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Pair Of Former GE Commercial Finance Execs Establish New Hotel Investment Firm

BY CHRISTOPHER OSTROWSKI

BELLEVUE, WA— For those who are strict believers that the hotel industry is primarily a relationship and experience-based business, a national, full-service real estate investment firm touting those very two characteristics has now been formed. Called Premier Capital Associates, LLC, the Bellevue, WA-based firm has been established by GE Commercial Finance veterans Jeff McKee and Greg Morris and promises to specialize in the placement of debt and equity finance for the lodging sector as well as other income-producing forms of commercial real estate.

The experience aspect of the firm is found in the combined 27 years of commercial finance knowledge that exists between McKee and Morris, who set out on their own in the creation of Premier Capital following their departure from GE Commercial Finance in April. McKee had been a senior vp with GE and was responsible for originally building the company's hotel division from the ground up. Morris had been a vp at GE and originated more than \$600 million in loans during his time there.

High-Level Connections

As for the relationship-side of their new company, Morris and McKee said that their ex-

isting high-level hotel industry connections across the country should lead to an ever-increasing amount of business as others find out what sets Premier Capital apart from its competition. "The thing that really differentiates the firm is really the depth of experience and knowledge of the people in the business and the relationships," said McKee, who, along with Morris, is a managing director of the firm. "We've worked with people like the CEOs of the major franchise companies and we still have those relationships today as well as relationships with the one- or two-property hotel owner/operators, who are really



Jeff McKee
Premier Capital
Associates, LLC

the ones who use our services for the most part. But we have a broad spectrum of relationships across the U.S. and across the industry that we bring to the table. I would venture to say that not many other folks can bring all of that to the table, or at least not in the mortgage banking business."

As a borrower's representative, Premier Capital also promises to bring an extensive network of capital providers to the table for its hotel investors. In addition, the firm can provide more general real estate advisory services, including debt and equity analysis, brand evaluation, site selection, buy and sell evaluation and asset management.

"For us, it's all about the

value-add service we provide," Morris noted. "It's a matter of finding solutions for your customers. There's a perfect fit for everything. So it's a matter of molding two things together and finding a need and the solution for that need."

McKee further explained that hiring Premier Capital is like "renting a CFO for your transactions, so that you don't have to worry about what's going on in the marketplace today and where do I need to place my capital?"

Both McKee and Morris did admit that today's fast-paced, highly competitive financing and transaction environments are not ideal conditions for the establishment of a new firm. But they are confident that Premier Capital's value will be evident to all in the long run.

"We know in today's environment it's actually probably tougher for us to do business because there's so much capital in the market," McKee said. "But where the rubber meets the road for us is when times go in a different direction and there is less competition out there and less lenders interested in hotels. That's when our expertise really comes to the forefront and we can say here's why this deal makes sense or doesn't make sense."

Premier Capital will be doing such evaluation and work, at least initially, in the limited-service sector for the most part

with per deal loan sizes ranging from \$5 million to \$25 million. McKee also pointed out that the loan-to-value ceiling will be about 85% for certain clients, while others will qualify for lower LTVs.


While Premier Capital also prefers to work with experienced hoteliers and branded

properties, McKee said that the company will get involved in arranging financing for independent properties and borrowers who might not be as experienced with hotel assets.

Meanwhile, Morris mentioned that eventually the company wants to expand into the full-service hotel financing arena. However, such an expansion will be gradual, McKee asserted.

Transactions In Pipeline

Nevertheless, the firm has already floated several possible transactions out to lenders and has approximately a dozen potential transactions in its pipeline. Consequently, McKee said that Premier Capital should close on its first transaction within the next few weeks. Looking further out, he said that the company should be involved in about 10 to 15 deals by the end of its first year.

"But it's not so much about the number of deals we do or the volume," Morris remarked. "We just want to provide good customer service and find solutions for our customers." 



Greg Morris
Premier Capital
Associates, LLC