strategies. Robotics. Shortage of labor. Labor costs. These and more are going to impact the industry.**

*Hitesh Patel
Central Midwest Regional Director*



I strongly believe the hospitality industry will always be about guest experiences and connecting to the people, and it surely will require a human touch... **but I am excited about the new technologies that would bring new capabilities and sources of revenue with lesser cost to do business.**

*Mike Patel
South Central Texas
Regional Director*



With the platform AAHOA has built upon since it was founded, the AAHOA name is now embedded at the national level. **It is exciting to see the value AAHOA brings to many of the elected officials and even more exciting to know we matter and are being heard. With a strong voice of more than 19,000 members, our future can only be brighter.**

*Prashant H. Patel
Director at Large*



I am excited to see how far AAHOA has come from when I first joined 19 years ago. AAHOA has risen to America's largest hotel owners association, and we are not stopping now. I am excited that I have an opportunity to serve as the voice and vision for our members to express their concerns at a larger scale and be heard. **If we continue to join together, nothing will stop us from achieving the goals we have set for the future.**

*Jayesh (Jay) Patel, CHA
Director at Large*



Technology has allowed hoteliers to develop much faster and operate over greater distances. Technological advancements that are being incorporated into hotels are also enhancing the guest experience and making travel and staying at hotels more convenient than ever before. **I'm excited to see how the hotels of tomorrow will look and operate with these innovations. Could we see a modular 3D-printed hotel?**

*Mike Riverside, CHO, CHA
South Pacific Regional Director*



Having passion for what I do excites me the most as a hotelier. **Having platforms like AAHOA to learn and grow has been a great benefit to me personally.** This organization has come a long way, and it is exciting to serve with a great group of leaders to learn from and pave the way for future leaders.

*Nimisha Patel
Female Director Western Division* ■

What can hotel owners expect from the commercial real estate markets in 2020?

by RUSHI SHAH

AS WE VENTURE INTO 2020, we enter a time period that will be volatile yet ripe with opportunities. Technology will play an ever-increasing role, brands will be an important catalyst for getting deals done, and the financing and capital markets will be influenced by interest rates, availability of capital from both domestic and foreign investors, and continuing scrutiny on underwriting and sponsorship quality. Let's explore what we can expect this year.

INCREASED USE OF TECHNOLOGY

Commercial real estate markets have always been plagued by inefficiencies. Because the markets are somewhat opaque and controlled by intermediaries such as investment sales brokers, leasing brokers, and financing brokers, there is opportunity to exploit these shortcomings. As a result, wherever there are market inefficiencies, there lies opportunity. As we start the new year, we will see the industry weaving technology throughout the transaction process to deliver faster and more accurate outcomes at a cost savings for both the lenders and borrowers. As a byproduct of this trend, all players will enjoy greater transparency system-wide.

For commercial real estate, including the hospitality industry, the advent of artificial intelligence, machine learning, and data-driven decision-making will be at the forefront for developers, owners, lenders, and all stakeholders involved. For example, there are three types of data repositories that are used across our industry: proprietary data that is controlled by the owners of real estate, data available for a fee (i.e., Real Capital Analytics and CoStar), and publicly available or open-source data (i.e., Census.gov and the Bureau of Labor Statistics). Technology will allow these

isolated datasets to be merged, facilitating faster and more accurate decision-making for owners, fewer transaction errors, and the ability to identify where there is potential for profit.

These technological efficiencies will shape the future, even beyond 2020. An increasing number of lenders, as well as sophisticated intermediaries, are starting to overlay technology on top of data to deliver a better experience for their clients. As profits are squeezed in a late-cycle phase of our economy, every company will look to find savings by leveraging



Technology cannot operate in a vacuum, however, and human experience and relationships will continue to be the bedrock of this business.”

technologies and eliminating redundant processes. Additionally, we will see even more consolidation in the industry. We've already seen this in play with CoStar acquiring STR, Aimbridge Hospitality, and Interstate Hotels & Resorts merging, LaSalle Investment Management purchasing Latitude Management Real Estate Investors, and Orix USA buying Hunt Real Estate Capital.

Technology cannot operate in a vacuum, however, and human experience and relationships will continue to be the bedrock

of this business. When there is fast change, people still look to do business with other people. There is also renewed need to do business with people they trust who have the relationships and ability to convince investment committees and credit committees to reach a favorable investment decision. This business is based on negotiations and computers can't negotiate. Humans will still be integral to getting deals done, because there will always be issues that require the expertise and creativity that comes from track record and experience.

BRAND AS A CATALYST FOR SUCCESS

As the hotel industry faces external competitors such as Airbnb, brand strength and its contribution to a hotel's bottom line will matter more and more. Both business and leisure travelers are looking to capture the highest amount of value during their travels, while assuming the least amount of risk for the highest amount of certainty of comfort. Strong brands backed by a large corporate infrastructure attract demand, because they can deliver on this need time and again. Like travelers, in 2020 the capital markets will also continue to view brands as a favorable catalyst for an asset's success. B-piece buyers (the buyers of the first-loss position of a non-recourse loan) focus on the hotel's ability to meet the quality standards prescribed by the brand, the continual capital expenditures the brand requires, expected PIP and the asset's RevPAR penetration compared to its competitive set.

The capital markets will continue to think that an asset without a strong brand and the backstop of a franchise agreement is a higher risk. As we head toward a sustained slowdown, investors are

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Prudent risk-taking will prevail and capital velocity will continue to occur in what I consider an otherwise healthy market.”



IMAGEFLOW/SHUTTERSTOCK.COM

becoming wary of providing high-leverage loans on a non-recourse basis on assets that are not backed by a strong brand or that don't have a longstanding history of occupancy and ADR compared to their competitive set.

As supply becomes a massive concern throughout the industry due to a slower growth rate resulting in slower demand growth and steady supply absorption, the capital markets will look at the local supply very carefully before making financing decisions. For example, a select-service hotel in a very strong market in the Florida panhandle may look great on paper. What hasn't been factored in, however, is a new full-service hotel is being built by a local city government across the street that will directly compete with it. While this type of risk is difficult to underwrite, it is realistic and can lead to a negative investment outcome.

CAUTIOUS OPTIMISM IN CAPITAL MARKETS

Since 2020 is an election year, we are likely to see a high level of volatility in the capital markets and an environment clouded with trade tensions, political headwinds, global instability, and a polarized American electorate. Investors and lenders will still be open to good deals but will be more hesitant to put their risk capital on the line, creating an atmosphere of cautious optimism in the markets. The United States is likely to still be one of the best destinations in which to invest amid the global slowdown

and instability. This global instability will also help our country to continue to attract foreign capital. However, foreign investors have also become more astute, and like their U.S. counterparts, are underwriting deals to stricter standards. Thanks to our ongoing low interest rates (albeit higher than those in nearby countries), countries in Europe, Asia, and the Middle East continue to look for investment opportunities in the form of both debt and equity in the U.S.

LOW SHORT-TERM INTEREST RATES

As we head into elections, short-term interest rates controlled by the Fed will likely remain low. Long-term interest rates will be of interest to market participants because their levels will signal whether we can expect a prolonged period of recovery or a recession. The winner of the election will also have a defining impact on both the interest rates and growth rates, as well as market sentiment post-election.

PRUDENT UNDERWRITING STANDARDS

Given the available context, lending markets will remain disciplined in their underwriting and leverage they are able to extend. Capital markets will structure deals to ensure that a) loans can be refinanced at maturity, b) there are sufficient capital expenditures available to meet brand requirements, and c) terms reflect prudent leverage assumptions.

CONTINUED GOOD NEWS FOR BORROWERS

Overall, 2020 will be a year people remember for elections, volatility, and prudent deal making. There will be plenty of capital available for good deals with appropriate leverage and proper underwriting. This will not be a year for owners to be speculative or swing for the fences. Prudent risk-taking will prevail and capital velocity will continue to occur in what I consider an otherwise healthy market. This will be the year where relationships will be even more important because there will plenty of deals chasing capital. Those deals will be better received and have more certain outcomes when shepherded by people who have a proven track record and trusted relationship with the capital providers. ■



Rushi Shah is principal and CEO of the commercial mortgage and real estate investment banking firm and AAHOA Club Blue Member Mag Mile Capital. As a leader in hospitality financing, Shah specializes in structuring and placing high-leverage, non-recourse bridge and permanent debt with cash out for full – and limited-service hotels nationwide. Since joining the firm's predecessor, Aries Capital, in 2015, Shah has structured and closed hundreds of millions in financing for all property types. Shah has held previous positions at Northern Trust and has an MBA from the University of Chicago's Booth School of Business.

Looking ahead to the new year

by ALFREDO ORTIZ

IT'S A NEW YEAR, a new decade, and a fresh start. The new year is a welcomed opportunity to take stock of what we have accomplished over the past 12 months, as well as look ahead and plan for 2020.

CELEBRATE A SUCCESSFUL 2019

There's no doubt the economy flourished in 2019. Individuals of all backgrounds and demographics experienced great economic success. Wage growth was strong, the unemployment rate hit record lows, and job creation continues to drive a tight labor market – a great environment for employees of all skill levels to take advantage of.

2019 also provided good opportunities for small businesses. Thanks to significant deregulation, small-business entrepreneurs have been better able to grow and spur economic growth. According to the Economic Report of the President, the Trump administration took deregulatory actions that saved \$23 billion since 2018 – a dramatic increase of \$14.9 billion from the year prior.

Now, let's turn our focus to the coming year.

HEALTH CARE IN 2020

Health care reform is likely to be at the center of policy discussion – especially with the backdrop of the 2020 election. Health care is one area that everyone agrees needs to be addressed. While certain candidates continue to push government-run health care solutions, free market, and choice-based reform also is in the pipeline.

Private organizations and political committees alike are answering the demand for lower health care costs and more personalized plans. The Job Creators Network Foundation has also taken the plunge. We've released a health care framework that is focused

“

If executed like the last round of cuts, this tax policy would give small business owners another breath of fresh air, allowing them to hire more employees, raise wages, and even grow their business.”

Hot topics for 2020:

- health care reform
- tax cuts
- continued deregulation for small businesses

on strengthening the doctor-patient relationship and driving down costs by injecting more choice and competition into the system. It's a policy framework we call Healthcare For You.

Lawmakers should be focused on putting the American people back in the driver's seat of their health care, not filling the void with bureaucrats and red tape.

FOCUS ON TAX CUTS

In the coming year, another policy area that will greatly benefit small business owners are more tax cuts. After the Tax Cuts and Jobs Act of 2017, individuals and businesses across the country benefited greatly and the economy saw tremendous growth.

To summon similar outcomes, the Trump administration is prepared to announce another round of possible tax cuts later on this year. If executed like the last round

of cuts, this tax policy would give small business owners another breath of fresh air, allowing them to hire more employees, raise wages, and even grow their business.

Policymakers should also consider extending the Tax Cuts and Jobs Act passed the scheduled expiration date of 2025. Prolonging the tax cuts will allow both businesses and individuals to plan better for the future and encourage further economic growth.

KEEP THE OUTLOOK BRIGHT

While it's challenging to accurately predict the future, if this year is anything like 2019, we are in great shape. But to ensure even more success in 2020, we must continue to fight for smart, free-market policies that benefit all Americans. ■

Alfredo Ortiz is the President and CEO of the Job Creators Network.

Resources for AAHOA Members

by SHEETUL RAYEED



SHEETUL RAYEED
AAHOA STAFF ATTORNEY

HOSPITALITY IS ALL ABOUT THE guest experience and serving others, and I find tremendous satisfaction in serving those who give back to others as a part of their career and life missions.

Serving AAHOA as a Staff Attorney, I navigate members through franchise/independent hotel ownership issues and business-related inquiries.

HOW DOES AAHOA HELP ITS MEMBERS?

We guide hoteliers facing business issues with their independent and franchised properties. AAHOA Members may call and discuss their needs on any issue – from new legislation in their cities to signing new franchise agreements. Although AAHOA cannot provide legal advice, we can provide general information and guidance on a variety of topics. From questions on OSHA audits, ADA lawsuits, and franchise terminations to credit card chargebacks

and new development impact, we guide more than 400 AAHOA Members annually in all 50 states with our webinars, referral databases, and other resources. Roughly 26 percent of all our callers own independent hoteliers with questions on issues from guest evictions to music licensing.

In the hospitality industry, we recognize that fostering relationships is vital. We are intentional about this and meet with brand leaders regularly to foster open communication on the issues that matter most to hotel owners and brands. These relationships are crucial because they allow us to bring pressing hotelier issues to the franchisors and explore solutions, and it keeps our brand partners abreast of franchisee concerns. Our partnerships also allow us to directly connect a member with senior-level contacts within these large organizations to answer specific brand-related questions.

WHERE CAN HOTELIERS GO TO FIND RESOURCES?

The best resources start right here at AAHOA! The AAHOA HOTEL OWNERS ACADEMY™ delivers incredible educational resources from more than 350 short webinars to full-day intensive courses to deliver relevant resources to each member. The resources cover a wide range of topics – from reputation management to SBA loans – and are informative whether you're a new hotelier or an experienced one. We add topics to our library every week, so if there is a topic you would like to learn more about, let us know. AAHOA has resources no matter what your question or area of interest.

WHY IS LEGAL COUNSEL IMPORTANT?

Legal counsel early in your contracting or dispute resolution process is

imperative to protect your business interests and provides you with powerful leverage. Many hoteliers overlook the importance of legal counsel citing cost constraints, but the value received greatly exceeds the risks a hotelier would otherwise encounter.

From contract disputes to human resource concerns and franchise termination questions, there are experts in every area. As a hotelier, rely on the advice of these experts to navigate you through your business needs. Your investment is worth millions and investing a few thousand more in the right counsel and advice will preserve your investment.

WHAT CAN AAHOA MEMBERS DO TO HELP AAHOA BETTER ADVOCATE ON THEIR BEHALF?

This year, we launched MyAAHOA.com, which allows members to personalize their experience with AAHOA. MyAAHOA.com allows members to access the AAHOA HOTEL OWNERS ACADEMY™, customize their communication preferences, and register for the exciting events we host across the nation. Members can confidentially provide their hotel property information allowing us to communicate relevant, franchise-specific information to those members and to advocate on behalf of our members to local congressional representatives in these areas. Independent hoteliers will receive important communication on issues in the hospitality industry they wouldn't otherwise hear because they are not affiliated with a brand. Log on and update your profile today!

HOW DO I REACH YOU?

Contact AAHOA at 404-816-5759 or send us an email to franchise@aahoa.com, and we'll be happy to guide you. ■

Renovating your hotel

How hoteliers can ensure their properties are up to code

by NANETTE ODELL

The Americans with Disabilities Act began as an attempt to ensure that Americans with disabilities could get the same access to public spaces – an act that no one could have disagreed with. However, for hoteliers buying older properties, it can be difficult to know where to begin and how to make sure your spaces are ADA compliant. Here are a few things to know about the ADA:

- ➔ **The Americans with Disabilities Act is a civil rights law that has been around for almost 30 years.**
- ➔ **There is no “grandfather clause.”** Even hotels built before 1991 need to make modifications when remodeling occurs. It’s likely remodeling has taken place since 1991 and, if so, it was required to come up to the 1991 Standards for Accessible Design.
- ➔ **People with disabilities make up the fastest-growing minority population in the world.** Per the Department of Labor, Americans with disabilities have \$175 billion in discretionary spending power.
- ➔ **Making these modifications helps all your guests, not just those with disabilities.**
- ➔ **Tax credits and deductions are available to businesses to help cover the cost of making improvements that increase accessibility for those with disabilities.** You can find information on these at ada.gov/archive/taxpack.pdf. Think of how many improvements you can make to your property each year that will benefit all your guests.

WHERE DO YOU START?

So, how do you know what you need to modify? There are some great resources

available including www.ada.gov and an ADA checklist at www.adachecklist.org. Please know that this checklist is not all-inclusive, as it doesn’t cover many of the items in a hotel, such as guest rooms. Despite some franchise requirements to use this, going through that tool does not “certify” you are compliant or stop potential litigation in the event of a complaint. The checklist is helpful to get you started, though, and it’s important that you have an active role in this process to help you better understand what you need to do to help ensure the greatest level of accessibility for your guests.

Often, hotel owners will start the process of going through a checklist and become a bit overwhelmed when they realize all the little details that need to be reviewed. A public restroom alone can have 80 items that need to be checked for compliance.

PRIORITIES FOR MAKING MODIFICATIONS

When you are checking your property then making modifications, the Department of Justice lists the following four priorities:

- 1 Accessible approach and entrances:** Look at your parking lot, routes to your entrances (too steep or sloped?), drop-off area (which is required to have a striped and compliant access aisle at least 5 feet wide), the width of your doors, etc.
- 2 Access to goods and services:** Think about all you offer – rooms, dining, business center, pools, fitness centers, laundry, etc. These are all required to comply.
- 3 Access to public toilet rooms:** If you have restrooms in your lobby, look at

these carefully. Having grab bars is not enough. Consider that if you have a male and female single-user restroom in your lobby and neither are compliant, one option may be to make them both unisex restrooms. Then, you only need to make one of them compliant. If you don’t know which one to make accessible, look at which one needs fewer plumbing features modified. Either way, place signs on the non-compliant one that indicates the other one is accessible.

4 Access to other items such as drinking fountains, public phones, etc.:

For all features in and around your hotel, make sure there is an accessible path and compliant reach range. This means the height from the floor to the operating part of the amenity, for example, a phone to call into the office after lobby hours, the reach to purchase an item from a vending machine, etc. Practice going around your hotel with a closed-fist to see how well you can lock a door, open the curtains, turn on the shower controls, turn on a light switch for a bedside lamp, etc. The DOJ requires that all items be operable without tight grasping, pinching, or twisting of the wrist so it’s good to start looking and trying things from that perspective. ■

Nanette Odell is the president of Life Quest Training & Consulting, LLC. To learn more about how Life Quest can help your property meet ADA compliance, visit <https://adalifequest.com> and reach out via email at Nanette@ADALifeQuest.com.

“

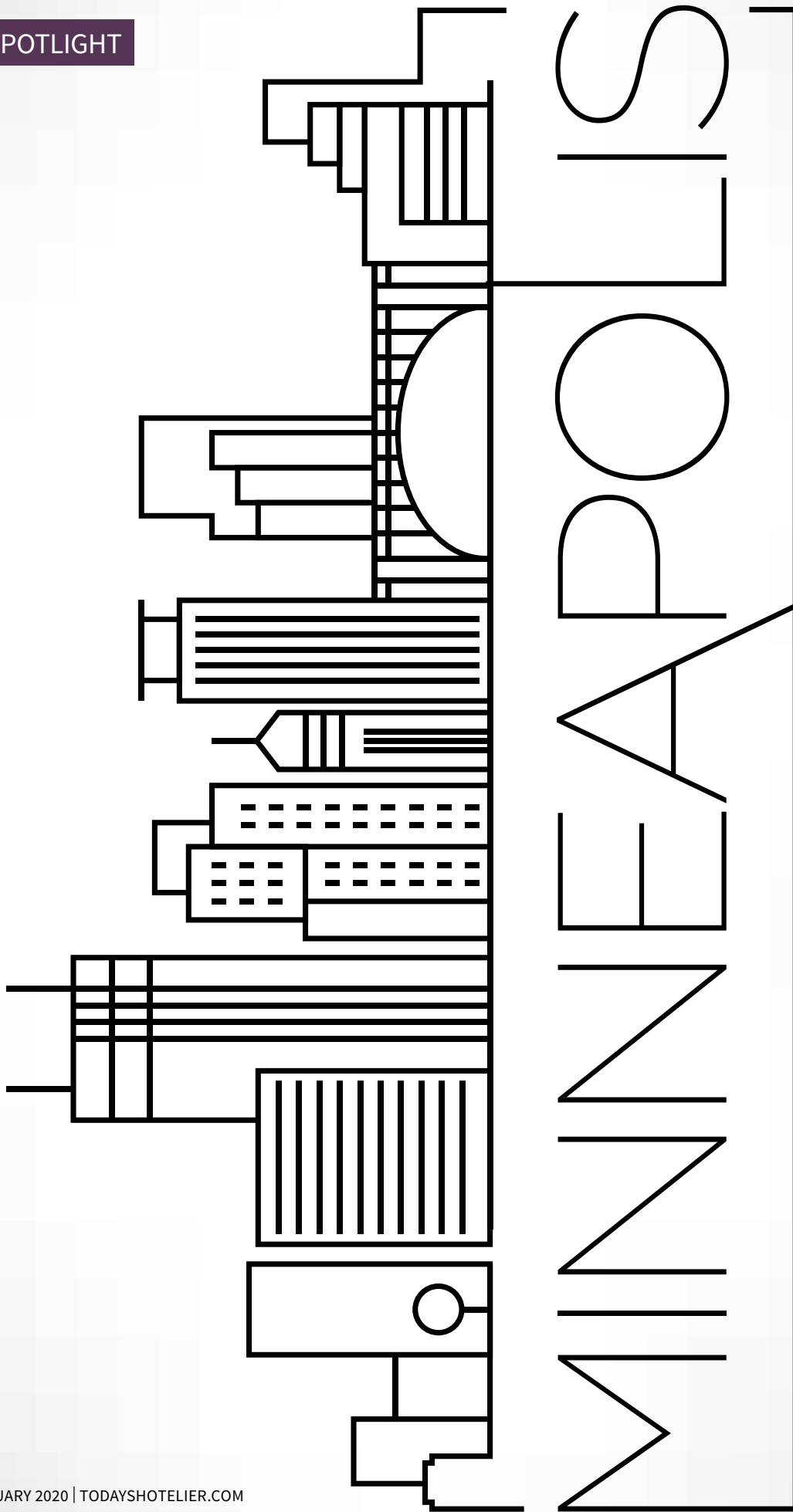
People with disabilities make up the fastest-growing minority population in the world. Per the Department of Labor, Americans with disabilities have \$175 billion in discretionary spending power.”

Suggestions for modifications

If you're concerned about ADA compliance, the following suggestions can help bring your property up to code:

- When a hotel restroom door swings into much-needed space and reduces access, consider replacing with barn doors.
- Showers and tubs that are not compliant can be replaced with transfer showers that take up less space and are often needed anyway.
- When replacing tables or desks, ensure they are not so deep as to impede on pathway space through a room but also have space to roll under that is at least 30 inches wide with no less than 27 inches in height for knee clearance and no higher than 34 inches to the top of the working space.
- If you have a roll-in shower and the required grab bars but want to install a shower seat to replace the portable one (that can be dangerous if it's not sturdy enough), know that you may need to take out grab bars that are behind the attached folding seat.

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Minneapolis

by ASIF LAKHANI

Minneapolis tourism at a glance: 2018

34.5 MILLION
visitors

\$8 BILLION
in spending

\$8 MILLION
in lodging taxes

- ➔ One of the largest public transportation systems in the U.S.
- ➔ Nearly 36,000 hospitality industry jobs
- ➔ 40 hotels
- ➔ 9,200 combined rooms

CK FOTO/SHUTTERSTOCK.COM

AS ONE OF THE TWIN Cities, Minneapolis has both the charm of a Midwestern town and attractions that have global appeal. The Twin Cities region as a whole had 34.5 million visitors who generated an \$8-billion economic impact via spending and another \$8 million in lodging taxes for Minneapolis alone in 2018. (Of note: The city hosted the Super Bowl in February of that year.)

TAXES SUPPORT TOURISM

The state's lodging tax is used to boost tourism efforts for the individual cities. The standard rate is 3 percent on hotel stays, and bigger cities such as Minneapolis charge an additional 3 percent on hotels with more than 50 rooms, according to the *Pioneer Press*. The majority of the funds (95 percent) raised by the tax must be put toward the promotion of tourism activities, the paper says. An October 2019 article detailed how the lodging tax concept is beginning to gain traction in the region's suburbs. How that changes the future of tourism and hospitality in the Twin Cities remains to be seen.

The tourism and hospitality industry accounted for nearly 36,000 Minneapolis jobs in 2018, which was an increase of more 1,100 jobs (3 percent) than the year prior. The city's 40 hotels with 9,200 combined rooms had a 70.8-percent occupancy rate

for the year, according to the report. The industry is the fourth-largest driver of jobs in the city, Mayor Jacob Frey said in the release.

The hotel development roster for Minneapolis features a handful of various types (luxury, boutique, standard, etc.) with an estimated 1,700+ total hotel rooms to open in the coming years. A Hilton and a Marriott are scheduled to open their doors this year.

DRAWING IN VISITORS

The Twin Cities region isn't lacking in attractions, specifically those of the natural kind. Minneapolis has a total of 197 parks, and nobody has to go further than six blocks to find one of them. Minnesota's 22 lakes means it has more shoreline than California, Florida, and Hawaii – combined.

The region's biggest attraction though – both literally and figuratively – may be the Mall of America, which is located in Bloomington. Situated on 78 acres, the mall attracts 40 million visitors annually and generates \$2 billion in economic activity for the state of Minnesota. Four out of 10 visitors to the mall are tourists, and there are two attached hotels: a J.W. Marriott with 342 rooms and a Radisson Blu with 500 rooms. Being located just 1.5 miles from the city's airport makes hosting

400+ events a year easy and efficient as well. More than 11,000 employees work year round at the mall, which features 520 stores, the world's largest indoor theme park, a simulated flight tour of the entire U.S., and 7 acres of skylights to allow for 70 percent of natural light to feed the park inside.

TRANSPORTATION CELEBRATION

Minneapolis's Metro Transit operation is one of the largest public transportation systems in the country and features two light-rail lines, a commuter rail, and bus service. The system provided 80.7 million total rides in 2018. It was Metro Transit's eighth consecutive year with more than 80 million rides and continued the trend of the system's highest level of ridership in three decades, according to the Metro Transit blog.

All in all, Minneapolis provides a great blend of nature, attractions, sporting, and cultural events that appeal to a diverse profile of travelers. The well-thought-out urban planning and development of Minneapolis make professional and leisure travel rewarding and efficient, while the city's cultural phenomenon (the home of Prince being chief among them) solidify its identity as a true gem of the Midwest and beyond. For investors, Minneapolis is a city committed to tourism, hospitality, and transportation for all residents and visitors

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AAHOA Members in action

1. Regional Director Girish (Gary) Patel and Gov. Asa Hutchinson met at the 75th Annual Arkansas Hospitality Association and Trade Show.
2. South Central Texas Regional Director Mike Patel and his Ambassadors wrapped up their Town Hall Tour in Fort Stockton.
3. Washington, D.C. Area Regional Director Sandip Patel and his Ambassadors hosted two Town Halls, this one in Huntington, WV, and another in Winchester, VA.
4. Central Midwest Regional Director Hitesh Patel, Young Professional Director Western Division Miraj S. Patel, hosted a YP Hoteliers Town Hall in Oklahoma City, OK. Lifetime Member Champ Patel was on hand to address concerns about the future of the hospitality industry.
5. Chairwoman Jagruti Panwala, Treasurer Vinay Patel, Secretary Nishant (Neal) Patel, and COO Rachel Humphrey presented Best Western Hotels & Resorts President and CEO David Kong with an award in appreciation of our partnership.
6. Northwest Regional Director Hiten Patel and Director at Large Prashant Patel hosted the first Town Hall in Wyoming, in Laramie.
7. Alabama Regional Director Sanjay M. Patel and his Ambassadors hosted the Alabama Regional Conference and Trade Show in Birmingham.





8. Young Professional Director Western Division Miraj S. Patel was on hand as Southeast Texas Region Ambassador Vimal Bhakta opened his new La Quinta Inn & Suites Houston East I-10.
9. Upper Midwest Regional Director Kalpesh Joshi and Female Director Western Division Nimisha Patel held a Women Hoteliers Town Hall in Chicago.
10. Jags Patel was presented a Lifetime Achievement Award from the Texas Hotel & Lodging Association for all of his efforts fighting for hoteliers interests throughout the state of Texas. He was the first Asian American to serve on the THLA board and has served for the past 20 years.
11. Southeast Texas Regional Director Sawan H. Patel and his Ambassadors hosted their Regional Conference & Trade Show in Stafford.
12. Director at Large Prashant Patel represented AAHOA at the Mid South Lodging Expo in Southaven, MS.
13. Northeast Regional Director Jayesh R. Patel hosted his final Regional Conference & Trade Show of 2019 in Syracuse, NY.
14. Southwest Regional Director Imesh Vaidya and his Ambassadors hosted a Town Hall in Albuquerque, NM.
15. Secretary Nishant (Neal) Patel spoke on the "Are You Ready for 2020?" panel at the California Lodging Expo® and Conference in Los Angeles.



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16. Treasurer Vinay Patel addressed attendees at the “How to Form a Management Company” workshop at baywood Hotels in Maryland.
17. North Texas Regional Director Mayur (Mike) Patel and his Ambassadors hosted a Town Hall in Amarillo.
18. Director at Large Piyush Patel was on hand for a Town Hall Tour through the Northeast Region, during which AAOHA Director of Education Kathija (Kat) Mohammed trained more than 100 attendees on human trafficking awareness and prevention.
19. Vice Chairman Biran Patel joined Coca-Cola for its Diwali celebration.
20. North Central Regional Director Bhavesh Patel hosted his final Regional Conference & Trade Show of 2019 in Cincinnati.
21. AAOHA Upper Midwest Ambassador Mehul (Mike) Patel, of MoveMent Hospitality, was named the 2019 Corporate Champion of the Year by the Wisconsin Hotel & Lodging Association.
22. Central Midwest Regional Director Hitesh Patel hosted his final Regional Conference & Trade Show of 2019 in Oklahoma City.
23. Lifetime Member Bijal Patel was elected as chairman of the California Hotel & Lodging Association.
24. Past Chairman Alkesh Patel was appointed to the Clark College – Vancouver, Washington Foundation’s Board of Directors.



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