

APPLICATION  
for  
INDUSTRIAL REVENUE BOND  
Project Approval  
7/24/19

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Name of Project: ARRIVE Albuquerque Hotel

Location of Project: 717 Central Ave NW, Albuquerque, NM 87102

Company Name: 717 Central Ave Hotel LLC

Contact Person: Ryan McCulloch

Address: 1723 West 14<sup>th</sup> St, Unit C  
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Company Finance Counsel: Rodey Law Firm

Address: 201 3<sup>rd</sup> St NW, Suite 2200, Albuquerque, NM 87102

MAILING: P.O. Box 1888, Albuquerque, NM 87102

Telephone: (505) 765-5900

Bond Amount Requested: \$22,000,000 Fee Submitted: \$2,500 and \$6,500 retainer to  
Modrall Law Firm

**FOR STAFF USE**

Staff Assigned: \_\_\_\_\_

Case Number: \_\_\_\_\_

Fee Received: \$ \_\_\_\_\_

ADC Hearing Date: \_\_\_\_\_

Council Dates (Tentative): Introduction \_\_\_\_\_

Committee \_\_\_\_\_ Council Hearing \_\_\_\_\_

## IRB APPLICATION TO BOND APPLICATION ARRIVE ALBUQUERQUE

7/24/19

### I. GENERAL DESCRIPTION

**Give a brief overview of the project, including general location, proposed development, use, and total bond amount requested. Include a statement of the benefit to be gained by the Albuquerque community from this development. The General Description should explain what will be done with the IRB if approved.**

ARRIVE Albuquerque (the “Project” or the “Hotel”) is the historic rehabilitation of the 1965-built Downtowner Motor Inn (most recently The Hotel Blue) into a new boutique hotel. The Project is located in Albuquerque, New Mexico at the west end of Downtown at the intersection of 8<sup>th</sup> Street NW and Central Avenue NW (see Exhibit-A “Project Location”). Directly west of the Hotel is Robinson Park, which dates back to the 1880s as Albuquerque’s first public park.<sup>1</sup> As the first hotel built in Downtown Albuquerque post-World War II, and the first since the original Hilton in 1939 (now Hotel Andaluz), the Downtowner Motor Inn is an example of Route 66 history.<sup>2,3</sup>

The new hotel development will restore the six-story, 75,000 square-foot, building to the original historic exterior. The plan also includes completely renovating the guestrooms, ground-level public space, pool/patio area, and landscaping. The Project will consist of the following:

- Hotel: An approximately 135-room boutique hotel to managed by ARRIVE Hotels and Restaurants (“ARRIVE”).
- Bar and Coffeeshop: The ground floor of the Hotel will consist of a large public space featuring a bar and a coffeeshop. The bar, which also functions as the “reception desk”, will feature an extensive list of local microbrewery selections along with a craft cocktail program and a snack menu. For the coffeeshop, ARRIVE will partner with a local roaster to provide a full range of coffee and tea beverages, along with a selection of breakfast items, pastries, and small plates.
- Pool Courtyard and Activity Area: The existing pool and deck will be renovated and will include a new activity area for games such as bocce.
- Food Truck Lot: Adjacent to the pool area, the Hotel will feature a small food truck park that can accommodate 3-6 local purveyors to set up with water and power connections. The kitchen at the Hotel will be available as a commissary to the food trucks that are regularly stationed at the Hotel.
- Event/Meeting Spaces: The hotel will have flexible meeting and event rooms that can be scaled to accommodate everything from small group meetings of 2-5 people, to large

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<sup>1</sup> “Albuquerque’s 20<sup>th</sup>-Century Suburban Growth.” *New Mexico History.org: Places*.

<http://newmexicohistory.org/places/albuquerque-20th-century-suburban-growth>

<sup>2</sup> “Downtowner Inn Groundbreaking Scheduled Soon.” *Albuquerque Journal*. 26 February 1964. Pg. 2.

<sup>3</sup> “5-Story Hotel Is Proposed.” *Albuquerque Tribune*. 21 May 1963. Pg. 2.

banquets and receptions for up to 300 guests. The Hotel will have a variety of furniture and audio/visual equipment available for rent.

To fund the renovation of the Project, the development team is requesting industrial revenue bonds (“IRBs”) in the amount of \$22,000,000. This amount will fund the total development costs of the Project.

ARRIVE Albuquerque will become a unique destination for tourists to Albuquerque and provide a positive community benefit. Historic Route 66 is internationally known, and at 15 miles, Albuquerque has the longest intact stretch of the highway in an urban area in the U.S.<sup>4</sup> Undergoing the federal historic preservation requirements will bring the Hotel back to its original character as a stop on the John Steinbeck-coined “Mother Road”.<sup>5</sup> It is our experience that visitors seek out this type of authenticity during their travels. Additionally, the Project is conveniently located between the Central Business District (“CBD”) in Downtown and the cultural area of Old Town, offering a wide array of business, entertainment, and amenities. The Hotel’s new ground-floor amenities will make it a destination for locals too. Our goal is to create a thriving neighborhood establishment that is continually active with both locals and visitors to Albuquerque.

During our time spent in Albuquerque, we have been told multiple times, by community leaders and neighborhood associations, that there are not enough hotel rooms to meet the current, and increasing, demand. The Convention Center continually has to turn away potential event business, because the city does not have enough accommodations for conference guests. There is also not a convenient quality hospitality option for the surrounding neighbors to recommend for their friends and families. This is a huge missed opportunity for Albuquerque both in loss of potential new revenue and loss in tourist exposure. It also delays the revitalization of Downtown Albuquerque. With 135 rooms located on Central Ave., less than one-half mile from the Convention Center, ARRIVE Albuquerque is well-positioned to help fill the need for additional rooms.

Both the *Downtown 2025 Sector Development Plan* and the *Route 66 Action Plan* call for incentives to foster, “Urban enhancement and catalytic redevelopment projects,” along Central Ave., especially in Downtown Albuquerque.<sup>6</sup> The *Action Plan* encourages support for Route 66’s potential as a thriving local and tourist economy. *The Action Plan* recognizes that Central Ave. is:

Dotted with roadside motels, businesses and signs. [T]ourists are drawn to Albuquerque for a historic taste of the Mother Road. However, authentic attractions and businesses are vanishing. In recent years, many motels have been demolished or have burned down. The remaining stock of buildings, signs and infrastructure is tired and fading. Limited opportunities exist to engage in authentic Route 66 experiences, such as staying in an era motel or campground, eating at a

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<sup>4</sup> “Introduction.” *Route 66 Action Plan*. November 2014. Pg. 13.

<sup>5</sup> Steinbeck, John. *The Grapes of Wrath*. Also “Introduction: Overview.” *Route 66 Action Plan*. November 2014. Pg. 29.

<sup>6</sup> “Introduction: Overview.” *Route 66 Action Plan*. November 2014. Pg. 29.

diner or patronizing a roadside business. It is essential that such opportunities are prioritized and expanded in order to continue to attract tourists.<sup>7</sup>

A goal of the *Action Plan* is to, “Focus [actions] on the preservation of existing Route 66 structures, economic development, and facilitating private investment.”<sup>8</sup> Policy 1.2 of the *Action Plan* specifically states that, “Route 66 era buildings... should be recognized and supported as significant features of the Mother Road experience. In order to assure longevity and to restore vitality to key Route 66 assets, putting remaining structures and sites into active use should be a high priority.”<sup>9</sup> ARRIVE Albuquerque will rehabilitate a vacant historic building on Route 66 and is seeking, “...Development incentives for adaptive re-use of era structures.”<sup>10</sup> Policies 4.2 and 4.3 further recommend that the City should, “Incentivize Route 66 business and development,” and should, “Create incentives and support for tourist related industries, such as hospitality and food service.”<sup>11</sup>

Positioned at the intersection of Central Ave. and 8th St., the Project is the cap for the west-end of Downtown. With only a few venues located on this portion of Central Ave., people have limited reasons to go this far west in Downtown. The area is typically only activated during concerts or on Saturday mornings during the Growers’ Market at Robinson Park. Having more guests and locals in the area will provide, “Eyes on the street,” and help discourage crime in the area.<sup>12</sup> A safe area will inspire others to visit Downtown Albuquerque and spur more development. As a new boutique hotel with public amenities, ARRIVE Albuquerque will serve as a catalyst for the continued revitalization of the Central Ave. corridor.

## **II. SITE AND EXISTING CONDITIONS**

### **A. Legal Description**

**Give both the precise and complete legal description and address or identification of location.**

The Hotel address is: 717 Central Avenue NW, Albuquerque, NM 87102. The Site is more particularly described as:

Lot 24-A Block 14 NEW MEXICO COMPANY’S ORIGINAL TOWNSITE, of the City of Albuquerque, New Mexico, as the same is shown and designated on the Map of said Addition, filed in the Office of the County Clerk of Bernalillo County, New Mexico, on May 27, 1998, recorded in Map Book 98C, Page 148, containing approximately 1.0961 acres.

EXCEPTING THEREFROM that portion dedicated to the City of Albuquerque for rights-of-way purposes in Book D-751, page 468, records of Bernalillo County, New Mexico, described by metes and bounds as follows: Beginning at the Northeast corner of Lot numbered Eight (8), whence the above-mentioned Northwest corner of Lot numbered Twelve (12) bears West a

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<sup>7</sup> “Promotion and Tourism: Goal 5.” *Route 66 Action Plan*. November 2014. Pg. 56.

<sup>8</sup> “Introduction: Overview.” *Route 66 Action Plan*. November 2014. Pg. 29.

<sup>9</sup> “Goals and Procedures: Historic Legacy.” *Route 66 Action Plan*. November 2014. Pg. 38.

<sup>10</sup> “Goals and Procedures: Historic Legacy.” *Route 66 Action Plan*. November 2014. Pg. 38.

<sup>11</sup> “Economic Investment: Policies 4.2 and 4.3.” *Route 66 Action Plan*. November 2014. Pg. 52.

<sup>12</sup> Jacobs, Jane. *The Death and Life of Great American Cities*.

distance of 125.00 feet; Thence from the beginning corner of the exception, South 142.00 feet; Thence South 16.00 feet; Thence East 25.00 feet.; Thence South 5.00 feet; Thence West 32.00 feet; Thence North 5.00 feet; Thence West 12.00 feet; Thence North 14.00 feet; Thence West 5.00 feet; Thence North 62.00 feet; Thence East 8.00 feet; Thence North 82.00 feet; Thence East 16.00 feet to the beginning corner.

**B. Prevailing Site Conditions**

**Describe the present use and development of the site, including any improvements, vacant land, etc.**

The Hotel was originally built in 1965 as the Downtowner Motor Inn, but has changed ownership and was remodeled multiple times over its history. Most recently the Hotel was known as The Hotel Blue (See Exhibit-B “Downtowner Motor Inn” and Exhibit-C “Hotel Blue”). The property is currently closed and is not operating for any use.

The Site contains the hotel building, a large surface parking lot, and a pool and patio area. The building footprint occupies roughly 3/8 of the site, the parking lot occupies roughly 1/2 of the site, and the pool/patio area occupies roughly 1/8 of the Site.

**C. Present Assessed Value**

**Give the present assessed value according to the Bernalillo County Assessor’s office. You may also list a current appraised value if you feel it will make the post-development value clearer.**

The total full value for Tax Year 2019, according to the Bernalillo County Assessor’s office, is: Three Million One Hundred Forty Thousand One Hundred Dollars (\$3,140,100.00). (See Exhibit-D “Present Assessed Value - Tax Year 2019”).

**D. Present and Proposed Zoning**

**Give the current zoning of the property. If any change in zoning is required for the proposed use, give the proposed new zone. We recommend that zoning changes required be requested before the project plan reaches the Development Commission.**

The Site is zoned “MX-FB-UD” (Mixed-use Form-based Urban Development) which allows for the proposed use of a hotel and restaurant/ retail project.<sup>13</sup> By renovating the ground-level and providing an engaging entrances on both Central Ave. and 8<sup>th</sup> St., the Project will promote the intention of the sub-zone which is to, “Create a compact, pedestrian-oriented urban form with uses that are served by and support transit.”<sup>14</sup>

**E. Renewable Energy**

**Indicate in detail if and how the Project will create, produce or use renewable energy and renewable energy technology.**

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<sup>13</sup> “Table 4-2-1: Allowable Uses.” *Integrated Development Ordinance (IDO)*. Revised and Updated Through May 2018. Page 131.

<sup>14</sup> “Section 2-4: Mixed-use Zone Districts.” *Integrated Development Ordinance (IDO)*. Revised and Updated Through May 2018. Pages 32-33.

ARRIVE Albuquerque will have a positive impact on the environment. By renovating the existing building in an infill site in Downtown Albuquerque, the Project will not have as high of a carbon footprint as new construction. The Project will also be utilizing existing infrastructure within the city's urban core.

While the Project will not pursue LEED certification, the Project will include many energy-saving products. The environmental impact of the Site will benefit from low-impact development strategies implemented to manage rainwater runoff and from a landscape design which will include only native and adapted drought-tolerant vegetation and a highly efficient irrigation system.

Inside the building, potable water will be further reduced by the specification of low-flow plumbing fixtures at all restrooms. Low-flow showerheads and low-flow faucet aerators will also reduce the Project's environmental impact by minimizing the energy consumed for heating water as the Project's total volume of consumed water is substantially reduced. Additional energy-efficient design strategies will include better insulating the building envelope by replacing the old windows. These modern windows will also help minimize the direct solar heat gain. Additional strategies include: high-efficiency water heaters and mechanical HVAC units, LED lighting throughout the Project, and energy management systems in the appliances and thermostats located in each room.

The specification of building materials for the Project will include careful consideration of environmental impact as well as the health of the building occupants. Materials will be specified to be durable and easy to maintain, to have a low embodied energy, to be locally sourced when possible, to be low-emitting, and to have a long useful life. In addition to the use of low-emitting materials, further focus on the health and well-being of building occupants will include a mechanical system designed for a high level of indoor air quality and thermal comfort, and a building envelope design which optimizes quality daylight and views.

### **III. PROJECT PLAN**

#### **A. Information Concerning Applicant**

**Describe the development entity – corporation, syndicate, individual, etc., and give information about the experience of the company or of significant individuals involved in the type of development or industry proposed. Include as an attachment resumes of main principles, or other information which will bear on the experience and credibility of the development entity.**

The development entity, and Applicant, 717 Central Ave Hotel LLC is owned by ARRIVE Hotels and Restaurants and its affiliates.

#### **ARRIVE Hotels & Restaurants**

ARRIVE is a new hotel brand building in multiple markets across the U.S. ARRIVE builds for the neighborhood, creating hotels and restaurants that serve as a crossroads for locals and travelers celebrating the surrounding style, food, drinks and culture. ARRIVE is a team of people who care an extraordinary amount about making special places that make people feel welcome.

ARRIVE designs hotels to reflect their surroundings with restaurants, coffee shops, and bars aimed to appeal to neighborhood regulars. ARRIVE offers guests “low-key luxury” with a focus on thoughtful design and getting the little things right without all the bells-and-whistles. That means high-quality bedding, linens, and bath amenities in rooms designed to be simple, accommodating, and memorable. Each ARRIVE property reflects the look, feel, tastes, and lifestyle of its neighborhood. Each property boasts distinctive design and architecture that complements and honors its local surroundings, with the aim of earning a position as a locally-celebrated landmark. (See Exhibit-E “Company Biographies” for more information).

The first property under the ARRIVE flag premiered in Palm Springs in 2016 and was met with critical and customer acclaim. The Wilmington, NC and Austin, TX properties both opened in mid-2019. The Phoenix, AZ and Memphis, TN locations are under construction and scheduled to be open by the end of the 2019. With plans for significant expansion in the coming years, ARRIVE aims to become a nationally-recognized leader in hotels and restaurants. (See Exhibit-F “Map of ARRIVE Properties”).

**B. Tax Issues**

**Please provide a statement declaring that the applicant has no outstanding substantive federal, state or local tax issues. If, however, there are pending issues, thoroughly describe all issues and their status.**

There are no outstanding substantive federal, state, or local tax issues.

**C. Information Concerning Products and Process**

**Identify the products and/or processes involved with this project. Specifically address the question of whether the proposed development will generate air, noise, or waste pollution or traffic congestion. Include any plans for the reduction and disposal of waste and/or project emissions.**

The proposed use is the same as the prior use as a hotel, which was operated until 2017. There won't be any new impacts to city infrastructure or traffic. The development team has met with civic leaders, surrounding neighborhood associations, and business and community groups to get their feedback on the proposed project. All parties have expressed the need for more quality hotel rooms in the area and recognize that the Project will improve its surroundings. It will contribute to creating an activated, safer, and more desirable Downtown.

During the construction period, which is anticipated to be twelve months, the Site will be self-contained, secured, and fenced. Since this is a renovation project, the majority of the work will occur inside the existing building. The pool and patio area are located within an enclosed patio, so work here won't affect the public either. Additionally, the Project will employ modern-day construction techniques designed to minimize waste. Construction of the building will take into account the effect that using recycled and low-emitting materials has on the internal and external environment.

The development team will minimize construction vehicle traffic around residential neighborhoods and keep the roads clean by removing dirt from all vehicles before exiting the

Site. Through soil dampening procedures, the development team will also limit the amount of dust and dirt released into the air from earth moving and construction activities. Noise will be kept to a minimum and only occur during City standard ordinance construction hours.

With its location in Downtown Albuquerque, and close proximity to the Albuquerque International Sunport, the Project also has the potential to reduce traffic in the area. In keeping with the goals of the *Downtown 2025 Plan*, ARRIVE Albuquerque aims to be a “pedestrian-first” and “park-once” destination.<sup>15</sup> Guests will be easily able to walk Downtown or use other means of transportation such as ride-share, bikes, or electric vehicles. With the addition of the ART bus-rapid transit project along Central Ave., many of the guests will likely use the ART not only for convenient access to business Downtown and at the Convention Center, but also for food and entertainment. The development team is also looking at dedicating parking spots for vehicle sharing companies. By redeveloping an infill location, the Project will benefit from these means of public transportation and help reduce the carbon footprint of visitors.

**D. Competition**

**Please describe any competition in the same area of commerce or industry existing in the City. Since the Development Commission and City Council do not wish to make industrial revenue bonds, with their associated tax abatements, available for projects with local competition, this statement is very important.**

ARRIVE Albuquerque will be positioned as an upscale boutique hotel that will cater to vacation, convention, and corporate travelers. Local competitors, of a similar quality and in the vicinity, include the hotels below (see Exhibit-G “Map and Table of Hotel Competitors”). There are multiple precedents for projects receiving tax incentives, such as IRBs, from either the City or Bernalillo County.

1. Hotel Andaluz – A luxury hotel, in Downtown, consisting of 107 rooms, with a target of vacation travelers. The historic hotel, which was renovated and reopened in 2009 following the issuance of IRBs by the City. It recently became part of the Hilton Curio Collection brand in 2019. ARRIVE Albuquerque is located 0.5 miles from Hotel Andaluz.
2. Hotel Albuquerque – A full-service hotel, near Old Town, consisting of 188 rooms, with a target of convention/corporate travelers. Opening in 2005, the hotel is owned and operated by Heritage Hotels. ARRIVE Albuquerque is located 1.5 miles from Hotel Albuquerque.
3. Hotel Chaco – A luxury hotel consisting of 118 rooms, that opened in 2017, following the issuance of IRBs by Bernalillo County, as an addition/expansion of Hotel Albuquerque, near Old Town. Also owned and operated by Heritage Hotels, the hotel’s target market is vacation travelers. ARRIVE Albuquerque is located 1.5 miles from Hotel Chaco.
4. Hotel Parq Central – An upper-upscale boutique hotel, in East Downtown, consisting of 74 rooms, with a target of vacation travelers. The historic building was renovated and repurposed into a hotel in 2010 following the issuance of IRBs by the City. ARRIVE Albuquerque is located 1.2 miles from Hotel Parq Central.

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<sup>15</sup> “Transportation and Parking.” *Downtown 2025 Sector Development Plan*. June 2014 Update. Pg. 12.



5. Hyatt Regency Albuquerque – A full-service hotel, in Downtown, consisting of 382 rooms, that opened in 1990. With its proximity to the Convention Center, the hotel’s target market is convention/corporate travelers. ARRIVE Albuquerque is located 0.5 miles from the Hyatt Regency.

ARRIVE Albuquerque won’t take away business from local competitors, but as a new boutique hotel, it will become a unique destination driving more tourists to Albuquerque. Historic Route-66 is internationally-known, and Albuquerque has the longest preserved stretch of the highway in the U.S. Undergoing the historic preservation requirements to the original 1965-built Downtown Motor Inn will bring the hotel back to its original character as a stop on the “Mother Road”. It is our experience that visitors seek out this type of authenticity during their travels. Additionally, the project is conveniently located between Downtown Albuquerque and Old Town, offering a wide array of entertainment and amenities.

Additionally, community leaders and neighborhood associations have been vocal that there are not enough hotel rooms to meet the current demand. The Convention Center continually has to turn away potential event business, because the city does not have enough accommodations for conference guests. There is also not a convenient hospitality quality option for the surrounding neighbors to recommend for their friends and families. This is a huge missed opportunity for Albuquerque both in loss of potential new revenue and loss in tourist exposure. Visit ABQ, Albuquerque’s preeminent tourism company, estimates that, “Since 2013, the Convention Center has been eliminated from consideration for at least three dozen meetings due to a lack of concentration of hotel rooms within walking distance to the building. The collective direct spending impact of that business conservatively equates to over \$80 million dollars.”<sup>16</sup> (See Exhibit-H “Hotel Inventory Letter”). The lack of hotel rooms also delays the revitalization of Downtown. With its 135 rooms located on Central Ave., less than 0.5 miles from the Convention Center, ARRIVE Albuquerque is well-positioned to help fill the need for additional rooms.

**E. Effect on Existing Industry and Commerce during and after Construction**  
**Describe the predicted effects of the project including construction jobs generated, increased employment, increased sales, new industrial base, possible spin-off business, etc.**

ARRIVE Albuquerque will have a positive impact on the surrounding area through construction, ongoing operations, and spurring future development. The development team has been working with a local general contractor and is anticipated to use 100% local subcontractors. Construction of the Project is estimated to create 80 full-time jobs over the anticipated 12-month schedule.

Once open, the Project anticipates creating 75 full- and part-time jobs with a total net payroll estimated at \$2,000,000. This includes employees at the hotel and the food and beverage establishments. For comparison, the previous owners of the Hotel Blue only had 11 employees to run the hotel. It also did not have any restaurant/retail spaces. (See *Section M: Number and Types of Jobs Created* for full list of positions, estimated salaries, and benefits).

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<sup>16</sup> “Hotel Inventory Letter.” *Visit ABQ*. July 2019.

In addition to the job creation, the Project will have 135 hotel rooms and food and beverage on the ground floor. This helps fill a hospitality need in the urban core of Albuquerque that is currently unmet. These guests and their families will be looking for areas to shop, dine, and entertain themselves. This will spur continued mixed-use development in the area for business, retail, and entertainment opportunities.

As mentioned earlier, the Project Site is currently vacant and generates no gross receipts tax. Once renovated, the Hotel and F&B operations are estimated to have an annual local sale of goods and services of \$5,700,000 with an estimated 3.0% increase. These sales will be new to the location and generate substantial gross receipts tax revenues for the City. This is in addition to the sales generated from the food truck court and increased sales from surrounding businesses as the area redevelops.

**F. Land Acquisition**

**Indicate if IRB proceeds will be used to acquire land, and whether land is presently owned by the applicant, or is under option.**

The IRB proceeds will not be used to acquire land. The land is presently owned by the applicant. The property was acquired by ARRIVE and its affiliates on February 28, 2018, under the entity 717 Central Ave Hotel LLC, a New Mexico limited liability company.

**G. Description of Proposed Development**

**Describe the construction to be undertaken in the project, including square footage, construction type, and location of construction on the project site. Indicate whether existing buildings on the site will be rehabilitated or incorporated in the construction. Detail any demolition which will be required by the project, and indicate whether demolition involves any identified historic properties. If possible, attach a conceptual site plan and elevation (alternately, these may be presented at the Development Commission hearing).**

The Project is the historic rehabilitation of the 1965-built Downtowner Motor Inn. The Project furthers the City's goals to provide mixed-use projects along the Central Ave. corridor and encourage investment in Albuquerque's urban core. The Project will also be filling a need for quality hospitality in this area of Albuquerque.

The development team is working with the Federal Historic Preservation Tax Incentives program to gain Historic Tax Credits ("HTCs") for the Project. The program, which encourages private sector investment in the rehabilitation and re-use of historic buildings, requires that the building be brought back to its historic character as it was originally built. This goal is in-line with the *Downtown 2025 Plan* which places a focus on preservation and quality building development. The *Plan* states that through public/private partnerships, "Historic sites in and around Downtown shall be preserved, restored, and reused."<sup>17</sup> The *Route 66 Action Plan* also promotes the redevelop of Route 66 era buildings through its policies that state, "Putting remaining structures and sites [along Route 66] into active use should be a high priority."<sup>18</sup>

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<sup>17</sup> "Land Use and Design." *Downtown 2025 Sector Development Plan*. June 2014 Update. Pg. 13.

<sup>18</sup> "Historic Legacy: Policy 1.2." *Route 66 Action Plan*. November 2014. Pg. 38.

The Site is approximately 1.1 acres with ½ as an existing parking lot. The original six-story building, with an additional underground parking garage, includes approximately 75,000 square feet. The building is reinforced concrete construction.

The entire Project exterior and interior will be rehabilitated. The development plan includes the below. (See Exhibit-I “Conceptual Project Drawings”).

- 1) Revitalizing the guestrooms, on floors 2-6, by upgrading finishes, fixtures, and fully refurbishing with a mid-century modern aesthetic.
- 2) Reprogramming the ground floor into a coffee shop and bar that will also serve as the “front desk” of the hotel
- 3) Refreshing the pool area and landscaping by installing lush planting, game areas, and revitalizing the pool and deck
- 4) Creating a food truck park adjacent to the pool area to accommodate 3-6 local purveyors.

The exterior will be returned to its historic appearance. The contemporary synthetic stucco treatments will be removed and the underlying stucco, including the Native American symbols at the south elevation, will be repaired or replaced to closely match the historic where repair is not possible (see Exhibit-J “Original Native American Symbols”). This historic renovation of the exterior furthers the intent of both the *Downtown 2025 Plan* and the *Route 66 Action Plan*. Through historic preservation, the *Downtown 2025 Plan* seeks to, “Maintain the existing fabric of historic building facades.”<sup>19</sup> The *Route 66 Action Plan* commits to investment in Central Ave. through a façade improvement program, because, “These types of improvements signal that reinvestment is being made in an area and encourages redevelopment.”<sup>20</sup>

The contemporary parapet will also be removed, and the flat roofline will be reestablished. The railings will be replaced with compatible metal railings with metal mesh and porcelain panels. At the guestrooms, the historic entrance storefront configurations will be re-established.

Within the interior, the first floor, which was previously renovated in multiple campaigns, will be updated with new modern compatible finishes. The general floorplan and circulation pattern will be retained. An updated public space, including a bar and coffee shop, will be created on the first floor. At floors 2-6, the floor plans will be retained. The guestrooms and elevator lobbies will be updated with new compatible finishes. The existing stairs and elevators will be retained and repaired. New elevator cabs will be installed. Building systems will be upgraded as needed.

The existing Site will be retained including the surface parking lot and the pool and patio area. The site circulation pattern will also be retained with the porte cochere and carport at the entry. The existing driveways will be retained with a small portion of the driveway to the south of the building becoming an outdoor seating area. The concrete sidewalks located at the Central Ave. and 8th St. edges of the Site will be repaired. New street trees and landscaping will be installed at new planting beds in the sidewalk. The pool and fountain will be retained and repaired. The

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<sup>19</sup> “Historic Preservation.” *Downtown 2025 Sector Development Plan*. June 2014 Update. Pg. 77.

<sup>20</sup> “Economic Interest: Policy 4.1.” *Route 66 Action Plan*. November 2014. Pg. 52.

patio, which remains in poor condition, will be replaced with new concrete and landscaping. Two new gravel bocce courts will be installed to the rear of the building to the north of the pool.

The current signage for The Hotel Blue will be replaced with a new ARRIVE-brand sign in the neon-style paying homage to historic Route 66. This will also further the goals of the *Route 66 Action Plan* by promoting tourism through items such as neon signs.<sup>21</sup>

**H. Infrastructure**

**Indicate if Project will require any extension or relocation of utility or road systems. If additional infrastructure is required, what cost sharing agreements have been reached between the applicant and the city?**

Since this is the renovation of an existing building that was previously operating as a hotel, the Project will not require any extension or relocation of utility or road systems.

**I. Area Enhancement**

**Describe how project design and placement will enhance the area.**

Located in the heart of the city, connecting the CBD to historic Old Town, Downtown Albuquerque is being revitalized as a destination for dining, the arts, and entertainment. A renovation of the Project will attract people to the area and spur more development in Downtown Albuquerque.

ARRIVE Albuquerque is poised to become a social and architectural landmark for this culturally significant stretch of the city's downtown core. Anchored by a ground floor emphasizing a locally-oriented restaurant, bar, pool and outdoor grounds, ARRIVE seeks to celebrate, and be celebrated by, the local community. Through thoughtfully-designed spaces and unique programming, ARRIVE will immerse its guests in the design, style, tastes, and culture of Albuquerque. Our goal is to create a neighborhood establishment that is continually active with both locals and visitors to Albuquerque.

As mentioned, the area is really only activated once per week on Saturdays during the Growers' Market at Robinson Park. Remaining vacant, the property does not help encourage the revitalization of the Central Ave. corridor. It will continue to be an underutilized asset in an area that has untapped potential. If the Hotel were to be renovated with updated guestrooms, meeting rooms, and a strong ground-floor restaurant/retail presence then it would serve as a catalyst for activity.

Because of its location, the Project furthers many of the *Downtown 2025 Plan's* goals, including: 1) Creating a first-class pedestrian experience; 2) Creating a top-quality urban environment; 3) Creating a true center for arts/ entertainment/ culture; and 4) Promoting a well-managed urban environment.<sup>22</sup> With its unique historic character, the Hotel also will help promote, "The [Downtown] District as a 'tourist destination'."<sup>23</sup> Having a hotel above street level and the food/

<sup>21</sup> "Promotion and Tourism: Policy 5.1." *Route 66 Action Plan*. November 2014. Pg. 57.

<sup>22</sup> "Goals of the Downtown 2010 Plan." *Downtown 2025 Sector Development Plan*. June 2014 Update. Pg. 5.

<sup>23</sup> "Tourism and Hospitality." *Downtown 2025 Sector Development Plan*. June 2014 Update. Pg. 19.

amenity spaces on the ground floor, the Project will attract visitors and locals to the area, furthering the *Plan*'s goal of creating a vibrant 24-hour, "Arts and Entertainment District."<sup>24</sup>

ARRIVE Albuquerque meets all of the criteria listed as part of the "Plan Area" in the *Route 66 Action Plan* which are sites that: 1) Contribute to the past, present, and future legacy of Route 66; 2) Are visible from Route 66; 3) Contribute to a diverse, sustainable economy; and 4) Support the potential Route 66 has to create a thriving tourist economy.<sup>25</sup> Through the historic preservation and reopening as a boutique hotel, the Project will help to, "Preserve an existing asset on the Mother Road and stimulate reinvestment in a community along Central Ave. to make Route 66 an attractive and inviting experience for both visitors and residents."<sup>26</sup>

**J. Local Purchasing**

**Please provide an estimated annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax, and an estimated annual increase in such an expenditure.**

An estimated annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax ("NMGR") is provided below:

| <b>Locally Procured Goods &amp; Services</b>  | <b>Estimated Annual Expenditures</b>            | <b>Estimated Annual Increase</b> |
|---|---|----------------------------------|
| General Contracting and Construction Services   | \$7,000,000 (development)<br>\$50,000 (ongoing) | 3%                               |
| Consulting Services<br>(e.g. MEP Engineering, Landscaping)                                    | \$100,000 (development)<br>\$10,000 (ongoing)   | 3%                               |
| Hotel Furniture & Fixtures  | \$900,000 (development)<br>\$75,000 (ongoing)   | 3%                               |
| Restaurant Furniture & Fixtures   | \$50,000 (development)<br>\$25,000 (ongoing)    | 3%                               |
| Signage<br>Install & Repairs  | \$85,000 (development)<br>\$2,500 (ongoing)     | 3%                               |
| Information Technology Equipment<br>Install & Repairs   | \$100,000 (development)<br>\$2,500 (ongoing)    | 3%                               |
| Operating Supplies and Services<br>(e.g., linens, laundry, waste removal, live entertainment) | \$200,000 (development)<br>\$150,000 (ongoing)  | 3%                               |

<sup>24</sup> "Arts and Entertainment Focus." *Downtown 2025 Sector Development Plan*. June 2014 Update. Pg. 37-38.

<sup>25</sup> "Plan Area." *Route 66 Action Plan*. November 2014. Pg. 29.

<sup>26</sup> "Overview." *Route 66 Action Plan*. November 2014. Pg. 29.

|  |                     |           |
|--|---------------------|-----------|
| Food & Beverage Inventory  | \$625,000 (ongoing) | 3%        |
| Marketing & Advertising Services<br>(e.g. public relations agency) | \$20,000 (ongoing)  | 3%        |
| Utilities<br>(electricity, gas & water)                            | \$140,000 (ongoing) | 3%        |
|  |                     |           |
| <b>Total Development Expenditures</b>                              | <b>\$8,435,000</b>  | <b>0%</b> |
| <b>Total Ongoing Expenditures</b>                                  | <b>\$1,100,000</b>  | <b>3%</b> |

**K. Water Conservation**

**Estimate average daily and monthly water consumption and include any plans for the reduction or re-use of water.**

An estimate of average daily and monthly water consumption is provided below:

| <b>Project Phase</b> | <b>Estimated Daily Consumption</b> | <b>Estimated Monthly Consumption</b> |
|----------------------|------------------------------------|--------------------------------------|
| Hotel Development    | <10 gal.                           | <300 gal.                            |
| Ongoing Operations   | 3,800 gal.                         | 115,000 gal.                         |

As a part of the historic rehabilitation, we intend to take the following steps to address water conservation, reduction, and re-use:

1. Install upgraded plumbing fixtures that will include water conservation features.
2. Assess and repair, as necessary, leaking and damaged plumbing fixtures
3. Install drought-tolerant landscaping and upgrade irrigation systems with conservation features.

**L. Relocation of Individuals or Businesses**

**No individuals, families or businesses should be displaced by the activities outlined in this plan. If any relocation is required, detail the assistance the applicant will give in relocation.**

The building is currently vacant and not in operation of any kind. No individuals, families, or businesses will be displaced by the activities outlined in this plan.

**M. Number and Types of Jobs Created**

**Identify the number and type (i.e., professional, clerical, assembly line, etc.) of permanent jobs which will be created in the project. If any existing jobs are to be retained to the project site, describe separately. Please include the wages of all positions to be created.**

Once open, the Project anticipates creating 75 full- and part-time jobs. This includes employees at the Hotel and the food and beverage establishments. For comparison, the previous owners of the Hotel Blue only had 11 employees to run the hotel. It also did not have any restaurant/retail spaces.

ARRIVE builds a world-class staff by empowering its employees and treating them as partners. ARRIVE employees are cross-trained in multiple areas of the hotel, from front-desk operations to bartending, allowing each employee to provide guest services across multiple disciplines and providing them with opportunities for professional growth.

All full-time employees will receive health insurance, dental, vision, life insurance, PTO, and the option to participate in a 401(k) plan. Approximately 60% of the employees are anticipated to be full-time, with 40% part-time employees. (Please see the write-up and tables below for more detailed information regarding estimated compensation and benefits).

| <b>Benefit Type</b>    | <b>Value</b>  |
|------------------------|---|
| Health Insurance       | ~ 9% net pay<br>(~ 20% employee contribution) <sup>27</sup> |
| Dental Insurance       | ~ .1% net pay<br>(100% employee contribution)               |
| Vision Insurance       | ~ .1% net pay<br>(100% employee contribution)               |
| Paid Time Off          | ~ 1% net pay<br>(0% employee contribution)                  |
| Life Insurance         | ~ .1% net pay<br>(0% employee contribution)                 |
| 401(k) Retirement Plan | No employer contribution                                    |

Hotel management positions will include: General Manager; Assistant GM; Rooms Manager; Food and Beverage Manager; Director of Sales; Sales Coordinator; Housekeeping Supervisor; and Chief Engineer. It is estimated that these positions will range in wages from \$40,000 to \$90,000 per year. A team of guest service agents, night auditors, housekeepers, attendants,

<sup>27</sup> ARRIVE contributes 80% of the cost of a Kaiser Bronze HMO plan for all full-time employees. The contribution ratio varies depending on which plan the employee selects.

## ARRIVE Albuquerque – IRB Application

drivers, and security will make up the rest of the hotel positions. It is estimated that these positions will range in wages from \$25,000 to \$45,000 per year.

The salary for the Food & Beverage Manager is estimated to be \$80,000 per year. The Assistant F&B Manager is anticipated to make \$55,000 per year. Hourly wages for food and beverage employees are anticipated to be \$10.00/hr - \$14.00/hr.

ARRIVE is also seeking to partner with the New Mexico Workforce Connection (“NMWC”) to make low-income hires. As part of the pre-hire screening process, NMWC can determine applicants’ income status and who would qualify for the jobs that will be created. ARRIVE will also look at local colleges and job placement agencies seeking to find talented individuals looking to grow in the hospitality industry. ARRIVE also has a management training program that encourages employees to continue to grow and be promoted within the organization.

In addition to the jobs directly created at ARRIVE, other local jobs will be created through contracted services (e.g. linen supply/ laundry), as well as ancillary businesses created through future redevelopment in the area.

| PROJECT TOTAL          |           |           |                       |                 |                 |
|------------------------|-----------|-----------|-----------------------|-----------------|-----------------|
| Position               | Full Time | Part Time | Salary Range          | Healthcare Plan | Retirement Plan |
| Full time              | 45        | -         | \$10/hr - \$90,000/yr | Y               | Y               |
| Part Time              | -         | 30        | \$10/hr - \$60,000/yr | N               | N               |
| <b>TOTAL EMPLOYEES</b> | <b>75</b> |           |                       |                 |                 |

| HOTEL SUBTOTAL        |           |           |                                  |                 |                 |
|-----------------------|-----------|-----------|----------------------------------|-----------------|-----------------|
| Position              | Full Time | Part Time | Salary Range                     | Healthcare Plan | Retirement Plan |
| Management            | 5         | -         | \$40,000 - \$90,000/yr           | Y               | Y               |
| Admin/ General        | 3         | -         | \$40,000 - \$60,000/yr           | Y               | Y               |
| Admin/ General        | -         | 2         | \$40,000 - \$60,000/yr           | N               | N               |
| Service & Support     | 21        | -         | \$25,000 - \$30,000/yr           | Y               | Y               |
| Service & Support     | -         | 15        | \$25,000 - \$30,000/yr           | N               | N               |
| Maintenance           | 2         | -         | \$30,000 - \$35,000/yr           | Y               | Y               |
| Maintenance           | -         | 2         | \$30,000 - \$35,000/yr           | N               | N               |
| <b>HOTEL SUBTOTAL</b> | <b>31</b> | <b>19</b> | <b>\$25,000/yr - \$90,000/yr</b> |                 |                 |

| FOOD & BEVERAGE SUBTOTAL |           |           |                                    |                 |                 |
|--------------------------|-----------|-----------|------------------------------------|-----------------|-----------------|
| Position                 | Full Time | Part Time | Salary Range                       | Healthcare Plan | Retirement Plan |
| Management               | 2         | -         | \$40,000 - \$80,000/yr             | Y               | Y               |
| Supervisors              | 5         | -         | \$14-20/hr; \$40,000 - \$60,000/yr | Y               | Y               |
| Service & Support        | 7         | -         | \$11-16/hr                         | Y               | Y               |



|                         |           |           |                              |   |   |
|-------------------------|-----------|-----------|------------------------------|---|---|
| Service & Support       | -         | 11        | \$10-14/hr                   | N | N |
| <b>F&amp;B SUBTOTAL</b> | <b>14</b> | <b>11</b> | <b>\$11/hr - \$80,000/yr</b> |   |   |

**The following questions must also be answered:**

- 1) What percentage of the permanent new jobs is expected to be filled by current Albuquerque area residents, as opposed to people relocated from elsewhere?**

ARRIVE believes in both giving guests an authentic local experience and investing in the local community. That is why 95% of the permanent new jobs are expected to be filled by current Albuquerque area residents.

- 2) Will jobs benefit low and moderate income residents?**

Due the nature of the work, and the skillsets required, in the hospitality and food and beverage industry, many of the jobs will be geared to low- and moderate-income workers.

- 3) Will the jobs meet or exceed median wages for the industry within the community?**

The new jobs created at ARRIVE Albuquerque will meet or exceed median wages for the industry within the community.

- 4) Will the jobs match skills of current city residents?**

The jobs will match the skills of current city residents. Additionally, NM Workforce Connections offers opportunities for further skills training and career advancement.

- 5) Will new employees be trained to fill the positions?**

ARRIVE has in-depth training for employees to cross-train in multiple positions.

- 6) What stated advancement opportunities are there?**

ARRIVE has a management training program that encourages employees to continue to grow and be promoted within the organization.

- 7) Will “Job Training Incentive Program” or other job training programs be used?**

In addition to working with NM Workforce connections, ARRIVE will look at other opportunities for Job Training Incentive Programs.

- 8) Will at least 50% of health insurance premiums be covered for employees?**

At least 50% of health insurance premiums will be covered for full-time employees.

**N. Corporate Citizenship Policy/Plan**

**List any company policies/plans regarding the promotion of donations and volunteerism policy.**

Although, no current policy is in place, see *Section O: Positive Contributions* below for some of the anticipated engagement in the community.

**O. Positive Contributions**

**List all positive contributions that the project will make to the neighborhood.**

ARRIVE is committed to engaging with the surrounding neighborhood and promoting Downtown Albuquerque as a destination for both visitors and locals. The Project encourages future neighborhood growth, local job creation, increased availability of goods and services to local residents, improved appearance and reduction in transient activity, and increased local and national recognition of the neighborhood and the surrounding community.

By developing relationships with civic leaders, surrounding businesses, and neighborhoods, the Project will have a positive impact for the broader community. While specific programs are to be determined, below are some ideas that have been discussed with local leaders and neighbors. Programs will be more defined closer to the opening date of the Hotel.

- Working with New Mexico Workforce Connection (“NMWC”) to hire new employees. Working with this program will also help promote employees’ job training and career advancement.
- Involvement with Downtown ABQ MainStreet Initiative. We intend to become active supporters of the Downtown ABQ MainStreet Initiative, and we will look to work with the program’s leadership in any way we can to further its valuable programs.
- Supporting local businesses. ARRIVE’s brand identity centers on celebrating local culture, including neighborhood establishments and service providers. ARRIVE Albuquerque will support the local business community by sourcing inventories, supplies, furnishings and product offerings from local producers and makers. The hotel will also highlight local service and retail businesses to guests through printed and electronic materials distributed to guests, including our signature local guidebooks (Online example: <https://arrivehotels.com/palmsprings/field-guide/>).
- Programming at Robinson Park. This is an important city amenity that is typically only activated for the Downtown Growers’ Market. In addition to supporting the Growers’ Market in a variety of ways, we will also explore other types of events and programming that could activate the park on a more regular basis.
- Supporting the Central Avenue bike police officer initiative. We believe this program can initiate a virtuous cycle of decreasing crime while increasing pedestrian traffic to

Downtown Albuquerque. We will eagerly support this initiative, as well as future programs focused on safety in the downtown area.

- Providing meeting space for local groups. In response to significant interest we have heard from discussions with neighborhood groups and organizations, we will provide special accommodations for community groups to utilize our meeting spaces as available, and we will look for opportunities to partner with local organizations to host events that support local causes.

**P. Management**

**Who will manage the project? If the project will be managed by someone other than the applicant, does the applicant have any long-range involvement?**

ARRIVE will be the manager of the Project.

**IV. PROJECT FINANCING**

**A. Cost of Improvements, Bond Amount and Private Financing**

**Provide the total cost of the improvements to be constructed and the amount of bonds requested. The amount requested should be no more than that needed to complete the project in addition to equity or conventional financing. Also provide the amount of private financing (equity or conventional financing) involved in this project; this may include the value of land and existing facilities, if relevant.**

The total anticipated cost of the Project is \$22,000,000. The cost of the land and existing facilities is \$7,400,000. The remaining construction and development costs are estimated to be \$14,600,000.

The amount of bonds requested is \$22,000,000, which would be self-purchased by a related entity. Equity is assumed to make up \$7,700,000 of the capital, with the remaining project costs to be funded from private financing sources.

**B. Estimated Value After Completion**

**Indicate the estimated appraised value of the project after completion.**

The estimated appraised value of the Project after completion is \$4,700,000. This is based on the average appraised value, per key, of surrounding hotel properties.<sup>28</sup>

**C. Feasibility**

**Present information to show that the project can reasonably be expected to generate sufficient revenue to liquidate the debt. This information may be an attached pro forma, and should be sufficiently detailed to show the assumptions on which the projections are based. However, a firm commitment to provide financing for the project will be considered sufficient evidence of feasibility, and no pro forma will be needed in such cases.**

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<sup>28</sup> Properties included: Hotel Albuquerque, Hotel Andaluz, Hotel Parq Central, Hyatt Regency Downtown

Equity for the Project has been secured. The development team has engaged potential lenders for the construction loan.

**D. Construction Schedule**

**Give the date of anticipated beginning and completion of construction.**

Construction of the Project is anticipated to begin in December 2019. It is expected to be complete twelve months later in January 2021. The anticipated opening of the hotel is February 2021.

**E. Issuance of Bonds**

**Provide the anticipated date of bond issuance.**

The anticipated date of bond issuance is December 2019.

**Attachments: Attach to the plan a map location of the project (you may use the base maps from the City Zone Atlas if you wish), and any other information as desired to supplement the plan. If you are attaching glossy or colored printed material, please submit 25 copies.**

For all exhibits see attached document *IRB Exhibits - ARRIVE Albuquerque*.

## **FISCAL IMPACT ANALYSIS**

**Please provide the following information necessary to complete a Fiscal Impact Analysis. Attach as a separate document. (Information asked may be repetitive to the IRB Application).**

See attached document *Fiscal Impact Analysis*. This information was provided to the University of New Mexico Bureau of Business and Economic Research (“BBER”) on 7/15/19.

# ARRIVE

HOTELS & RESTAURANTS

July 24, 2019

Deirdre Firth  
Deputy Director  
City of Albuquerque Economic Development  
[dfirth@cabq.gov](mailto:dfirth@cabq.gov)

VIA E-MAIL

RE: ARRIVE Albuquerque IRB Application

Dear Ms. Firth,

Thank you to you, and the entire City of Albuquerque team, for the time spent working with us to prepare for the IRB application. We are excited to bring the ARRIVE hotel to Albuquerque and believe that it will be a positive addition to Downtown. Rehabilitating the building to its original 1965-character will help preserve the legacy of historic Route 66. Our goal is to create a thriving neighborhood establishment that is continually active with both locals and visitors to the city.

Through our meetings with civic leaders, business owners, and neighborhood associations over the last year, we have felt the community support for the project. We recognize that the residents of the city have a strong desire for a vibrant urban core. Cities like Albuquerque are exactly the types that we want to partner with and invest in long-term.

We look forward to continuing to work with you throughout the IRB and legislation process.

Sincerely,



Matthew Steinberg  
ARRIVE Albuquerque

**NOTE:** In addition to this electronic submission, Rodey Law Firm will be delivering printed copies of the application along with a check for the application fee of \$2,500. The signed bond counsel retention letter and check for the retainer fee of \$6,500 will also be delivered to the Modrall Law Firm. The FIA information was provided to UNM BBER on 7/15/19. The invoice for their services will be paid when it is received.



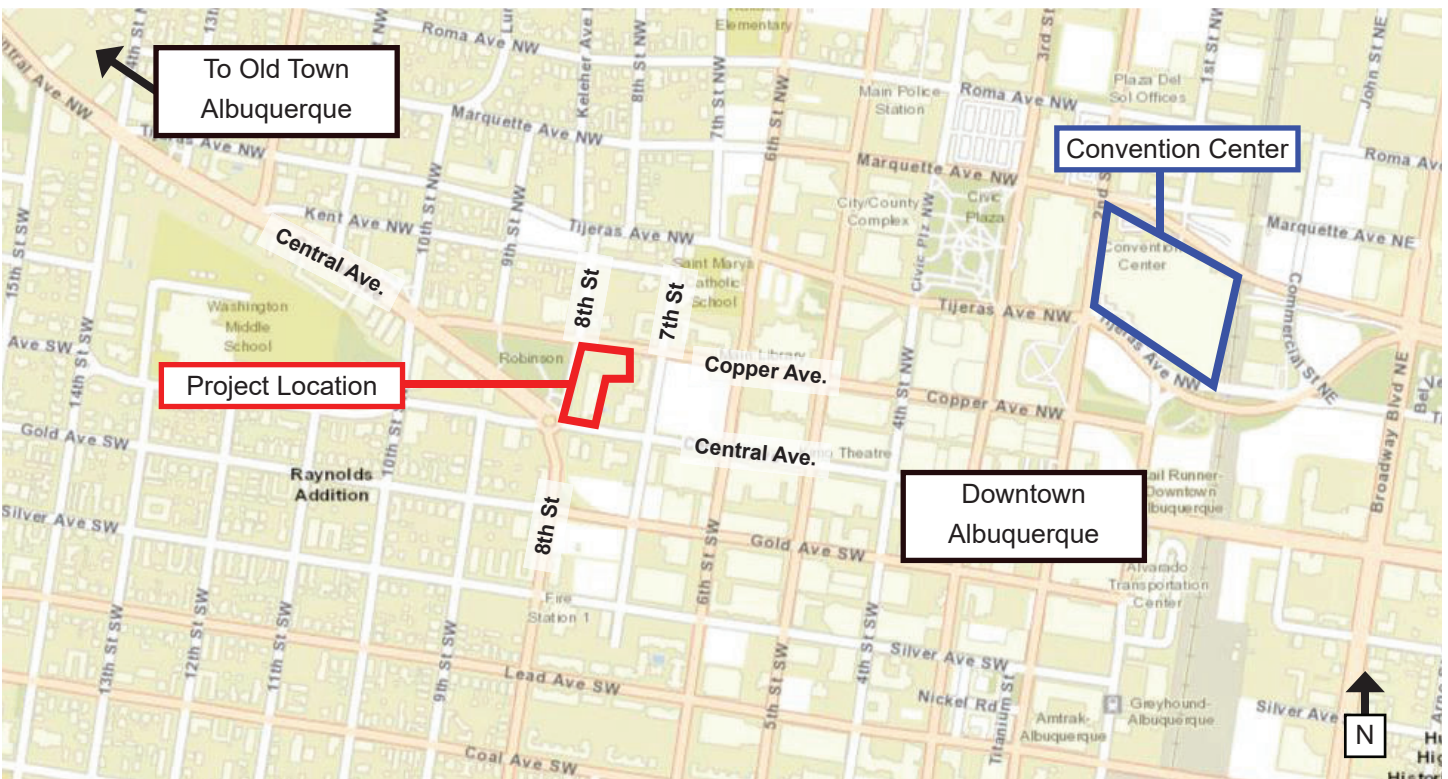
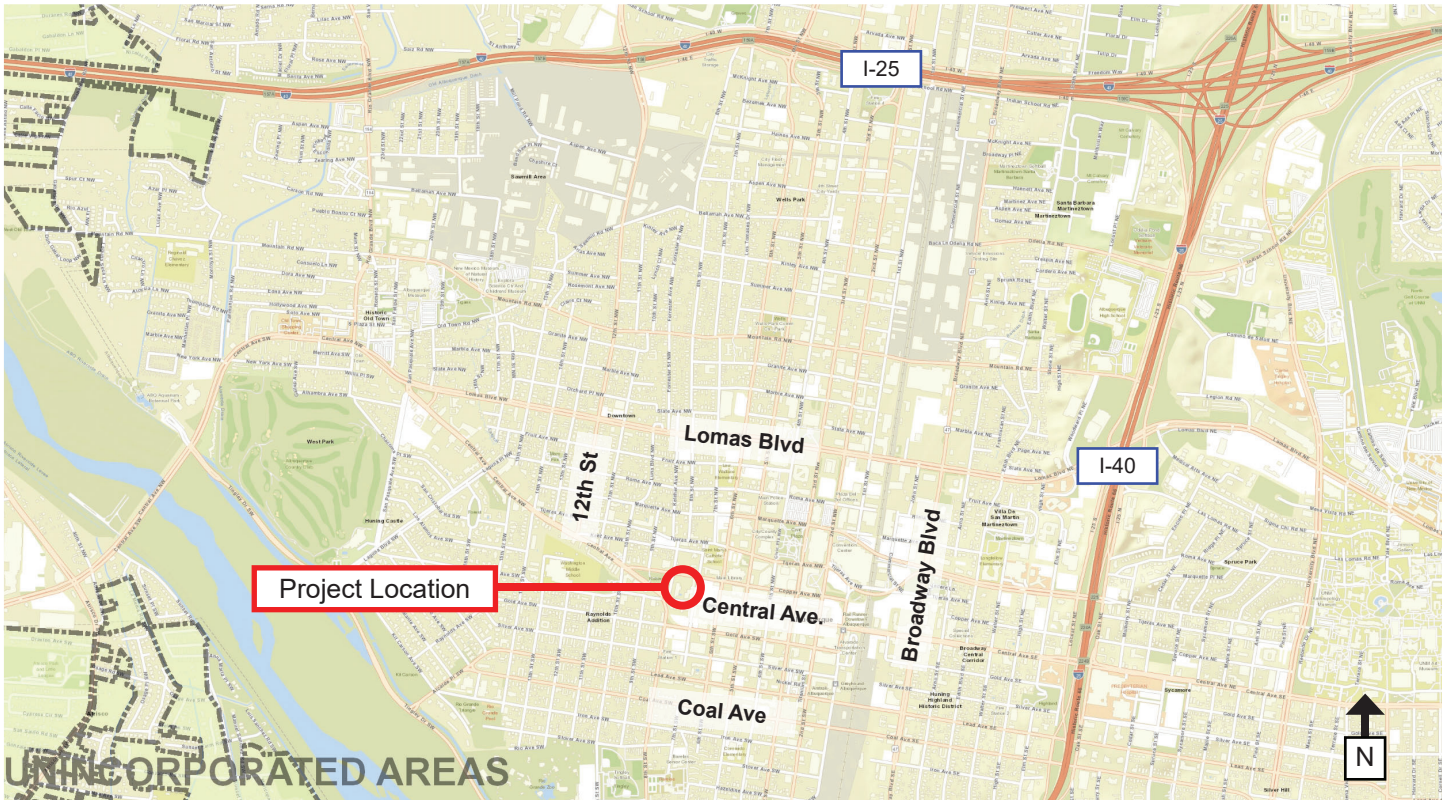
# EXHIBITS

## IRB APPLICATION - ARRIVE ALBUQUERQUE

7/24/19

### EXHIBIT - A

#### Project Location





**EXHIBIT - B**  
**Downtown Motor Inn**



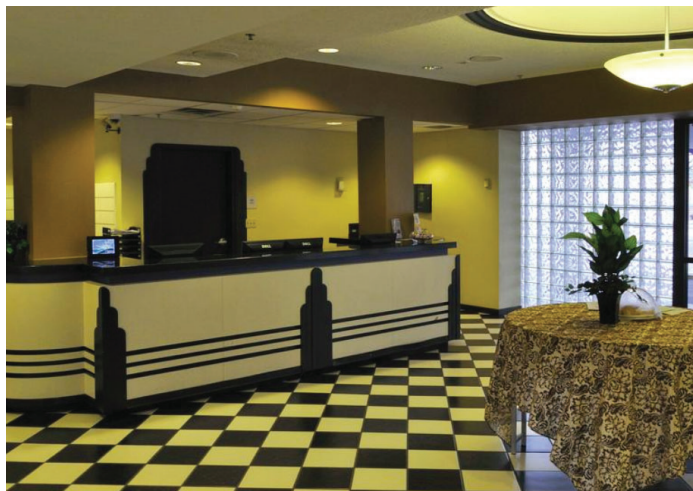


**EXHIBIT - C**  
**The Hotel Blue - Previous Condition (1 of 2)**





**EXHIBIT - C**  
**The Hotel Blue - Previous Condition (2 of 2)**



**EXHIBIT - D**  
**Present Assessed Value - Tax Year 2019**

7/22/2019

Bernalillo County, NM

**PARID: 101405704347123702**  
**717 CENTRAL AVE HOTEL LLC,**

**717 CENTRAL AVE**

**Values**

---

|                        |                    |
|------------------------|--------------------|
| Tax Year               | <b>2019</b>        |
| Full Land Value        | \$346,700.00       |
| Agric. Land            | \$0.00             |
| Full Impv. Value       | \$2,793,400.00     |
| Full Total Value       | \$3,140,100.00     |
| <br>Taxable (1/3 Full) | <br>\$1,046,595.00 |

**Exemptions**

---

|                |        |
|----------------|--------|
| Head of Family | \$0.00 |
| Veteran        | \$0.00 |
| Other 4000     | \$0.00 |

**Net Taxable Value**

---

|                   |                |
|-------------------|----------------|
| Net Taxable Value | \$1,046,595.00 |
|-------------------|----------------|

**EXHIBIT - E**  
**Company Biographies**

**ARRIVE HOTELS & RESTAURANTS**

**Chris Pardo**

**Co-Founder & Chief Development Officer**

Chris Pardo, an Honors graduate of the UNLV Hotel & Restaurant Management program, served in various management positions with Four Seasons in New York and Beverly Hills. He then attended the University of Washington Architecture Master's program and launched the architecture firm Elemental Architecture. Pardo has also created and opened a variety of restaurant, bar and entertainment venues, including Bootlegger Tiki and Ernest Coffee in Palm Springs, CA.

**Peter Karpinski**

**Co-Founder**

A graduate of Cornell's School of Hotel Administration, Peter Karpinski has worked for several top luxury hospitality brands, including Four Seasons, Caesars Entertainment, and the Starr Restaurant Organization. Karpinski has also served as COO & Partner of Sage Hospitality, where he created several lifestyle hotel concepts and founded Sage Restaurant Group, launching over a dozen award-winning brands.

**Ezra Callahan**

**Co-Founder & Chief Investment Officer**

Ezra Callahan, a graduate of Stanford, co-founded Artist & Recreation, a Los Angeles-based real estate and hospitality group, which redeveloped the Regent Theater in downtown Los Angeles into a 1,000-capacity live music venue. Previously, Callahan was the sixth employee and first product manager at Facebook.

**Matt Steinberg**

**Co-Founder & Chief Executive Officer**

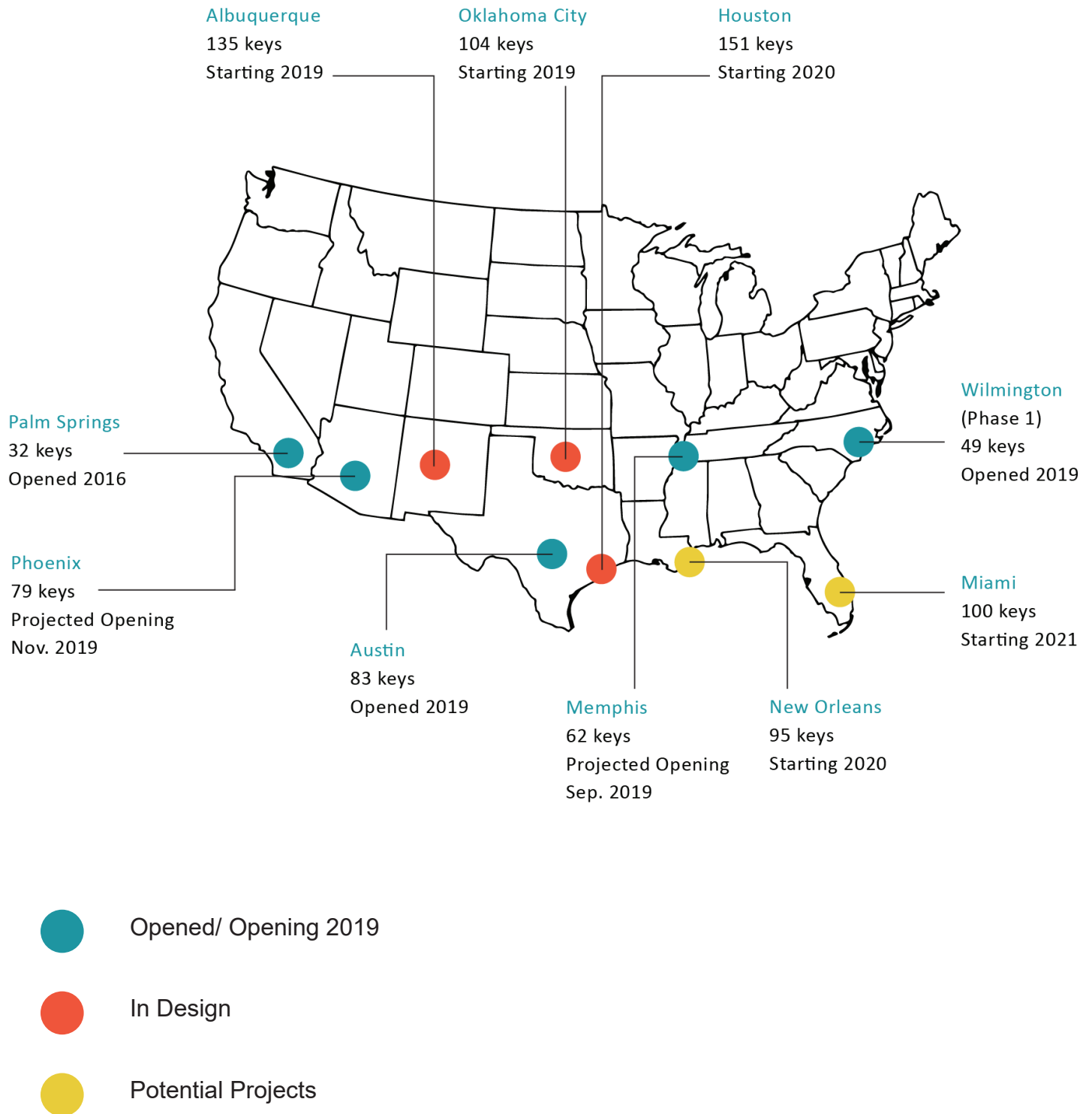
Before co-founding Artist & Recreation, a Los Angeles-based real estate and hospitality group, Matt Steinberg was an attorney at Munger, Tolles & Olson in Los Angeles, focusing on corporate and real estate litigation. Steinberg graduated from Stanford with a degree in International Relations. He received a Master's from the Fletcher School at Tufts before returning to Palo Alto, CA to earn a J.D. at Stanford Law School.

**Noah Ellis**

**Chief Operating Officer**

Noah Ellis started in the hospitality industry washing dishes when he was 13. He has since held higher-level positions at the Light Group, Mina Group, Kimpton Hotels, and his own consulting company, where, collectively, he has opened over 25 properties. Ellis is also a Co-Founder & Co-Owner of Top Round Roast Beef.

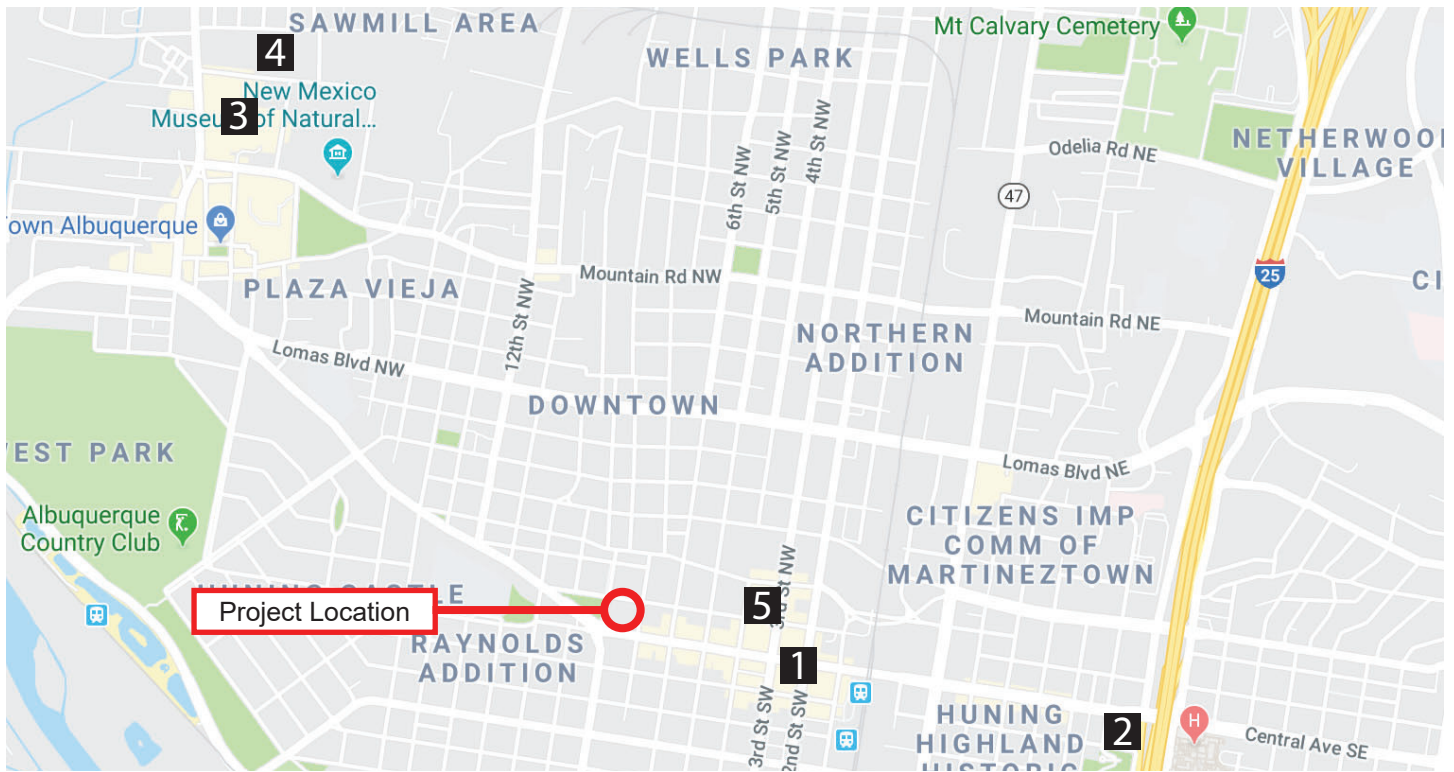
## EXHIBIT - F Map of ARRIVE Properties





# EXHIBIT - G

## Map and Table of Hotel Competitors



| MAP #     | NAME               | FLAG                    | CLASS         | SUBMARKET     | KEYS | OPEN DATE |
|-----------|--------------------|-------------------------|---------------|---------------|------|-----------|
| -         | Subject            | ARRIVE                  | Upper Upscale | Downtown      | 135  | 2021      |
| 1         | Hotel Andaluz      | Hilton Curio Collection | Luxury        | Downtown      | 107  | 2009      |
| 2         | Hotel Parq Central | -                       | Upper Upscale | East Downtown | 74   | 2010      |
| 3         | Hotel Albuquerque  | Heritage Hotels         | Full-Service  | Old Town      | 188  | 2005      |
| 4         | Hotel Chaco        | Heritage Hotels         | Luxury        | Old Town      | 118  | 2017      |
| 5         | Hyatt Regency      | Hyatt                   | Full-Service  | Downtown      | 382  | 1990      |
| TOTAL/AVG |                    |                         |               |               | 869  | 2006      |

EXHIBIT - H  
Hotel Inventory Letter



July 10, 2019

To Whom It May Concern:

Tourism in Albuquerque continues to be a very bright spot for the economy. All indicators have seen substantial growth in the last several years including Lodgers Tax and Gross Receipts collections from visitors, and more people are employed in the industry than ever before.

Visit Albuquerque serves as the primary destination marketing contractor for the City of Albuquerque. As part of that function, one of the primary objectives of our organization is the acquisition of meetings, conventions and sports event occurring at the Albuquerque Convention Center. As discussion is ongoing regarding the development and vibrancy of Downtown, we'd like to provide insight and background knowledge from our daily business regarding potential hotel and entertainment development.

Our data shows that since 2013, the Albuquerque Convention Center has been eliminated from consideration for at least three dozen meetings due to a lack of concentration of hotel rooms within walking distance to the building. The collective direct spending impact of that business conservatively equates to over \$80 million dollars. This only factors in the business that Albuquerque was considered for with our current specs and inventory.

We remain enthusiastic about the positive momentum in Downtown as the additional activity of businesses and residents adds to the vibrancy of the city and the offerings for visitors.

Please let us know if you need any additional information or have questions.

Sincerely,

A handwritten signature in black ink, reading "Tania Armenta".

Tania Armenta  
President & CEO

(Please see 11x17 attachment for enlarged drawings)



EXHIBIT - I  
Conceptual Project Drawings (2 of 6)

(Please see 11x17 attachment for enlarged drawings)

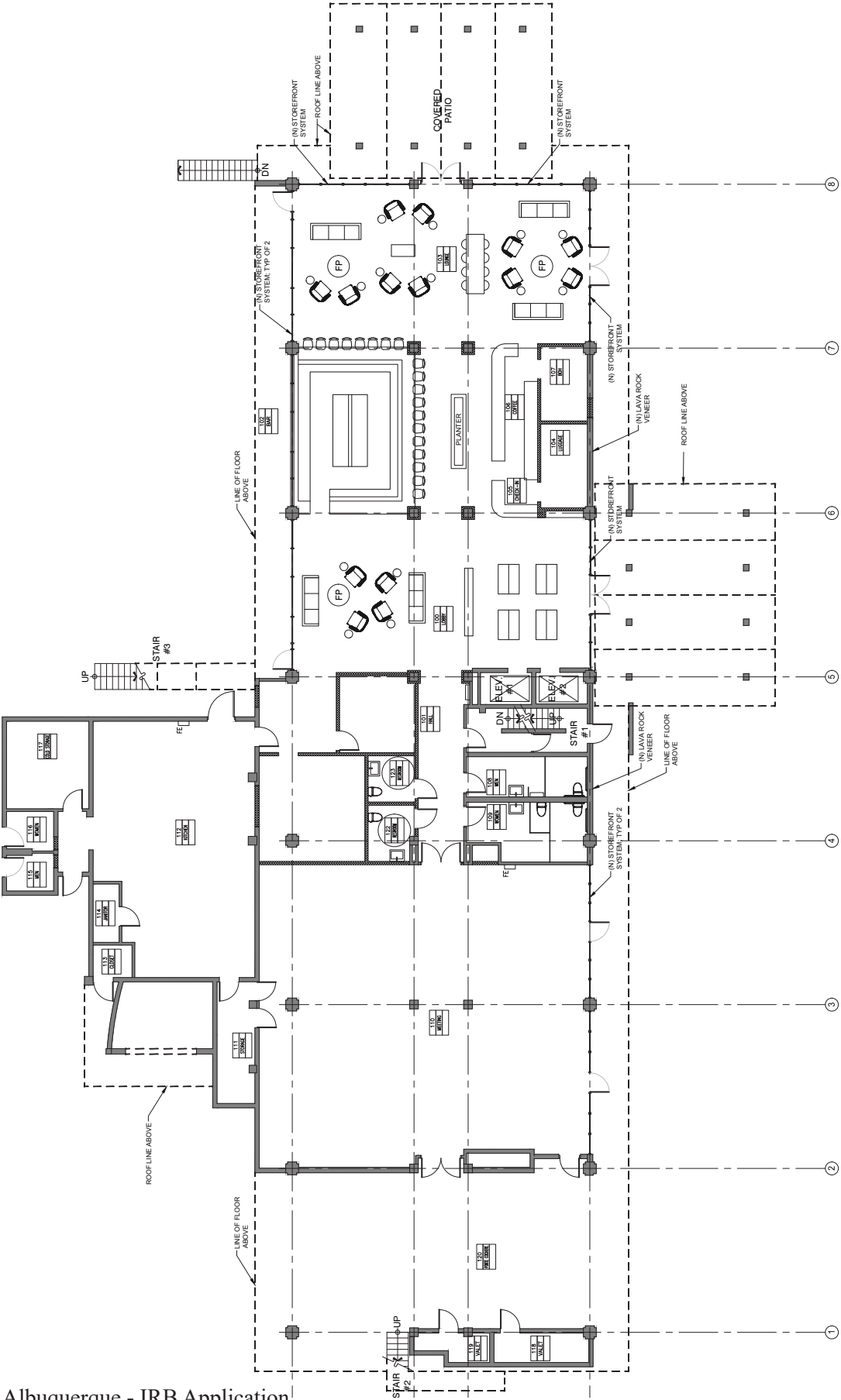
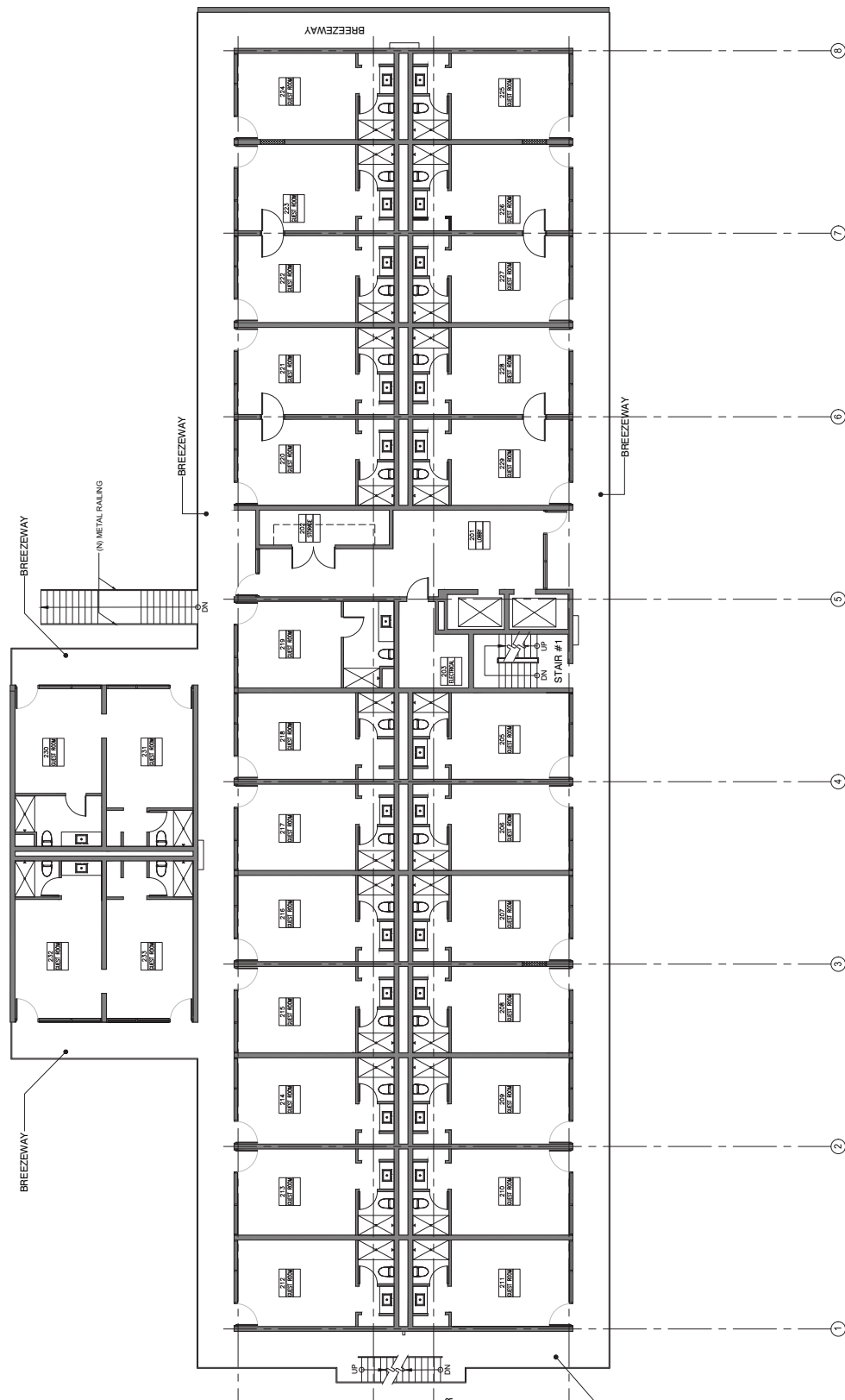




EXHIBIT - I  
Conceptual Project Drawings (3 of 6)

(Please see 11x17 attachment for enlarged drawings)



Conceptual Typical Floorplan (Floors 2 - 6)

(Please see 11x17 attachment for enlarged drawings)







**EXHIBIT - I**  
**Conceptual Project Drawings (6 of 6)**



**Conceptual Ground Floor Rendering**



**Conceptual Ground Floor Rendering**



# EXHIBIT - J

## Original Native American Symbols



## FISCAL IMPACT ANALYSIS

**Please provide the following information necessary to complete a Fiscal Impact Analysis. Attach as a separate document. (Information asked may be repetitive to the IRB Application).**

### **1. Describe the type or nature of project operations.**

ARRIVE Albuquerque (the “Project” or the “Hotel”) is the historic rehabilitation of the 1965-built Downtowner Motor Inn into a new boutique hotel. The Project is located in Albuquerque, New Mexico at the west end of Downtown at the intersection of 8<sup>th</sup> Street NW and Central Avenue NW. Directly west of the Hotel is Robinson Park, which dates back to the 1880s as Albuquerque’s first public park.<sup>1</sup> As the first hotel built in Downtown Albuquerque post-World War II, and the first since the original Hilton in 1939 (now Hotel Andaluz), the Downtowner Motor Inn is an example of Route 66 history.<sup>2,3</sup>

The new hotel development will restore the six-story, 75,000 square-foot, building to the original historic exterior. The plan also includes completely renovating the guestrooms, ground-level public space, pool/patio area, and landscaping. The Project will consist of the following:

- Hotel: An approximately 135-room boutique hotel to managed by ARRIVE Hotels and Restaurants (“ARRIVE”).
- Bar and Coffeeshop: The ground floor of the Hotel will consist of a large public space featuring a bar and a coffeeshop. The bar, which also functions as the “reception desk”, will feature an extensive list of local microbrewery selections along with a craft cocktail program and a snack menu. For the coffeeshop, ARRIVE will partner with a local roaster to provide a full range of coffee and tea beverages, along with a selection of breakfast items, pastries, and small plates.
- Pool Courtyard and Activity Area: The existing pool and deck will be renovated and will include a new activity area for games such as bocce.
- Food Truck Lot: Adjacent to the pool area, the Hotel will feature a small food truck park that can accommodate 3-6 local purveyors to set up with water and power connections. The kitchen at the Hotel will be available as a commissary to the food trucks that are regularly stationed at the Hotel.
- Event/Meeting Spaces: The hotel will have flexible meeting and event rooms that can be scaled to accommodate everything from small group meetings of 2-5 people, to large banquets and receptions for up to 300 guests. The Hotel will have a variety of furniture and audio/visual equipment available for rent.

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<sup>1</sup> “Albuquerque’s 20<sup>th</sup>-Century Suburban Growth.” *New Mexico History.org: Places*.  
<http://newmexicohistory.org/places/albuquerque-20th-century-suburban-growth>

<sup>2</sup> “Downtowner Inn Groundbreaking Scheduled Soon.” *Albuquerque Journal*. 26 February 1964. Pg. 2.

<sup>3</sup> “5-Story Hotel Is Proposed.” *Albuquerque Tribune*. 21 May 1963. Pg. 2.

**2. Total number of new employees to be created as a result of the proposed Industrial Revenue Bond project, a total net payroll and an estimated annual pay increase in future years.**

The development team has been working with a local general contractor and is anticipated to use 100% local subcontractors. Construction of the Project is estimated to create 80 full-time jobs over the anticipated 12-month schedule.

Once open, the Project anticipates creating 75 full- and part-time jobs. This includes employees in both the hotel and food and beverage operations. For comparison, the previous owners of the Hotel Blue only had 11 employees to run the hotel. It also did not have any restaurant/retail spaces.

The total net payroll is estimated at \$2,000,000, and is expected to increase 3% per year.

**3. Number of new employees by title or job classification and respective salaries.**

The Project anticipates creating 75 full- and part-time jobs.

Hotel management positions will include: General Manager; Assistant GM; Rooms Manager; Food and Beverage Manager; Director of Sales; Sales Coordinator; Housekeeping Supervisor; and Chief Engineer. It is estimated that these positions will range in wages from \$40,000 to \$90,000 per year. A team of guest service agents, night auditors, housekeepers, attendants, drivers, and security will make up the rest of the hotel positions. It is estimated that these positions will range in wages from \$25,000 to \$45,000 per year.

Food and Beverage include: the salary for the Food & Beverage Manager is estimated to be \$80,000 per year. The Assistant F&B Manager is anticipated to make \$55,000 per year. Hourly wages for food and beverage employees are anticipated to be \$10.00/hr - \$14.00/hr.

ARRIVE is also seeking to partner with the New Mexico Workforce Connection (“NMWC”) to make low-income hires. As part of the pre-hire screening process, NMWC can determine applicants’ income status and who would qualify for the jobs that will be created. ARRIVE will also look at local colleges and job placement agencies seeking to find talented individuals looking to grow in the hospitality industry. ARRIVE also has a management training program that encourages employees to continue to grow and be promoted within the organization.

In addition to the jobs directly created at ARRIVE, other local jobs will be created through contracted services (e.g. linen supply/ laundry), as well as ancillary businesses created through the hotel’s food truck lot and future redevelopment in the area.

| PROJECT TOTAL |           |           |                       |                  |                 |
|---------------|-----------|-----------|-----------------------|------------------|-----------------|
| Position      | Full Time | Part Time | Salary Range          | Health Care Plan | Retirement Plan |
| Full time     | 45        | -         | \$10/hr - \$90,000/yr | Y                | Y               |
| Part Time     | -         | 30        | \$10/hr - \$60,000/yr | N                | N               |

|                        |           |  |  |  |
|------------------------|-----------|--|--|--|
| <b>TOTAL EMPLOYEES</b> | <b>75</b> |  |  |  |
|------------------------|-----------|--|--|--|

| <b>HOTEL SUBTOTAL</b> |                  |                  |                                  |                         |                        |
|-----------------------|------------------|------------------|----------------------------------|-------------------------|------------------------|
| <b>Position</b>       | <b>Full Time</b> | <b>Part Time</b> | <b>Salary Range</b>              | <b>Health Care Plan</b> | <b>Retirement Plan</b> |
| Management            | 5                | -                | \$40,000 - \$90,000/yr           | Y                       | Y                      |
| Admin/ General        | 3                | -                | \$40,000 - \$60,000/yr           | Y                       | Y                      |
| Admin/ General        | -                | 2                | \$40,000 - \$60,000/yr           | N                       | N                      |
| Service & Support     | 21               | -                | \$25,000 - \$30,000/yr           | Y                       | Y                      |
| Service & Support     | -                | 15               | \$25,000 - \$30,000/yr           | N                       | N                      |
| Maintenance           | 2                | -                | \$30,000 - \$35,000/yr           | Y                       | Y                      |
| Maintenance           | -                | 2                | \$30,000 - \$35,000/yr           | N                       | N                      |
| <b>SUBTOTAL</b>       | <b>31</b>        | <b>19</b>        | <b>\$25,000/yr - \$90,000/yr</b> |                         |                        |

| <b>FOOD &amp; BEVERAGE SUBTOTAL</b> |                  |                  |                                    |                         |                        |
|-------------------------------------|------------------|------------------|------------------------------------|-------------------------|------------------------|
| <b>Position</b>                     | <b>Full Time</b> | <b>Part Time</b> | <b>Salary Range</b>                | <b>Health Care Plan</b> | <b>Retirement Plan</b> |
| Management                          | 2                | -                | \$40,000 - \$80,000/yr             | Y                       | Y                      |
| Supervisors                         | 5                | -                | \$14-20/hr; \$40,000 - \$60,000/yr | Y                       | Y                      |
| Service & Support                   | 7                |                  | \$11-16/hr                         | Y                       | Y                      |
| Service & Support                   | -                | 11               | \$10-14/hr                         | N                       | N                      |
| <b>SUBTOTAL</b>                     | <b>14</b>        | <b>11</b>        | <b>\$11/hr - \$80,000/yr</b>       |                         |                        |

**4. Optional employee benefits and an estimated value of such benefits and an estimated value of such benefits, either by amount or percentage of net pay. If employees contribute to such benefits, indicate their contributions in amount or percentage.**

All full-time employees will receive health insurance, dental, vision, life insurance, PTO, and the option to participate in a 401(k) plan. Approximately 60% of the employees are anticipated to be full-time, with 40% part-time employees. (Please see the write-up and tables below for more detailed information regarding estimated compensation and benefits).

| <b>Benefit Type</b> | <b>Value</b>   |
|---------------------|--|
| Health Insurance    | ~ 9% net pay<br>(~ 20% employee contribution) <sup>4</sup> |

<sup>4</sup> ARRIVE contributes 80% of the cost of a Kaiser Bronze HMO plan for all full-time employees, which is in compliance with NMSA 1978, 3-32-7.E. The contribution ratio varies depending on which plan the employee selects, but in no case does ARRIVE contribute less than 50% of the premium for health care coverage for those employees choosing to enroll.



|                        |   |
|------------------------|---|
| Dental Insurance       | ~ .1% net pay<br>(100% employee contribution) |
| Vision Insurance       | ~ .1% net pay<br>(100% employee contribution) |
| Paid Time Off          | ~ 1% net pay<br>(0% employee contribution)    |
| Life Insurance         | ~ .1% net pay<br>(0% employee contribution)   |
| 401(k) Retirement Plan | No employer contribution                      |

**5. An estimated total annual expenditure of goods and services locally procured, identification of such goods and services (only those over \$10,000 per year), and an estimated annual increase in total expenditure.**

The estimated total of locally procured goods and services, their annual expenditure, and estimated annual increase are included below:

| <b>Locally Procured Goods &amp; Services</b>  | <b>Estimated Annual Expenditures</b>            | <b>Estimated Annual Increase</b> |
|---|---|----------------------------------|
| General Contracting and Construction Services   | \$7,000,000 (development)<br>\$50,000 (ongoing) | 3%                               |
| Consulting Services<br>(e.g. MEP Engineering, Landscaping)                                    | \$100,000 (development)<br>\$10,000 (ongoing)   | 3%                               |
| Hotel Furniture & Fixtures  | \$900,000 (development)<br>\$75,000 (ongoing)   | 3%                               |
| Restaurant Furniture & Fixtures   | \$50,000 (development)<br>\$25,000 (ongoing)    | 3%                               |
| Signage<br>Install & Repairs  | \$85,000 (development)<br>\$2,500 (ongoing)     | 3%                               |
| Information Technology Equipment<br>Install & Repairs   | \$100,000 (development)<br>\$2,500 (ongoing)    | 3%                               |
| Operating Supplies and Services<br>(e.g., linens, laundry, waste removal, live entertainment) | \$200,000 (development)<br>\$150,000 (ongoing)  | 3%                               |
| Food & Beverage Inventory   | \$625,000 (ongoing)                             | 3%                               |

|  |                     |           |
|--|---------------------|-----------|
| Marketing & Advertising Services<br>(e.g. public relations agency) | \$20,000 (ongoing)  | 3%        |
| Utilities<br>(electricity, gas & water)                            | \$140,000 (ongoing) | 3%        |
|  |                     |           |
| <b>Total Development Expenditures</b>                              | <b>\$8,435,000</b>  | <b>0%</b> |
| <b>Total Ongoing Expenditures</b>                                  | <b>\$1,100,000</b>  | <b>3%</b> |

**6. An estimated annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax, and an estimated annual increase in such an expenditure.**

The estimated annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax (“NMGRT”), and their estimated annual increase are included below:

| <b>Project Phase</b> | <b>Estimated Annual Expenditure</b>            |
|----------------------|--|
| Hotel Development    | \$7,330,000                                    |
| Ongoing Operations   | \$900,000 (with estimated 3% annual increases) |

**7. An estimated total annual expenditure of goods procured out-of-state and subject to the New Mexico compensating tax, and an estimated annual increase in total expenditure.**

The estimated annual expenditure of goods procured out-of-state and subject to the New Mexico compensating tax, and their estimated annual increase are included below:

| <b>Project Phase</b> | <b>Estimated Annual Expenditure</b>           |
|----------------------|---|
| Hotel Development    | \$500,000                                     |
| Ongoing Operations   | \$50,000 (with estimated 3% annual increases) |

**8. An estimated annual local sale of goods and services that are subject to the New Mexico gross receipts.**

The estimated annual local sale of goods and services that are subject to the NMGRT are included below:

| <b>Project Phase</b> | <b>Estimated Annual Expenditure</b>              |
|----------------------|--|
| Hotel Development    | \$0  |
| Ongoing Operations   | \$5,750,000 (with estimated 3% annual increases) |

**9. Costs of land, site improvement, and building, respectively.**

The cost of the land and existing facilities is \$7,400,000. The remaining construction and development costs are estimated to be \$14,600,000 for a total development cost of \$22,000,000.

**10. Total costs of equipment, fixtures, and furnishings to be purchased with the proceeds of the bond, and an amount of such purchases in New Mexico and out-of-state, respectively.**

The total cost of equipment, fixtures, and furnishing to be purchased with the bond is estimated to be \$3,300,000. This amount is included in the total development cost above. At least 40% of such purchases will be sourced in New Mexico.

**11. An estimated incremental New Mexico corporate income tax as a result of the proposed Industrial Revenue Bond project, and an estimated annual increase.**

The Project does not anticipate having any incremental corporate income tax as a result of the IRB.

**12. An estimated amount of capital expenditures to be qualified for the New Mexico investment tax credit.**

The Project does not anticipate having any capital expenditures to be qualified for the New Mexico investment tax credit.