



Q&A with Marco Roca, Reveille Hospitality

BY ADAM PERKOWSKY ON MAY 15, 2020

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With more than 35 years of experience in the industry, Marco Roca knows his way around hotel development. He's held high-level development positions with such major companies as Caesars Entertainment Corporation, Hard Rock International, Wyndham Worldwide and Starwood Hotels & Resorts Worldwide. Last year, he started his own firm, Miami-based Reveille Hospitality. He spoke with *Hotel Business* to discuss this new chapter in his career.



Why was it time to branch out on your own? There never seems to be a single catalyst that brings about change. In fact, I have often found that it takes a series of events to lead you to a new chapter in life. My first catalyst was pondering how I want to spend what may be my final decade in the industry. I am passionate about making an impact, and conducting my own real estate development projects is an extraordinary opportunity to make an impact beyond myself.

The second event that contributed to my transformation was meeting my partner, Matthew Daniels, when he and his colleagues approached me to get involved with the development of a luxury hotel in Isla Mujeres, Mexico. Matt and I have since created Meridian Hotel Development, in which my firm, Reveille Hospitality, is a 50% partner.

My final realization was that I want to spend more time with my family. All members of my family are involved in our business. Marco Jr. has been in the hospitality industry for the past five years and, as my partner, he contributes his knowledge of real estate finance and hotel management. Giovanni is an NYU graduate and shares his knowledge of entertainment and technology to maximize the guest experience. Stefano is a sophomore at Cornell's hotel school and always keeps us abreast of industry trends and best practices. Finally, Claudia, my wife, gives us much needed perspective as a woman and mother and what that enormously powerful consumer class thinks of our various concepts.

What is it like being partners with your son? Having my first-born son by my side as a full partner is a dream come true and also one of the primary drivers for creating this company. My father and I were partners for the last decade of his life in Encore Global Partnerships, where we had an exclusive distribution agreement with Sealy to sell hospitality sleep systems to guests of the hotels featuring its products.

Marco Jr. (MJ) has had a brilliant career including Wall Street, hotel valuation consulting and, most recently, serving as VP of development and corporate strategy at a third-party hotel management company. All the while, his entrepreneurial spirit has helped him land freelance advisory roles and several hospitality organization board positions. MJ's analytical skills have already been put to the test in producing business plans, investor packages and carefully assessing several strategic decisions we have made. His role will expand into investor relations and asset management as we continue to grow.

What are the services Reveille Hospitality has to offer? Reveille is the holding company for multiple ventures. On the development front, we have a 50% stake in Meridian Hotel Development and a 50% stake in Beacon Hospitality. When we began our company, we wanted to choose a hotel product that let our investors enjoy the high returns found in the hospitality vertical with limited downside risk. After analyzing choices from most of the major hospitality brands, our projected NOI per key relative to development costs was unparalleled with Extended Stay America. Reveille also outsources global hospitality licensing, works with partners to raise capital, and consults on real estate investments. Once our properties are operating, we remain involved as asset managers.

How has the COVID-19 pandemic affected your business? This pandemic has been and will continue to be devastating for the families that have lost beloved relatives and first responders who have fallen victim to this virus while saving the lives of their fellow countrymen. Despite its obviously destructive consequences, COVID-19 has brought us unexpected gifts: The planet needed a break from humanity, and our friends and families needed more time to bond in a growingly distant world. As we emerge from this time, guests will enjoy safer, cleaner environments at all establishments.

Raising capital is the greatest hurdle for virtually all real estate developers. Fortunately, our extended-stay product is resilient during periods of economic contraction. Furthermore, our investment cost components—from construction to FF&E and land negotiation—have been dropping. In many senses, we believe that now is an ideal time to be a developer, and we are open to more investors. The hotel industry has made it through tough times before, and we will prevail once again.

What is your company working on now? We have a robust pipeline for a company in its first year of operations. We are completing an equity fundraise for a portfolio of three Extended Stay America hotels in the Midwest for which we already have soft commitments on both the equity and debt. We control the sites and are close to completing the entitlements process. We also have another 10 sites that we are ready to develop with the Extended Stay America brand.

We are also actively working on a luxury, all-inclusive hotel development in Isla Mujeres, Mexico. We are acquiring the largest real estate development on the island. We know of no other destination like this in the world, and we believe that our mission behind developing this hotel extends far beyond any business plan. We are currently negotiating with Marriott's Autograph Collection and Hilton's Curio Collection to determine which brand would be a better partner for our vision.

Our third development bucket includes our finalist bids for several hotel development projects. One such project is an 800-room hotel planned at the Duke Energy Convention Center in Cincinnati. Others include advanced negotiations for sites appropriate for lifestyle hotel product under the Marriott, Hilton and Hyatt brands. HB

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