

## 5 Things to Know

# 5 things to know: 16 April 2018

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From the desks of the Hotel News Now editorial staff:

- Pebblebrook ups LaSalle offer, includes cash
- MGM sells Illinois casino for \$327.5 million
- Incoming RLJ CEO confident in company's course
- Consumer spending ticks up in March
- Strong growth projected, but reforms needed



By the HNN editorial staff

1

Pebblebrook ups LaSalle offer, includes cash: Pebblebrook Hotel Trust officials have released a letter detailing [an updated offer to purchase LaSalle Hotel Properties](#), this time offering an aggregate price of \$31.75 per share, according to a news release. The new offer also includes a caveat that common shareholders could receive up to 15% of the purchase in cash instead of just Pebblebrook stock.

In the release, Pebblebrook Chairman, President and CEO Jon Bortz noted he is “disappointed that LaSalle has not responded to our revised proposal and continues to refuse to negotiate an agreement to combine the two companies, which would benefit the shareholders of both companies.”

“This revised offer demonstrates our strong commitment to bringing these two similar companies together,” he said.

2

MGM sells Illinois casino for \$327.5 million: Officials with MGM Resorts International have announced a deal to [sell the Grand Victoria Casino](#) in Elgin, Illinois, to Eldorado Resorts for \$327.5 million in cash, according to a news release. MGM holds a 50% stake in the property and is expected to receive roughly \$162 million in the deal.

The deal is expected to close within a year.

3

Incoming RLJ CEO confident in company's course: RLJ Lodging Trust EVP, COO and CFO Leslie Hale will take over as the company's CEO on 22 August, and in [a recent interview](#) with HNN's Stephanie Ricca, Hale said she believes the company is poised for further success.

"The board and I believe we are on very solid ground—our strategy, the business model and the execution of that strategy are working," she said. "Staying the course is critical."

Hale will be overseeing a portfolio of 155 hotels with roughly 30,200 rooms.

4

Consumer spending ticks up in March: The Wall Street Journal reports that [U.S. retail sales increased 0.6% in March](#) compared to February, according to the Commerce Department, beating projections by economists in an earlier survey.

The newspaper quotes Mark Frissora, CEO of Caesars Entertainment Corp., who noted in a March earnings call that they're seeing positive economic signs.

"At the macro level, we're seeing both positive trends in consumer sentiment and spending," Frissora said. "Unemployment levels are at historic lows and incomes are rising, while the effects of U.S. tax reform are expected to further strengthen discretionary consumer spending."

5

Strong growth projected, but reforms needed: Robert Kaplan, president of the Dallas Federal Reserve Bank, says he expects "falling unemployment, rising wages and solid economic growth" in 2018, [according to a report from Reuters](#), but he cautioned structural reforms are needed to protect future growth.

He said he worries the short-term positives will convince people not to worry about the long-term issues.

"Because the near-term outlook for GDP growth is positive, this may lull observers into believing we are on a path to sustained improvement in the economic performance of the U.S. economy," Kaplan wrote.

*Compiled by Sean McCracken.*