



270 North Ave Property Information

LOT DESCRIPTION

Lot is a level 15,503 SF parcel of land, zoned VA (Visitor Accommodations), with ocean views visible from street level, improving to panoramic views from second and third story construction. Building and signage will be visible from State Park Drive exit off of HWY 1.

PROJECT DESCRIPTION

Design is for a 12,000SF, 3-Story building with Health Club/Spa on the ground floor, 12-suite hotel on the middle floor, and a rooftop restaurant on the third floor. The plans and permit for the project were approved with the latitude for the three businesses to be independently owned and operated by separate owners.

DIFFERENTIATING FACTORS

No other property in Seacliff is zoned for hotel, and there are no nearby competing health clubs or night clubs. The only existing hotel in the vicinity is a Best Western on the inland side of HWY 1, which lacks the ocean views this development will have.

FLOORPLAN ALLOCATION

Ground Floor 5000 SF Health club/spa: Includes approved design for indoor pool for shared use by the hotel and spa. Alternate plans were also drawn for 4-6 compact “treadmill” style pools to increase approved density for the spa.

Second Story 5000 SF hotel: Approved for 12 suites: Seven 1BR with balconies facing the ocean view, and five large studios facing the Aptos hills. Occupancy in the area has historically hovered at 60%. Nightly rates for the nearby Best Western are \$135-\$145 per night with no ocean views. Projected nightly rates for the proposed hotel should be significantly higher.

Third Story 2000 SF Restaurant: Designed as the only rooftop restaurant in Santa Cruz County, with panoramic ocean views.

UNIQUE LOCATION ADVANTAGES

The project is adjacent to Seacliff State Beach, which draws an estimated 2 million visitors per year, and is also located directly adjacent to the pedestrian right of way for the proposed Seacliff light rail stop. The Santa Cruz County Regional Transportation Commission recently received approval to acquire the right-of-way from Southern Pacific, paving the way for eventual development of Light Rail service to Watsonville and Monterey.

The location is also convenient to several popular local restaurants, including Manuel’s Mexican Food, the Mediterranean Bar/Café and Ambrosia India Bistro. There are also hiking and mountain biking trails within a mile of the location, with direct access to Nisene Marks State Park.



270 North Ave Property Information

SHARED INVESTMENT OPPORTUNITY

Seller would be open to an equity share arrangement with an incoming investor, retaining a portion of the project, preferably the roof restaurant. Seller will consider granting a 50% interest in the project for \$200,000 investment outlay.

PROJECTED CONSTRUCTION COSTS

There is an older bid on file from a respected commercial builder for \$2.8 Million to build-out the 11,797 SF planned structure. In the current economy, it is likely that competitive bids could be obtained to complete the project for a lesser amount.

ENTITLEMENTS AND APPROVALS

Entitlements obtained so far took 3.5 years and are valued between \$150,000 and \$200,000, plus carrying costs. Will-serve letters are on file for water, sewer, electricity, with estimated offset usage fees of \$70,000 for the water.

Current water meter is residential, with separate service to each floor. If developed as a single commercial water meter, costs would be significantly less for one commercial water meter.

PLANS AND PERMIT HISTORY

Property has a coastal permit that is good through Summer of 2011. Full approvals are on file, with no conditions.

Traffic and Parking engineering have been completed, with 26 parking spaces are on site, for the 3 different businesses. Acoustic engineering was also done to make sure the building would be sufficient that train noise does not penetrate the building to interfere with guests. Handicap accessibility has been built into the project.

REMAINING APPROVALS AND CONSTRUCTION

In order to start construction, a buyer needs only to finalize structural engineering, estimated cost approximately \$6,000-\$7,000 to complete.

Plans would then be submitted to the building department for approval, estimated at 2-3 months. Estimated time to complete construction is estimated at one year.

FINANCING

Current financing is a private note for \$397,000 is at 8%, payable interest only and may consider having the existing note assumed by a qualified buyer.