



HACIENDA HOTEL

CRA WORK SESSION

OCTOBER 17, 2017

HACIENDA GRANT STATUS

- **\$750,000 Special Category Grant**
 - Bid Documents – Ready February
 - Windows (117) Doors (38)
 - 15 months for construction
- **\$100,000 Small-Matching**
 - Bid Documents – Ready late December
 - Patio and Entries, Historic Stairs, Structural Beam
- **\$100,000 Small-Matching 2018** – Mullet Stucco



HACIENDA RESTORATION

FOUR CONCEPT

- I. Single-Purpose Tax-Exempt Financing Entity
- II. Sell/Lease to Boutique Hotel Operator
- III. Incremental Approach
- IV. CRA Complete Restoration

Note: *Division of Historic Resources \$1.5 million restrictive covenant against the deed.*

SINGLE-PURPOSE TAX-EXEMPT ENTITY

Hacienda Deeded to Tax-Exempt Entity

Form Board of Directors

Select Developer/Operator

Issue Tax-Exempt Non-Recourse Bond

Developer Restores

Hotel Operator

Operations

Profits Payoff Debt

Excess to CRA

ISSUES

- Likely the most costly
- County Tourist Development Tax Dollars Essential
- Financing likely Difficult and Complicated
- Funding can be secured with a TIF resolution
- Likely a Five Star Boutique Hotel Marketed Globally



SALE/LEASE TO BOUTIQUE HOTEL OPERATOR

- 20% Historical Tax Credit Incentive
- Additional Tax Advantages to buyer/Lessor
- Less Complicated
- Little burden to city taxpayers
- Can open quickly
- Likely a 3-4 Star Boutique Hotel
- Economic Benefit - Property & Tangible Taxes & Tourism
- Stewardship is an Issue



INCREMENTAL APPROACH

- Life Safety Approach
- Pursue Both Historic Preservation and Tourist Development Grants
- Open First Floor
- Lease Restaurant, Patio and East Wing Retail Space
- Work on Remaining Renovation Reinvesting Funds to Finish Second Floor
- Held by CRA

CRA COMPLETE RESTORATION

- Same as Tax-Exempt Concept – Financing Necessary
- Historic Preservation and Tourist Development Grant Awards
- CRA Board is Board of Directors
- Engage/Lease/Sell to Hotel Operator
- Profits to the CRA

QUESTIONS & CONSIDERATIONS

- Input on the Four Concepts
- Recommendation on Issuing an RFP
 - Two Likely Respondents

