



Report to the City Council
Council Meeting of September 27, 2016

Agenda Section: New Business

Subject: Overview of project teams and presentation seeking general input on the conceptual designs submitted in response to the City's Request for Proposals on the Adams Street and City Hall properties.

CEQA Status: Any chosen respondent's project will be subject to a complete review and analysis under CEQA

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Noah Housh, Planning and Community Improvement Director NJH

Approved By: Jennifer Phillips, City Manager

BACKGROUND

On October 27, 2015, March 22, 2016 and May 10, 2016, the St. Helena City Council discussed the issuance of Requests For Proposals (RFP) for both the Adams Street and City Hall properties. Based on Council direction, staff finalized both RFPs and issued them on June 21, 2016. Notification of the RFPs was sent by mail and email to over 70 firms with specialties including architecture, planning, real estate transactions, commercial real estate development, hotel development, housing development and real estate investment.

The deadline for submitting proposals for both RFPs was Friday, August 19, 2016 at 5:00 p.m. PST. The City received three proposals in response to the Adams Street RFP and one response to the City Hall RFP. A proposal review team has been assembled that includes City staff along with highly qualified private sector consultants. This team includes: City Manager Jennifer Phillips; Planning and Community Improvement Director Noah Housh; Attorney and Burk Williams Sorensen Partner Michael Biddle; Consultant and Retired City Manager Mike Oliver; Consultant and Public Agency Financial Advisor Robert Gamble.

CONCEPTUAL PROJECT INFORMATION – ADAMS STREET RFP

Three proposals were submitted in response to the City's Adams Street RFP. The respondent team descriptions, project description and conceptual renderings are extracted verbatim from the proposals.

Proposal 1 - Bald Mountain LLC and Alcion Ventures (Attachment 1)

Respondent's Team Description:

Bald Mountain and Alcion are long time partners in the resort development business. Bald Mountain and Alcion are developing a Four Seasons resort, winery, and residences in Calistoga, across from Solage. See www.napaluxuryliving.com for details of that resort project. The business relationships among the principals of Bald Mountain and Alcion date back to the 1990s when the founders of Alcion were principals at AEW, one of the premier real estate private equity investment advisers, based in Boston. Partners Martin Zieff and Mark Potter founded Alcion Ventures in 2005. In 2008, Eugene DeFavero joined as Partner. Kristopher Galletta, who joined the firm in 2005, was promoted to Partner in 2013. Alcion currently manages approximately \$1 billion of equity committed to three opportunistic real estate investment funds. Alcion's funds are managed on behalf of a diversified investor base, including major pension funds, endowments and foundations, family offices, funds of funds, and high net worth individuals. Alcion invests in and develops a wide range of real estate asset classes, with particular expertise and depth in the luxury resort and residential sector. Alcion developed the new flagship Four Seasons Hotel in Toronto, which opened in 2014, and is currently developing the Four Seasons Private Residences in Los Angeles, California.

Bald Mountain LLC is a boutique resort development firm headquartered in Aspen, Colorado. Principals David Parker and Kelly Foster and the Bald Mountain team manage a select number of high-end resort projects. Bald Mountain developed the Hyatt Grand Aspen in downtown Aspen, the Rosewood San Miguel de Allende in central Mexico, and led the successful turnaround of Chileno Bay, a 1,200 acre golf and ocean club community in Los Cabos, Mexico. Bald Mountain and Alcion have two active projects presently: the Four Seasons project in Calistoga, and the One Aspen project in downtown Aspen, which consists of fourteen luxury townhomes at the base of Aspen Mountain, as well as on-site and off-site affordable housing units.

Respondent's Project Description:

The project has been thoughtfully designed as a mixed-use resort. The scope, scale and aesthetics of the project were carefully crafted to ensure a seamless integration into the community and to minimize that any potential infrastructure or environmental impacts. In addition to guest rooms and for-sale condominiums the project proposes the following amenities:

- A small restaurant/bar with patio seating
- A tasting room envisioned to accommodate Appellation St. Helena member wineries on a rotating basis.
- A spa/wellness center which will be open to the public for membership.
- Relocate and repurpose the historic Signorelli Barn for use as an event center.
- Extensive water efficient landscaping including a formal 'Green' at the corner of Library Lane and Adams Street.

This mixed-use resort will be operated by a five-star luxury flag, and will include eighty-five guest rooms and twenty for-sale condominium residences. The resort will house a

Item No: 18

boutique wine tasting room – one that could be made available to the City of St. Helena for special events at a minimal cost (which could be comprised of Appellation St. Helena member wineries on a rotating basis). It will also include a proposed adaptive re-purpose and relocated reuse of the city-owned and dilapidated Signorelli Barn as a banquet and event space, a small on-site restaurant, bar and pool; and a full-service spa, fitness and wellness center that will be open to the local citizens of St. Helena for membership.

Proposal 2 – HMS Development Partners LLC (Attachment 2)

Respondent's Team Description

Developer: HMS Development Partners, LLC – a California LLC specifically formed for this project proposal. Ownership is split in thirds between Edson Hutchinson, Michael Shinn and Sidney Montague.

Lead Architect: RCAA Architects, Inc

Hotel/Apartment Architect: A. David Gibson

Contractor: Dck California Construction, Inc.

Structural Engineer: Miller Pacific Engineering Group

Civil Engineer: Delta Consulting & Engineering

Retail Planning: Southwest Retail Group, Inc.

Office/Apartment: Hope Development Partners

Legal: Ken Cohen, JRA Law Partners, LP

Environmental Consulting: Analytical Environmental Services

Traffic Consulting: Y&C Transportation Consultants, Inc.

Respondent's Project Description:

The Village at St. Helena is designed as an elegant and upscale mixed use commercial and residential project consisting of the following:

First Class Office Building

- Class A office building – 3 tiered stories – 24,000 square feet
- City Hall & Police Station – 1st & 2nd floor – 15,000 square feet
- Available “for lease” 3rd floor Class A office – 6,000 square feet
- Reserved underground parking for tenants
- Inviting and open first floor lobby
- On grade parking for office clients & visitors

Five Star Boutique Hotel

- 75 luxury suites
- Full service Spa and workout facilities for hotel guest/public
- Heated Outdoor swimming pool/Jacuzzi, lounge and patio
- Underground parking for hotel guests

World Class Event Center

- Complete wedding event facility capable of entertaining 500 guests
- Business conference accommodations for up to 500 attendees
- Honeymoon bungalow for wedding party complete with master suite, multiple bedrooms, complete kitchen and patio overlooking the hotel, pool, gardens and the David Fulton Vineyards. The bungalow will be available to hotel guests and conference VIPs when not utilized by wedding parties
- The Event Center consists of 10,000 square feet of indoor area, with patios overlooking the David Fulton Vineyards and surrounding mountains of the valley
- The building will be available for community group events when not reserved for weddings or conferences at no cost

Specialty Retail Shops

- Retail shop space provides street visible frontage for boutique shops, with a mix of high and casual dining restaurants with patios, serving breakfast lunch and dinner.

Luxury Apartments

- 44 studio apartments
- 19 one bedroom apartments
- 7 two bedroom apartments
- Underground reserved parking – 1 space/unit
- All units have either ground floor patio or balcony on 2nd & 3rd floor units
- 20% of all units will be at below market rents
- Dramatic views of the The Village at St. Helena Plaza, surrounding vineyards and mountains

The Plaza

- Over 1 ½ acres of inviting open air plaza with hardscape pavers, water conserving trees, plant materials and water features
- Elevated stage for outdoor concerts, theater and other seasonal events

Proposal 3 – HRV Hotel Partners (Attachment 3)

Respondent's Team Description

HRV Hotel Partners, as the Developer and Co-Sponsor of the proposed project, will lead the respondent team (the "HRV Team"). The HRV Team is comprised of the following team members:

HRV HOTEL PARTNERS

Developer and Co-Sponsor

HRV is a hotel and resort development company, based in Atlanta with offices in Chicago and Cabo San Lucas, Mexico. HRV was founded in 1996 (as Hardin Capital) and has successfully developed numerous resort, urban and university-oriented hotels. Richard Holland is the Co-Founder and Managing Partner of HRV. HRV's most indicative example of successfully developing a five-star quality resort is The Resort at Pedregal (Cabo San Lucas). This resort has received numerous accolades and awards including: The AAA Five-Diamond Award for 2013, 2014 and 2015; #1 Mexico Hotels and Resorts 2014 (Travel + Leisure); #15 World's Top 100 Hotels 2014 (Travel + Leisure); #1 Top Spa in Mexico 2012 (Conde Nast); #8 World's Greatest Hotel Spas 2013 (Trip Advisor Travelers Choice Awards).

HKS ARCHITECTS

Architect

HKS is one of the largest architecture firms in the world. The HKS Hospitality Group designs hotels and resorts of all types in markets worldwide. The HKS Hospitality Group is led by Nunzio DeSantis. Mr. DeSantis, based in Dallas, will be the lead design architect for this resort.

GEOLO CAPITAL

Co-Sponsor/Equity Investor

Geolo will be the Co-Sponsor for the development of this resort by providing equity investment capital for the resort. Geolo, based in San Francisco, is the private equity investment arm of the John A. Pritzker family office. Geolo focuses its investment activities on three core areas: hospitality, real estate and consumer companies. Geolo currently has active investments in ten hotels with a total enterprise value of approximately \$1.5 billion. Geolo brings a wealth of experience in the ownership and administration of hotel assets, and will be involved in all major decisions with regard to the development and ownership of this resort.

COMMUNE HOTELS + RESORTS & DESTINATION HOTELS

Resort Operator

Commune and Destination recently merged in January of this year to form Commune Hotels

+ Resorts / Destination Hotels. Commune/Destination is jointly owned by Geolo Capital (San Francisco) and Lowe Enterprises (Los Angeles). Commune/Destination has 45+ years of independent and boutique hotel and resort management experience. The Commune/Destination portfolio currently includes 90+ hotels and resorts, including

luxury resorts such as Carmel Valley Ranch, Terranea Resort (Rancho Palos Verdes) and Ventana Inn (Big Sur).

KOCH REAL ESTATE INVESTMENTS

Equity Investor

Koch Real Estate Investments (KREI) is the real estate investment arm of Koch Industries, Inc. Koch Industries is second largest privately held company in the U.S. with over \$100 billion in annual revenue. Since 2010 KREI has invested over \$1 billion in real estate, and is now strategically expanding its investments in hospitality real estate. (A letter from KREI expressing its interest in providing the subject equity investment is included in the Exhibits section to this document.)

HALL STRUCTURED FINANCE

Construction Lender

HALL Structured Finance (HSF), a subsidiary of HALL Group, was founded in 1995 by Craig Hall (Hall Wineries) as a platform to provide debt capital to high-quality commercial real estate projects throughout the U.S., with a strong focus on the hospitality industry. HSF originates loans for its own account, typically in the form of first-lien construction loans. (A letter from HSF expressing its interest in providing the subject financing is included in the Exhibits section to this document.)

Respondent's Project Description:

The resort will be programmed and designed to fit within the culture of Napa Valley and St. Helena, and will reflect the agrarian context of the surrounding vineyard areas. The plan will address the value to the resort and the neighborhood of the pedestrian access to the downtown and will provide for well-orchestrated automobile arrival, drop-off and onsite parking. The program for the Proposed Development Plan includes approximately 105,505 square feet of total interior building area.

Preliminary Development Program Summary:

- 113 guest rooms and suites, comprised of 102 standard rooms, 7 suites and 4 villa suites
- Lobby/Reception Building (2,370 SF)
- Restaurant (2,750 SF)
- Signature Restaurant, including bar, rooftop bar, private dining and exterior terrace (6,550 SF)
- Events Pavilion, including a ballroom (3,000SF), meeting rooms (1,700 SF) and a boardroom (600 SF), with a total building area of 8,300 SF
- Event Lawns (10,000 SF)
- Spa, with 3,190 SF of interior area and 4,000 SF of exterior lounging and pool area
- Fitness Studio (1,850 SF)
- 2 outdoor swimming pools
- Retail shop (200 SF)
- Administrative office and back-of-house service areas (18,175 SF)

CONCEPTUAL PROJECT INFORMATION – CITY HALL PROPERTY RFP

One proposal was submitted in response to the City's City Hall Property RFP. The respondent team descriptions, project description and conceptual renderings are extracted verbatim from the proposal.

Proposal 4 – HRV Hotel Partners (Attachment 4)

Respondent's Team Description

HRV Hotel Partners, as the Developer and Co-Sponsor of the proposed project, will lead the respondent team (the "HRV Team"). The HRV Team is comprised of the following team members:

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Developer and Co-Sponsor

HRV is a hotel and resort development company, based in Atlanta with offices in Chicago and Cabo San Lucas, Mexico. HRV was founded in 1996 (as Hardin Capital) and has successfully developed numerous resort, urban and university-oriented hotels. Richard Holland is the Co-Founder and Managing Partner of HRV. HRV's most indicative example of successfully developing a five-star quality resort is The Resort at Pedregal (Cabo San Lucas). This resort has received numerous accolades and awards including: The AAA Five-Diamond Award for 2013, 2014 and 2015; #1 Mexico Hotels and Resorts 2014 (Travel + Leisure); #15 World's Top 100 Hotels 2014 (Travel + Leisure); #1 Top Spa in Mexico 2012 (Conde Nast); #8 World's Greatest Hotel Spas 2013 (Trip Advisor Travelers Choice Awards).

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Co-Sponsor/Equity Investor

Geolo will be the Co-Sponsor for the development of this resort by providing equity investment capital for the resort. Geolo, based in San Francisco, is the private equity investment arm of the John A. Pritzker family office. Geolo focuses its investment activities on three core areas: hospitality, real estate and consumer companies. Geolo currently has active investments in ten hotels with a total enterprise value of approximately \$1.5 billion. Geolo brings a wealth of experience in the ownership and administration of hotel assets, and will be involved in all major decisions with regard to the development and ownership of this resort.

COMMUNE HOTELS + RESORTS & DESTINATION HOTELS

Resort Operator

Commune and Destination recently merged in January of this year to form Commune Hotels + Resorts / Destination Hotels. Commune/Destination is jointly owned by Geolo Capital (San Francisco) and Lowe Enterprises (Los Angeles). Commune/Destination has 45+ years of independent and boutique hotel and resort management experience. The Commune/Destination portfolio currently includes 90+ hotels and resorts, including luxury resorts such as Carmel Valley Ranch, Terranea Resort (Rancho Palos Verdes) and Ventana Inn (Big Sur).

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Respondent's Project Description:

The hotel will be programmed and designed to fit within the culture of Napa Valley and St. Helena, and will reflect the urban, pedestrian-oriented context of the Main Street area. The plan will address the requirements of the City to relate the site to the adjoining Park, make the Main Street frontage of the hotel fit within the existing architectural and massing context, and provide for an off-street motor court and adequate onsite parking.

The program for the Proposed Development Plan includes approximately 57,000 square feet of total interior building area.

Preliminary Development Program Summary:

- 60 guest rooms
- Lobby/Reception (2,268 SF)
- Restaurant (2,736 SF)
- Bar (1,294 SF)
- Rooftop Bar (1,000 SF exterior area)
- Meeting rooms (2,738 SF)
- Spa (4,139 SF)

- Fitness Studio (1,350 SF)
- Outdoor swimming pool and fountains
- Administrative office and back-of-house
- service areas (14,455 SF)

The next steps in the proposal review process are as follows:

October 19, 2016 – Community Workshop – Each of the RFP respondents have been invited to present an overview of their projects to the community in an informal setting allowing for more dialogue and discussion between the developers and the community. Staff will also request additional public feedback on each proposal at this meeting.

November 2016 – Staff will continue review of the proposals and prepare a comprehensive staff report that incorporates both the comments received from the community and the results of the review team's evaluation of each proposal.

December 2016/January 2017 – City Council Meeting – Staff will present the projects to the City Council, identify the results of the evaluation of each proposal, and summarize community feedback. Following public input, staff will request Council direction on selecting developer(s) to initiate negotiations.

RECOMMENDED ACTION

Provide general comments

ATTACHMENTS

Attachment 1 - Proposal 1 - Bald Mountain LLC and Alcion Ventures

Attachment 2 - Proposal 2 – HMS Development Partners LLC

Attachment 3 - Proposal 3 – HRV Hotel Partners (Adams Street RFP)

Attachment 4 - Proposal 4 – HRV Hotel Partners (City Hall RFP)