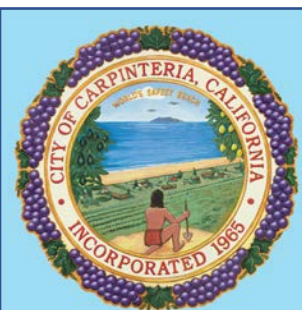




SURFLINER INN AGREEMENT

Approval of a proposed Lease Disposition and Development Agreement

between the City and 499 Linden Managers for the
Surfliner Inn Project, located at 499 Linden Avenue.



SURFLINER INN AGREEMENT



SURFLINER INN AGREEMENT

Current Conditions Photo April 2021



61 PUBLIC PARKING
SPACES

LEASED PROPERTY
FOR INN PROJECT

NEW PUBLIC TRAIL

83 PUBLIC PARKING SPACES



SURFLINER INN AGREEMENT

Schematic of Proposed Improvements



SURFLINER INN AGREEMENT

FIFTH STREET

FIFTH STREET

LINDEN AVE.

CONCEPTUAL LANDSCAPE PLAN

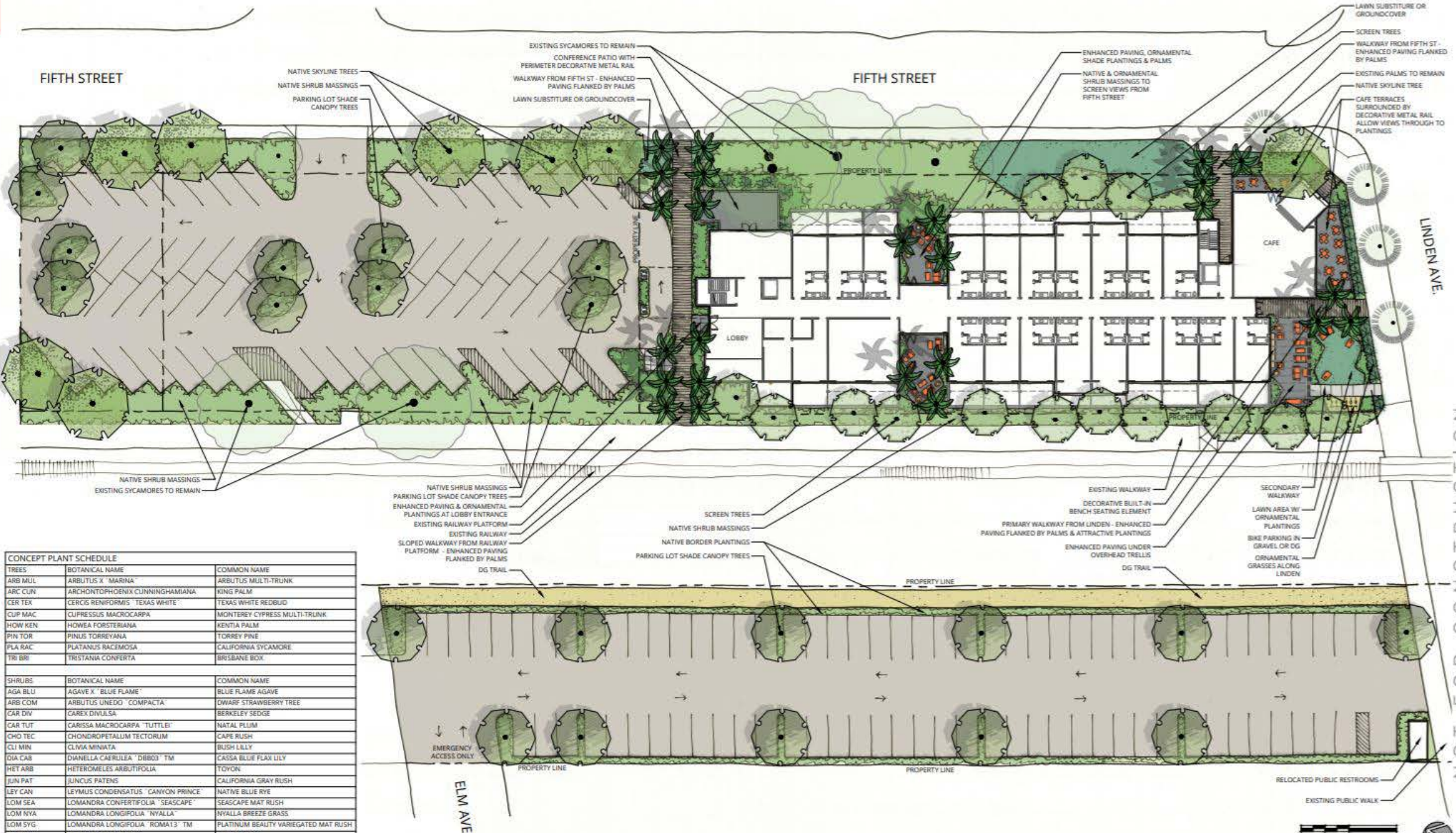
SURLINER INN
499 Linden Ave.
Carpinteria, CA, 93013



REVISIONS
02/05/20

02/05/20

02/05/20

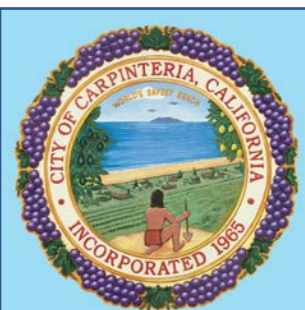


CONCEPT PLANT SCHEDULE		
TREES	BOTANICAL NAME	COMMON NAME
ARB MUL	ARBUTUS X 'MARINA'	ARBUTUS MULTI-TRUNK
ARC CUN	ARCHONTOPHOENIX CUNNINGHAMIANA	KING PALM
CER TEX	CERCIS RENIFORMIS 'TEXAS WHITE'	TEXAS WHITE REDBUD
CUP MAC	CUPRESSUS MACROCARPA	MONTEREY CYPRESS MULTI-TRUNK
HOW KEN	HOWEA FORSTERIANA	KENTIA PALM
PIN TOR	PINUS TORREYANA	TORREY PINE
PLA RAC	PLATANUS RACEMOSA	CALIFORNIA SYCAMORE
TRI BRI	TRISTANIA CONFERTA	BRISBANE BOX
SHRUBS	BOTANICAL NAME	COMMON NAME
AGA BLU	AGAVE X 'BLUE FLAME'	BLUE FLAME AGAVE
ARB COM	ARBUTUS UNEDO 'COMPACTA'	DWARF STRAWBERRY TREE
CAR DIV	CAREX DIVULSA	BERKELEY SEDGE
CAR TUT	CARISSA MACROCARPA 'TUTTLE'	NATAL PLUM
CHO TEC	CHONDRLOPETALUM TECTORUM	CAPE RUSH
CLI MIN	CLIVIA MINIATA	BUSH LILLY
DIA CAB	DIANELLA CAERULEA 'DEB03' TM	CASSA BLUE FLAX LILY
HET ARB	HETEROMELES ARBUTIFOLIA	TOYON
JUN PAT	JUNCUS PATENS	CALIFORNIA GRAY RUSH
LEY CAN	LEYMUS CONDENSATUS 'CANYON PRINCE'	NATIVE BLUE RYE
LOM SEA	LOMANDRA CONFERTIFOLIA 'SEASCAPE'	SEASCAPE MAT RUSH
LOM NYA	LOMANDRA LONGIFOLIA 'NYALLA'	NYALLA BREEZE GRASS
LOM SYG	LOMANDRA LONGIFOLIA 'ROMA13' TM	PLATINUM BEAUTY VARIEGATED MAT RUSH
MUH DUB	MULHBERGIA DUBIA	PINE MUHLY

NOT FOR CONSTRUCTION

Features of the Inn

- 36 guest rooms and 4 guest suites (for a total of 40 guest accommodations)
- A manager's unit
- A public roof top bar
- A roof top event space
- A “guest only” roof top swimming pool area
- A public street level café with inside and outside dining



SURFLINER INN AGREEMENT

Off-Site Public Improvements

- A new public parking lot with 83 spaces to be located on an undeveloped City-owned parcel located immediately south of the railroad tracks west of Linden Avenue and east of Holly Avenue (“Vacant Property”)
- An expansion of City Parking Lot No. 3 to add 16 spaces
- Relocation of the public restroom from City Parking Lot No. 3 to the Vacant Property
- A new trail extension connecting Linden Avenue to Holly Avenue



SURFLINER INN AGREEMENT

DIRECT PUBLIC BENEFITS

- Increases number of public parking spaces
- Provide convenient parking to serve coastal resources, The Tomol Interpretive Play Area, The Linden Field, The Coastal Vista Trail, The Carpinteria Community Garden and the Carpinteria Beach
- Retains convenient parking to Amtrak and downtown
- Extends the Coastal Vista Trail from Linden to Holly Avenues +/- 850' as an expansion of the California Coastal Trail system and improving pedestrian and bicycle safety.



SURFLINER INN AGREEMENT

DIRECT PUBLIC BENEFITS

- Relocates Public Restroom closer to park and beach users.
- Provides significant public revenues.



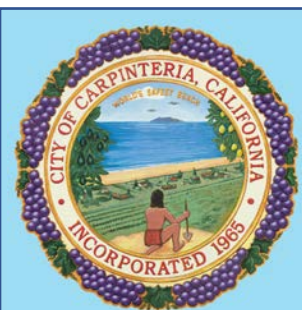
SURFLINER INN AGREEMENT

ENHANCED MUNICIPAL REVENUE

Table A	Annual City Revenue
Ground Lease	\$165,000
Transient Occupancy Tax	\$385,000
Sales Tax	\$64,000
Property Tax	\$7,000
Total	\$621,000

These hypothetical revenue calculations are based upon the assumptions that the Surfliner Inn would have 40 rooms with an average daily room rental rate of \$275 and an 80 percent occupancy.

The Surfliner Inn may change during City Development Review and the occupancy and room rental rates may vary.



SURFLINER INN AGREEMENT

INDIRECT PUBLIC BENEFITS

- Promotes increased downtown business patronage.
- Improved employment opportunities.
- Promotes improved Amtrak ridership.
- Significant investment in the downtown business district.
- Supports downtown retail and restaurant businesses.



SURFLINER INN AGREEMENT

POLICY CONSISTENCY

- **General Plan and Local Coastal Plan**

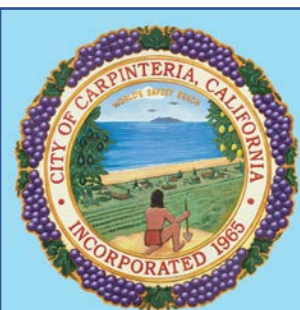
The uses and development type contemplated by the Agreement are allowed under the General Plan Land Use and Zoning District designations for the Properties.

- **California Coastal Act**

Provide a well-supported network of parks and open spaces, and a wide range of visitor-serving facilities (excerpted Coastal Commission Vision Statement 2021-2025)

- **Carpinteria's Sustainability Policy**

Attract and retain downtown retailers/hotels (City Resolution No.5500)



SURFLINER INN AGREEMENT

TIMELINE

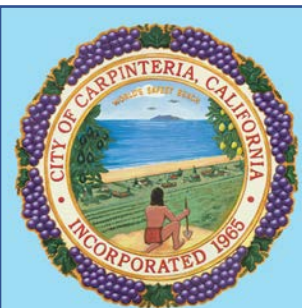
Milestone	Description
Agreement Execution (Today)	City Council considers approval of the proposed Agreement (<u>Public Meeting</u>)
Final Concept Design Consideration	Developer submits proposed Design Development Drawings and Proposed Improvement Plans for City Council review and approval for inclusion in the Surfliner Inn Application (<u>Public Meeting</u>)
Application Submittal	Developer submits the Application for Development Review
City Development Review	<ol style="list-style-type: none"> 1. Staff completeness determination/CEQA Compliance 2. Environmental Review Committee Meeting (if applicable) (<u>Public Meeting</u>) 3. Architectural Review Board Meeting (<u>Public Meeting</u>) 4. Planning Commission Meeting (<u>Public Meeting</u>) 5. City Council Meeting (if appealed) (<u>Public Meeting</u>)
Ground Lease Execution	City Council considers whether conditions in Agreement are satisfied and adopts a Resolution approving the Ground Lease (<u>Public Meeting</u>)
Project Construction	Developer constructs the Off-Site Improvements and Surfliner Inn consistent with the Improvement Plans approved through City Development Review
Project Operation	Developer opens and operates Surfliner Inn for Term of Ground Lease



SURFLINER INN AGREEMENT

Agreement Terms

- **Generally.** The Agreement outlines the process, standards and requirements that the City and Developer must satisfy before execution of the Ground Lease.
- **Key Activities before Lease Execution.**
 - Developer investigations, studies and reports
 - City Council approval of Design Development Drawings and Proposed Improvement Plans for Surfliner Inn Application
 - City Development Review, including compliance with CEQA
 - City and Developer comply with all applicable laws
- Agreement also outlines other expectations for Surfliner Inn quality, operations and maintenance

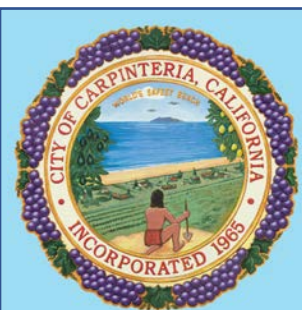


SURFLINER INN AGREEMENT

Agreement Terms

- **Conditions required to execute the Ground Lease.**

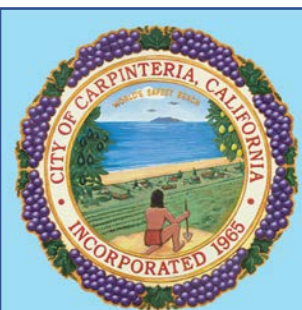
- Develop Not in Default
- Developer Execution and Delivery of Documents
- Developer Payment of Funds for Closing
- Improvement Plans Approved
- Developer Insurance
- Developer Construction Financing
- Developer Guaranty Agreement
- Permits Issued
- General Contractor Contract
- Developer Accepts Environmental Condition of Site
- California Environmental Quality Act (CEQA) Compliance
- Compliance with Applicable Laws and Regulations
- Developer Performance of Obligations
- No Developer Adverse Conditions
- Developer Representations are Correct



SURFLINER INN AGREEMENT

Agreement Terms

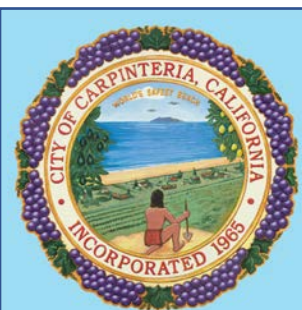
- Developer Indemnification
 - Covers legal challenges
 - To permits or other entitlements issued by City,
 - For environmental contamination*, and
 - Related to personal injuries and property damage associated with operating the Surfliner Inn
 - Does not cover legal challenges
 - To the Agreement itself,
 - To any action by either the City or the Developer pursuant to the Agreement,
 - To permits or entitlements issued by any governmental agency other than the City, or
 - Associated with a ballot measure.
- Developer Release
 - Developer agrees to release all claims against the City to environmental contamination*, the issuance of permits, or actions by third parties.



SURFLINER INN AGREEMENT

Agreement Attachments

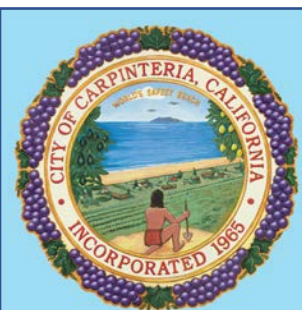
1. Legal Description of Properties
2. Properties Map
3. Scope of Development
4. Ground Lease
5. Memorandum of Ground Lease
6. Schedule of Performance
7. Right of Entry Agreement
8. Site Plan
9. Release of Construction Covenants
10. Guaranty Agreement



SURFLINER INN AGREEMENT

Ground Lease Terms

- **Generally.** If executed, the Ground Lease only commences after Developer constructs Off-Site Improvements (Parking Lot No. 3 improvements, Proposed Parking Lot No. 4 and public trail).
- **Term.** Fifty-Five (55) Years
- **Quality Assurances.**
 - Build expectations: Three Diamond rating by AAA
 - Construction Budget: \$12,000,000 and \$35,000 per room (subject to change)
 - Maintenance Standards and Maintenance Reserve Fund
 - City role in approving Surfliner Inn Management Company
- **Discount Room Rents.** Train Travelers and Local Guests



SURFLINER INN AGREEMENT

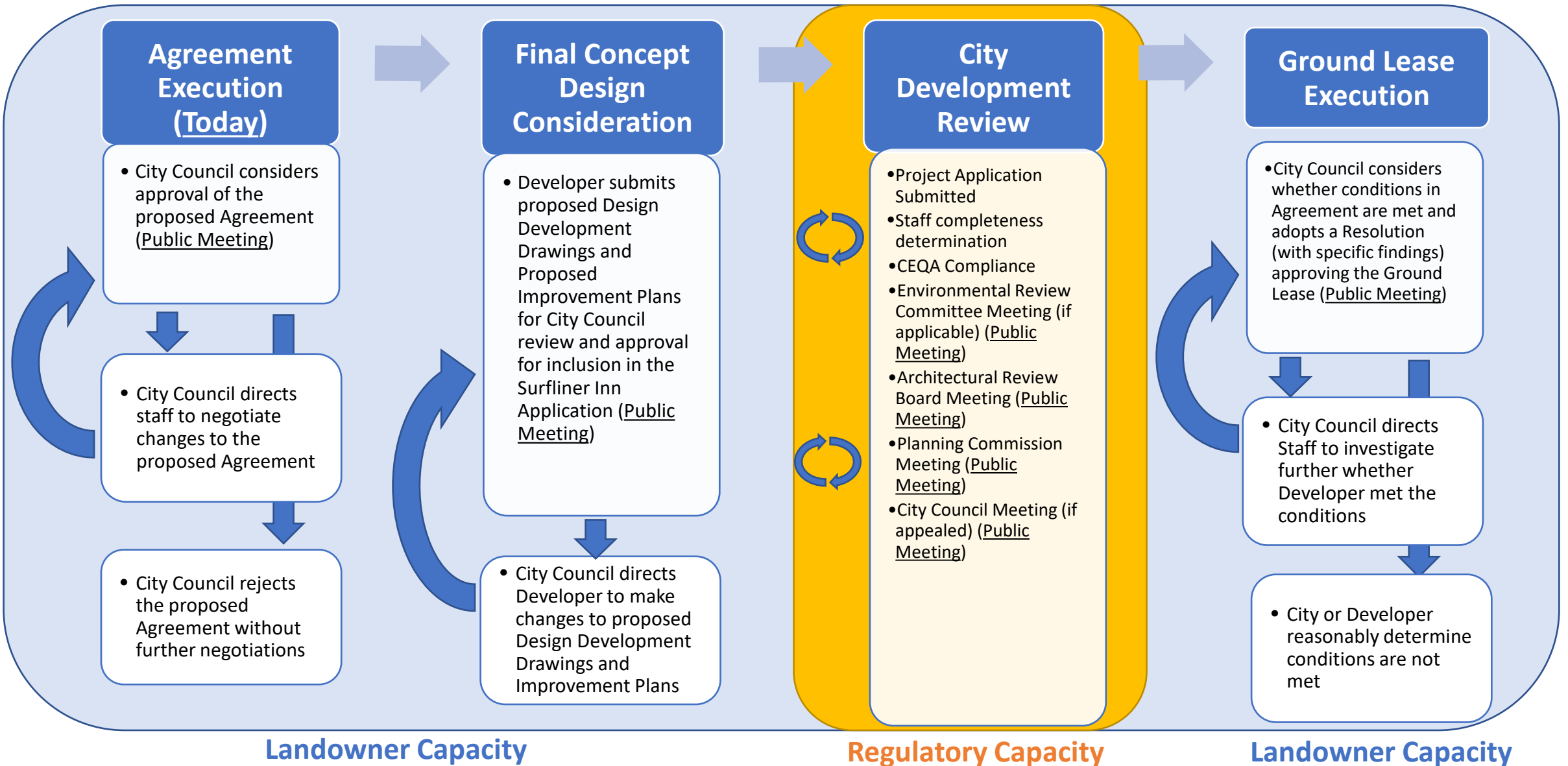
Ground Lease Terms

- **Annual Base Rent.** 5.5 percent of appraised fair market value (FMV) for Site paid monthly.
 - Appraisal Process. Certified appraiser establishes value of Site based on highest and best use
- **Percentage Rent.** 4.5 percent of Gross Revenue generated by Surfliner Inn to extent revenue exceeds Annual Base Rent
- **Annual Base Rent Adjustments.**
 - Three (3) Year Adjustments. Greater of:
 - Consumer Price Index increase, or
 - 75 percent of the average Percentage Rent and Annual Base Rent over preceding three years
 - (Note: Annual Base Rent will never decrease, but increases are capped at a 10 percent)
 - Twenty-Five (25) Year Adjustment. City option to reappraise Site value and set Annual Base Rent at the present value
- **Construction Rent.** During construction of the Surfliner Inn, Developer will pay 50 percent of Annual Base Rent.



SURFLINER INN AGREEMENT

Overview of Process



Staff Recommendation

Adopt Resolution No. 6067

Approving the Agreement and authorizing its execution by the Mayor on behalf of the City.



SURFLINER INN AGREEMENT

Questions



SURFLINER INN AGREEMENT