



Lot 27 & Former Fire Station No. 1 Development Proposals

Community & Economic Development

Development Committee
February 22, 2018

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SITE MAP



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BACKGROUND

1. April 7, 2015: City Council declared Public Parking Lot No. 27 (Lot 27) as surplus
2. July 14, 2015: City Council approved PSA with Encore Education Corporation for historic former downtown Fire Station No. 1
3. October 3, 2016: Development Committee selected a development proposal from Dos Lagos Asset to construct a Hotel Indigo on Public Parking Lot No. 27
4. May 2017: City takes back possession of historic former downtown Fire Station No. 1 from Encore via a Settlement Agreement and Conveyance of Fee Title in the amount of \$250,000
5. July 2017: Dos Lagos Asset and City staff agree to cancel PSA negotiations for Public Parking Lot No. 27
6. July 2017: Staff issues RFQ for Combined Hotel and Adaptive Re-Use Opportunity
7. September 18, 2017: Four (4) proposals received



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RESPONDENTS

	<u>Greens Inv 3, LLC</u>	<u>Bailey California Properties</u>	<u>Havadija Holdings, Inc.</u>	<u>Sonnenblick, LLC</u>
Proposed Development:	Hotel & Upscale Restaurant	Bowling Alley, Bar, Dining & Micro Hotel	Corporate Office, Restaurant & Bar & Future Hotel	Hotel & Restaurant
Hotel Brand:	Hilton Hotel	Not Provided	None	Hotel Indigo
Hotel Manager:	Greens Inv 3, LLC	Not Provided	None	HMG Hospitality
Architect:	Axis Architecture	Ricki Kline Design	Ruhnau Ruhnau Clarke	Ruhnau Ruhnau Clarke
Hotel Rooms:	161	7	Not Provided	109
Number of Stories:	7	2	2	5
Parking Spaces:	203	Not Provided	Not Provided	142
Proposed Purchase Price:	\$1,000,000	\$650,000	\$2,100,000	\$973,300*
Encompasses both Properties:	Yes	No	Potentially	Yes
Anticipated TOT (Year 1):	\$920,656	Not Provided	Not Provided	\$550,000 - \$675,000

* requires TOT sharing agreement



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HILTON HOTEL



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FISCAL IMPACT

	Transient Occupancy Tax	Sales Tax	Property Tax
Year 1	\$920,656	\$469,481	\$49,500
Year 2	\$989,153	\$486,176	\$50,490
Year 3	\$1,008,936	\$504,238	\$51,499
Year 4	\$1,029,115	\$522,613	\$52,530
Year 5	<u>\$1,049,696</u>	<u>\$541,687</u>	<u>\$53,580</u>
Total:	\$4,997,556	\$2,524,195	\$257,599



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RECOMMENDATIONS

That the Development Committee:

1. Review and recommend selection of the Greens Inv 3, LLC proposal for the disposition of City-owned former Downtown Fire Station No. 1 and Parking Authority-owned Public Parking Lot No. 27 for the development of a Hilton Hotel; and
2. Direct staff to negotiate a Purchase and Sale Agreement with Greens Inv 3, LLC for the disposition and development of the Property to be presented to the City Council for final consideration



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