

MEMORANDUM

Date: June 1st, 2017
To: Mayor & City Council
From: Clay Holstine, City Manager
Subject: Presentation on Recreational Vehicle Park at Sierra Point

Recommendation

Council is asked to hear the presentation from Carl Arnold regarding a proposal to build a Recreational Vehicle Park at Sierra Point, on City of Brisbane owned parking lot and provide input and direction as you see fit.

Background

Mr. Arnold approached the City regarding building a facility for Recreational Vehicles to stay overnight. The area they are looking at is the parking lot at the northeast corner of Sierra Point. He came to a meeting of the Council Ad-hoc Sierra Point Subcommittee (Lentz and O'Connell). The purpose of this presentation is to inform all councilmembers as well as the community of the interest of Mr. Arnold and the concept of this kind of use at Sierra Point. Since this is publicly owned property it is the City's decision as to whether we want to entertain such a use.

The parking lot is owned by the City but was an asset of the old Redevelopment Agency. Because of this any revenue generated from a lease will be shared with all underlining taxing agencies (City, County, School Districts, Special Districts, etc). However, since the model they are looking at is similar to hotel in that it is a day to day rental we may subject it to the Transient Occupancy Tax (TOT), which currently is 12%.

City staff estimates the revenue to be to ramp up to 175k to 200k a year based on an occupancy rate of 75% (of 75 pads) and daily average rate of \$75. If the project expands to 100 spaces, TOT could potentially be greater.

Issues

Besides the overall issue of whether the Council sees this as a compatible use at Sierra Point the primary issues are the length of term of a lease, lease value and the details of responsibilities. They are asking for a minimum 5 years so as to recover their investment costs. The site is immediately adjacent to the UPC hotel site at Sierra Point. When the hotel builds out an RV park in this area may not be complimentary use at this location. In any case UPC has no current plans to build therefore a five year timeframe appears workable.

Although Mr. Arnold's proposal evaluates potential reconfiguration of land ownership that is not correctly contemplated and staff recommends not considering that in the context of this proposal.

If Council directs, staff would negotiate terms with Mr. Arnold and bring back a more thoroughly vetted proposal for City Council consideration.

Attachment A, B, & C are prepared by Mr. Arnold and reflects his requests, ideas and estimates. It is provided to assist City Council in understanding his proposal.

ATTACHMENT A

Sierra Point RV Park

1. Term – 5 year Lease
2. 75 RV Pads on North Parking structure with possible 25 non-utility spaces as available on adjacent site
3. Electrical conduit with power hookups run to each of the 75 pads
4. Modular bathrooms, Manager's Unit, fresh water/waste disposal station at Eastern side near existing bathrooms

Benefits for City

- 1) New activity for the Sierra Point area with potential activities such as, kayaking, sculling, windsurfing, shuttles to SF, Volleyball, bands, food trucks, etc
- 2) RV Presence adds new level of security
- 3) Improved Wi-Fi for the area
- 4) TOT Potential Annual Revenue for City of Brisbane 100,000 – 350,000+ per year
- 5) Flexibility

ATTACHMENT B



Arnold Hotel Group, LLC Presents:

ATTACHMENT C

SIERRA POINT PARK AT SAN FRANCISCO BAY

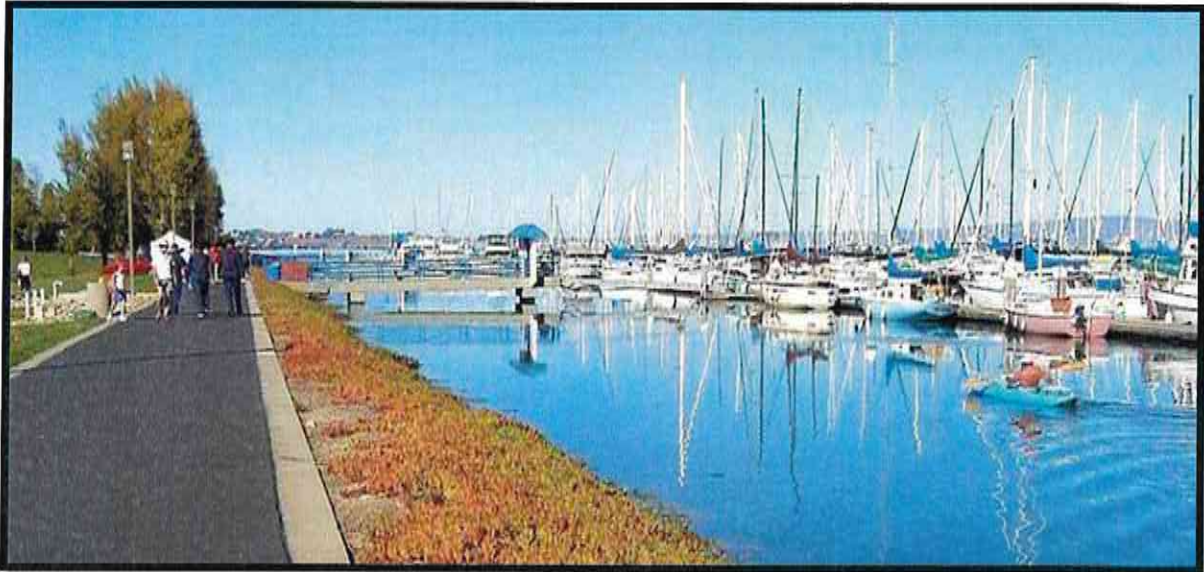


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Arnold Hotel Group, LLC Presents:

**SIERRA POINT PARK
AT
SAN FRANCISCO BAY**



Site Plan

PROJECT DESCRIPTION:

Proposed use: RV Park

APN: Portions of 007-165-040 and 060.

Total Acres: 2.5 acres +/-

Current Use: Overflow parking

Total Proposed Spaces: 100 spaces- 75 RV and 25 camper van or tow behind.

Utilities: Partial hookups. Electric 50-amp power for RV spaces.

Arnold Hotel Group, LLC Presents:

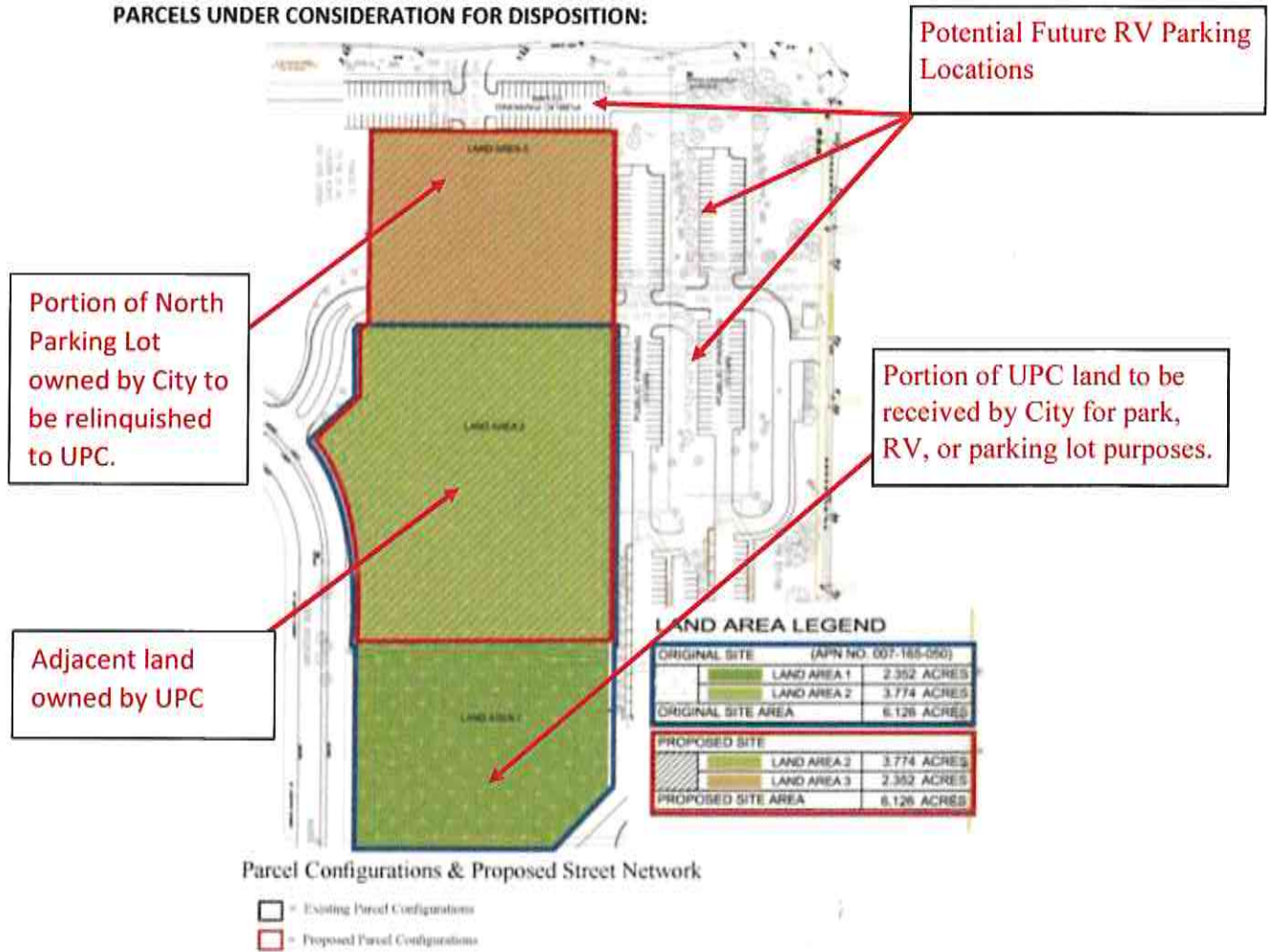
RV Park at Sierra Point- 5 Yr. Projections

YEAR	2018	2019	2020	2021	2022		5 YR TOTALS
RV SPACES	75	75	75	75	75		
ROOM SPACE	27375	27375	27375	27375	27375		
% OCCUPANCE	50%	60%	65%	70%	75%		
RATE	\$75	\$75	\$75	\$75	\$75		
REV PAR	\$38	\$45	\$48.75	\$52.5	\$56.25		
ANNUAL REVENUE	1,026,563.00	1,231,875.00	1,334,531.25	1,437,187.00	1,539,844.00		
TOTAL EXPENSES	1,113,780.00	1,158,949.00	1,181,533.00	1,437,187.00	1,226,702.00		
PROFIT	(87,218.00)	72,926.00	152,998.00	233,070.00	313,142.00		684,918.00
TOT	123,187.56	147,825.00	160,144.00	172,463.00	184,781.00		788,400.56
SUBTOTAL TOT	123,187.56	147,825.00	160,144.00	172,463.00	184,781.00		
25 OVERFLOW SPACES	338,765.79	406,518.75	440,395.31	474,271.71	508,148.52		
25 HOTEL UNITS	338,765.79	406,518.75	440,395.31	474,271.71	508,148.52		
PROFIT	(28,781.94)	48,131.16	100,978.68	153,826.20	206,673.72		452,045.88
ADDITIONAL TOT	81,303.79	97,564.50	105,694.88	113,825.21	121,955.64		520,344.02
TOTAL TOT	204,491.35	245,389.50	265,838.88	286,288.21	306,736.64		1,308,744.58

Arnold Hotel Group, LLC Presents:

HYPOTHETICAL FUTURE LAND SWAP and RECONFIGURATION OF RV SITE

PARCELS UNDER CONSIDERATION FOR DISPOSITION:



Arnold Hotel Group, LLC Presents:



Sierra Point Site Plan

Arnold Hotel Group, LLC Presents:

Carl DeAlton Arnold III

121 Warbler Lane

Brisbane, CA 94005

Carl@ArnoldHotelGroup.com

415.602.4500

WORK EXPERIENCE

- 2012-Present** **Business consultant to over 25 CEO's**
- Lead two groups of 14 CEO's each in Monthly Group Meetings and individual coaching sessions
- 2009-2012** **Registered Investment Advisor and Director of Marketing – Savant Investment Group**
- 2007-2009** **Financial Advisor – Morgan Stanley**
- Managed investments for High Net Worth Individuals and families
- 2006 - 2008** **President of On-Track Services**
- Responsible for consulting and/or managing Hotel, Restaurant, and Facilities Management contracts
- 2004-2006** **President and Co-founder AG Hotels**
- Purchased, Branded and Managed 165 Room LaQuinta Hotel Downtown San Francisco
- 2000- 2004** **Founder and Chairman of the Arnold Hotel Group**
- Ownership, Development and Management of Hotel Properties listed below:
- Researched and located new development opportunities
 - Secured financing and purchased hotels
 - Oversaw large multimillion dollar construction and/or renovation projects
 - Responsible for all aspects of the hotel including opening and ongoing management of the hotel
 - Negotiated sales of hotels
 - Developed and secured long-term leases with quality tenants for restaurants, roof antennas, and retail space
 - Managed expenses and drove sales to outperform projections at *both* properties
- Richelieu Hotel, San Francisco, California** 169 rooms
- Converted a 100-year old property into Upscale Boutique Hotel

Arnold Hotel Group, LLC Presents:

- Financed and oversaw design, engineering and construction of a 10 million dollar refurbishment of the hotel
- Performed seismic upgrades

Ten West Hotel, Chicago, Illinois 215 rooms

- Developed and constructed a 215-Room modern upscale hotel
- Opened, operated and maintained this property extremely profitably

1980-2000

Chairman and CEO of Milepost Inns

Responsible for the day-to-day operations of both the United States and Canadian operations of diverse Hospitality, Transportation, and Facilities Management Company. Grew company organically from a \$3.5 million annualized in 1980 to \$100 Million in 1998. Sold the major divisions of Milepost Industries in 1998 to a private company.

US Operations

- Opened and managed 25 motels and 52 office buildings under contract to the Railroad Industry
- Developed, built, opened and operated Motels in:
Tulsa, Oklahoma, Memphis, Tennessee and Springfield, Missouri

Canadian Operations

- Managed eleven motels with food service in Canada
- Provided remote catering services to operate 19 separate mobile food and lodging operations for Canadian National and Canadian Pacific Railroad

HOTEL AND RESTAURANT TRAINING

1973 **The Cliff Hotel, San Francisco, California**

Worked all aspects of front desk, accounting, reservations and sales

1974 **Sun Valley Resort Company, Sun Valley, Idaho**

Duchin Room Restaurant, worked Food prep and culinary services

1975-1976 **Christopher Ryder House, Chatham, Massachusetts**

Completed management training program, worked reception, waiter, beverage manager, assistant manager, general manager

1976-1980 **Westin St Francis Hotel, San Francisco, California**

Completed three year program, all aspects of front desk, night audit, front office manager, banquet houseman, banquet captain, Special Projects Manager

RESTAURANT BUSINESS VENTURES

Mallard Group, Director

Partner in Restaurant Opportunities:

Carlos O'Briens, Tiburon, California

Carlos & Charlie's, San Mateo, California

Savannah Grill, Corte Madera, California

Arnold Hotel Group, LLC Presents:

Clarks by the Bay, *Redwood City, California*

Sipango, *Dallas, Texas*

PROFESSIONAL ORGANIZATIONS

GRACE CATHEDRAL, Trustee and Chairman of the Strategic Planning and Building and Grounds Committees, *San Francisco, California*

CLUBS

San Francisco Golf Club, *San Francisco, California*

University Club, *San Francisco, California*

Candy Store Classic Car Club, *Burlingame, California*

EDUCATION

Denver University, Bachelor of Science – Business Administration

Graduated 1975

Major: Hotel & Restaurant Management Minor: Music

Series 7, 31, 66 licenses

Health, Life, and Disabilities licenses

Arnold Hotel Group, LLC Presents:

- **Biography**
- After selling two successful companies, Carl Arnold found his passions: growing businesses and entrepreneurialism. This focus, along with his strong work ethic, led him to Vistage International, where he now offers entrepreneurial leadership consulting to CEOs, executives, and business owners in the San Francisco Bay Area.
- A born and bred businessman, Carl started his first venture at the age of 12, selling hot dogs and Coca-Cola at Cal Stadium football games. Both his father and grandfather were entrepreneurs working in the hotel and restaurant industries, so he grew up with the spirit of enterprise all around him—and has carried that spirit with him throughout his career.
- Carl went on to study Hotel Restaurant Management, Business Administration, and music at the University of Denver, even touring with a band for a year before being accepted into a leadership program at the St. Francis Hotel in San Francisco. Following the program, he was recruited to join Milepost Industries, a company focused entirely on providing hospitality services to railroad employees. This would turn out to be a lasting partnership, one that would span 20 years and be defined by significant growth and expansion for both Carl and the company.
- Under Carl's leadership, Milepost expanded its breadth to include three different divisions, growing to reach 100 million in annualized revenues. Carl bought into the company early on and eventually came to own it outright. During this time, he also established the Arnold Hotel Group, a business he founded to fill a growing need for hotel accommodations for traveling flight attendants and airline pilots. Eventually, he sold both ventures—closing one of the deals in the very building in which his father based his own business many years before—and moved into consulting. Now, he splits his time between consulting and managing a small foundation that supports various local and international charities.
- **Professional Background**
- Vistage International, CEO Coach, with a goal of helping companies reenergize existing businesses, and their leaders achieve their maximum potential
- Milepost Industries and Arnold Hotel Group as Chairman, CEO, and owner, Carl built and led his hotel business and started-up transportation and building management divisions – ultimately overseeing 3500 employees, 1000 vehicles, 25 hotels and motels, and 59 office buildings. Over an 18 year period they grew to reach \$100 Million in annualized revenues, before he successfully sold
- Charitable Earth and Online Charities Inc., as CEO, Carl co-created and ran two internet companies to focus on online giving through social media
- Morgan Stanley, Carl worked in the investment division working with clients on one of the top producing teams in the San Francisco Bay Area
- **Education**
- Bachelor of Science in Business Administration from the University of Denver
- Major: Hotel and Restaurant Management
- Minor: Music
- Accredited Investment Fiduciary (AIF®) holding series 7, 66, and 31 finance licenses, and Health, Life, and Disabilities insurance certificates

Arnold Hotel Group, LLC Presents:



Site Study (Showing approximately 75% occupancy without overflow)