



Community Redevelopment Authority (CRA)

**Wednesday, February 15, 2012
Regular Meeting**

Item F1

Facade

Staff Contact: Chad Nabity



Facade Improvement Program Application

Project Redeveloper Information

- I. Applicant Name: HOWARD JOHNSON RIVERSIDE INN & CONFERENCE CENTER
Address: 3333 RAMADA ROAD, GRAND ISLAND, NE 68801
Telephone No.: 308-384-5150
Contact: CHUYEN NGO
- II. Legal Street Address of Project Site: 3333 RAMADA ROAD, GRAND ISLAND
- III. Zoning of Project Site: B2-AC
- IV. Current and Contemplated Use of Project: FULL SERVICE RESTAURANT AND HOTEL CONVENTION CENTER
- V. Present Ownership of Project Site: CHUYEN NGO, STRATFORD PLAZA, LLC
- VI. Proposed Project: Describe in detail; attach plans and specifications:
PLEASE SEE ATTACHED

- VII. Estimated Project Costs
- Acquisition Costs:
- A. Land \$ —
- B. Building \$ —

Construction Costs:

A. Renovation or Building Costs Attributable

to Façade Improvements (attach detail):

\$ 287,000.00

B. Other Construction Costs:

\$ 1,090,782.80

1,377,782.80

VIII. Source of Financing:

A. Developer Equity:

\$ 100,000.00

B. Commercial Bank Loan:

\$ 877,782.80

C. Historic Tax Credits:

\$ —

D. Tax Increment Assistance:

\$ 524,520.00 *

E. Other (Describe) FACADE ASSISTANCE

\$ 100,000.00

b) DENNY'S FRANCHISEE FUNDING

300,000.00

* 15 YEAR - PARTIAL BANK LOAN REPAYMENT.

IX. Name & Address of Architect, Engineer and General Contractor:

KILEY REYNOLDS, DESIGNER AND GENERAL CONTRACTOR

IDEAL DIMENSIONS

5455 S. 82ND STREET

LINCOLN, NE 68516

ARCHITECT - MARVIN WEBB

GRAND ISLAND, NE

X. Project Construction Schedule:

A. Construction Start Date: MARCH 1, 2012

B. Construction Completion Date: JULY 1, 2012

Financing Request Information

I. Describe Amount and Purpose for Which Façade Improvement Program Funds are Requested:

SEE ATTACHED SUMMARY

II. Statement Identifying Financial Gap and Necessity for use of Façade Improvement Program

Funds or Proposed Project: WITHOUT FACADE FUNDING

ASSISTANCE AS OUTLINED HEREIN, IT WILL NOT BE POSSIBLE TO PROCEED WITH THE IMPROVEMENTS. THE AGE AND CONDITION OF THE BUILDING AND THE MAGNITUDE OF THE RENOVATIONS REQUIRES REDEVELOPMENT ASSISTANCE TO REVITALIZE THE PROPERTY AND CONTRIBUTE TO THE ONGOING REVITALIZATION OF THE SOUTH LOCUST STREET CORRIDOR.

III. Application of Grant Funds:

_____ Grant to Redeveloper; or

_____ Interest Rate Buy-Down

Post Office Box 1968
Grand Island, Nebraska 68802-1968
Phone: 308 385-5240
Fax: 308 385-5423
Email: cnabity@grand-island.com



Howard Johnson Riverside Inn and Conference Center
Grand Island, Nebraska

Hotel and Convention Center Renovation Project Summary

PROPERTY OVERVIEW

The Howard Johnson Riverside Inn and Convention Center is Grand Island's largest hotel property in terms of rooms, facilities, and area. The property comprises 182 guest rooms, 10,000 square feet of meeting, event, and reception space, a full service restaurant and lounge, and indoor pool and fitness center. Constructed in 1969 with an addition in 1983, the hotel is one of only two full service convention center hotels located within the City limits of Grand Island. It is the first hotel the traveling public encounters when exiting off of Interstate 80 at South Locust Street. As such, it is the "front door" of Grand Island along this increasingly busy corridor.

The property was purchased in December 2000 by Stratford Plaza LLC, a corporation owned by Chuyen and Pam Ngo. Over the course of the 1990's, the property had deteriorated. Since acquiring the property the owners have invested significant funds to repair building systems including plumbing and mechanical elements and have undertaken a substantial renovation of 145 of the guest rooms. Given the age of the facility and the abundance of needs, it has not been possible to address exterior building conditions and interior service elements including the restaurant, lounge, and convention center.

MARKET

The Hotel market in Grand Island has become increasingly competitive with the addition of six new hotels in the last five years, four of which have been opened in the last two years. The Fairfield Inn, Holiday Inn, Super 8, and Best Western hotels are all recent additions to the hotel inventory. In the case of Best Western, local assistance was provided in the form of tax increment financing. The addition of this significant rooms inventory has been a challenge for other hoteliers. On a positive note, the relocation of the Nebraska State Fair and the associated future opportunity to draw trade shows, exhibitions, and agricultural events to the new facilities as well as the use of other facilities at Fonner Park will strengthen the local economy by increased tourism and visitor traffic. It is understood, however, that the development of this additional visitor/tourism trade will be a building block process and will grow over a period of years.

SOUTH LOCUST STREET REVITALIZATION

After the 1980 tornado, the South Locust Street corridor deteriorated as buildings were shuttered and closed. Instead of rebuilding and reinvesting along South Locust Street,

many businesses in the 1980's and 1990's chose to relocate or otherwise invest along the growing Highway 281 corridor. The extent of the decline of South Locust Street was of increasing concern to local officials and business leaders for decades. In 1992, the City Council acted to request that the Nebraska Department of Roads proceed with the development process for an interchange at Interstate 80 and South Locust Street. At the same time, a Community Redevelopment Authority was formed. In 1997, the Community Redevelopment Authority created the South Locust Street Business Improvement District. The City Council provided for its formation and established a program of streetscaping improvements consisting of sidewalks, lighting, and landscaping. In 2006, the new interchange was opened. In 2010, the highway from the Interstate to Highway 34 was widened to four lanes.

Today, the South Locust Street corridor has been revitalized. Many businesses have renovated their facilities. Various dilapidated properties have been demolished including the former Desert Rose facility across the street from the Hotel. The Community Redevelopment Authority and the City Council has provided infrastructure assistance to a number of businesses along South Locust Street in the form of façade funding and tax increment financing. The corridor is now a significant “front door” for the community. With the addition of the Nebraska State Fair, the corridor is now a major point of entry for the community. It also serves as primary access to downtown Grand Island. The average daily traffic count on South Locust Street has substantially increased over the past ten years and is expected to continue to do so in the future. In 2011, the average daily traffic at South Locust Street and Highway 34 was 8,031.

Aside from the Wal Mart store, the Howard Johnson Riverside Inn and Convention Center is the first development that travelers heading north from Interstate 80 see when they enter Grand Island. The hotel has been a landmark at the corner of Highway 34 and South Locust Street for 42 years. The site is highly visible and as such is a prominent architectural element for the community.

With the demolition of the former Desert Rose facility, the development of Wal Mart, and available property at the northeast and southwest quadrants of the South Locust Street and Highway 34 corridors, there is the opportunity for significant redevelopment at this intersection. The Hotel is well positioned to lead this effort and stimulate other associated development with a renovation project intended to improve the aesthetics of the property, increase the taxable valuation, and create jobs and additional trade and economic growth.

HOTEL MARKET NICHE AND SERVICE

The Howard Johnson Riverside Inn and Convention Center is uniquely positioned to serve the community and its needs for lodging, dining, and meeting/event facilities at this key juncture in the growth of South Locust Street and the associated opportunities with the Nebraska State Fair facilities. The proximity of the Hotel to Fonner Park is important to the community's efforts to grow and develop the events business associated with the new facilities and to grow and develop tourism. Given the size of our hotel and its location, we are able to satisfy what will be a growing demand. The property also addresses the need for diversity in relation to price point. Unlike many of the other hotels, including new properties, our Hotel is positioned in the mid scale rate category and addresses the need of many travelers and groups for an affordable lodging, dining, and meeting/event property. The size and capacity of the property also enables it to serve growing market demands.

RENOVATION NEEDS

Despite the likelihood for continued growth along the South Locust Street corridor and the new commerce associated with the Nebraska State Fair facilities, the Hotel is faced with significant economic challenges given the size and age of the property. During the period of decline of the South Locust Street Corridor, needed reinvestment in the property was not undertaken. The condition of the property deteriorated. The present ownership has reinvested heavily in the property – \$1,000,000 to date - but assistance is needed to fully address important infrastructure needs including parking, drainage, façade, roof, and accessibility. Ownership is prepared to invest an additional \$1,377,782.80 and has secured financing for additional improvements. In order to proceed with the project, however, local assistance to support façade improvements, parking, accessibility, roof replacement in the amount of \$468,078.79, including \$100,000 in façade improvement assistance, is needed in order to proceed.

RENOVATION PROJECT SCOPE

Denny's Restaurant Seeks to locate on South Locust Street: The cornerstone of the Renovation Project is the addition of a Denny's Restaurant to the property. The decision by this large national franchise to locate in Grand Island on South Locust Street is a substantial vote of confidence in the corridor. There has not been a major development by a large national franchise on South Locust Street for decades. Over the course of the last 20 years, all major national franchise operators have chosen to locate in western Grand Island along Highway 281. Without some comparable developments on South Locust Street it will be difficult to both sustain recent successes as well as to meet future community needs. The development of a Denny's restaurant will be a major shot in the arm for South Locust Street and will accrue to the benefit of area residents and businesses by strengthening trade and economic activity including traffic, sales volume, tax base, and job creation.

Denny's will be open 24 hours a day, 365 days a year. The Restaurant is expected to employ 50 people, most of which will be full time. Denny's has 1,600 restaurants in the United States and is known for being affordable and family friendly. It serves breakfast, lunch and dinner daily.

The Denny's restaurant is proposed to be located in the current Garden Café restaurant space. Denny's will also, under a separate identity, operate a newly branded lounge. Liquor service will be available in both the Lounge and Restaurant. Full service catering will continue to be offered in the Convention Center.

Improvements Scope - \$1,377,782.80: Ownership is prepared to invest heavily in the renovation of the Hotel to consist of the following improvements:

Denny's Restaurant Improvements - \$495,874.80: This improvement consist of complete renovation of the existing restaurant and lounge. The interior of the existing space will be largely demolished. A contemporary restaurant and lounge designed in accordance with Denny's interior décor standards will be constructed. A key element of this component of the project will be the construction of a new entrance tower and vestibule along the north elevation of the Hotel building. This will serve as a signature feature of the facility and will create a visible entrance monument from South Locust Street. It will also provide easy access and handicapped accessibility.

Hotel Exterior and Façade - \$187,000.00: Façade improvements will consist of the addition of a decorative molded roofline and exterior elevation improvements in the form of an EFIS (stucco) veneer finish along entrances and porte cochere to provide vertical accents.

Plumbing and Mechanical - \$105,000.00: Plumbing and Mechanical systems serving the restaurant, convention center venues, and common areas will be replaced and/or upgraded.

Lounge Interior Remodel - \$70,758.00: As referenced above with the Restaurant, the Lounge will be renovated including creating a one level floor elevation as opposed to the current sunken multi-level design. This will provide for handicapped accessibility and improved circulation and utilization.

Public Areas/Restroom Renovations - \$44,150.00: The existing public entrance foyer and Lobby restrooms will be renovated to serve the Hotel, restaurant, and lounge and will be improved to enhance handicapped accessibility and increased capacity.

Parking Lot Improvements - \$175,000.00: The existing parking lot will be improved in the form of an asphalt overlay. The repaved and restriped lot will provide parking to serve the new and expanded restaurant and lounge. An additional xx spaces will be created.

Denny's Restaurant Improvements - \$300,000.00: The existing restaurant and kitchen will be essentially gutted with new equipment, furniture, and fixtures. The kitchen will feature kitchen equipment and preparation and cooking areas for both the Restaurant and the convention center. Improvements will include new window, wall, and floor coverings.

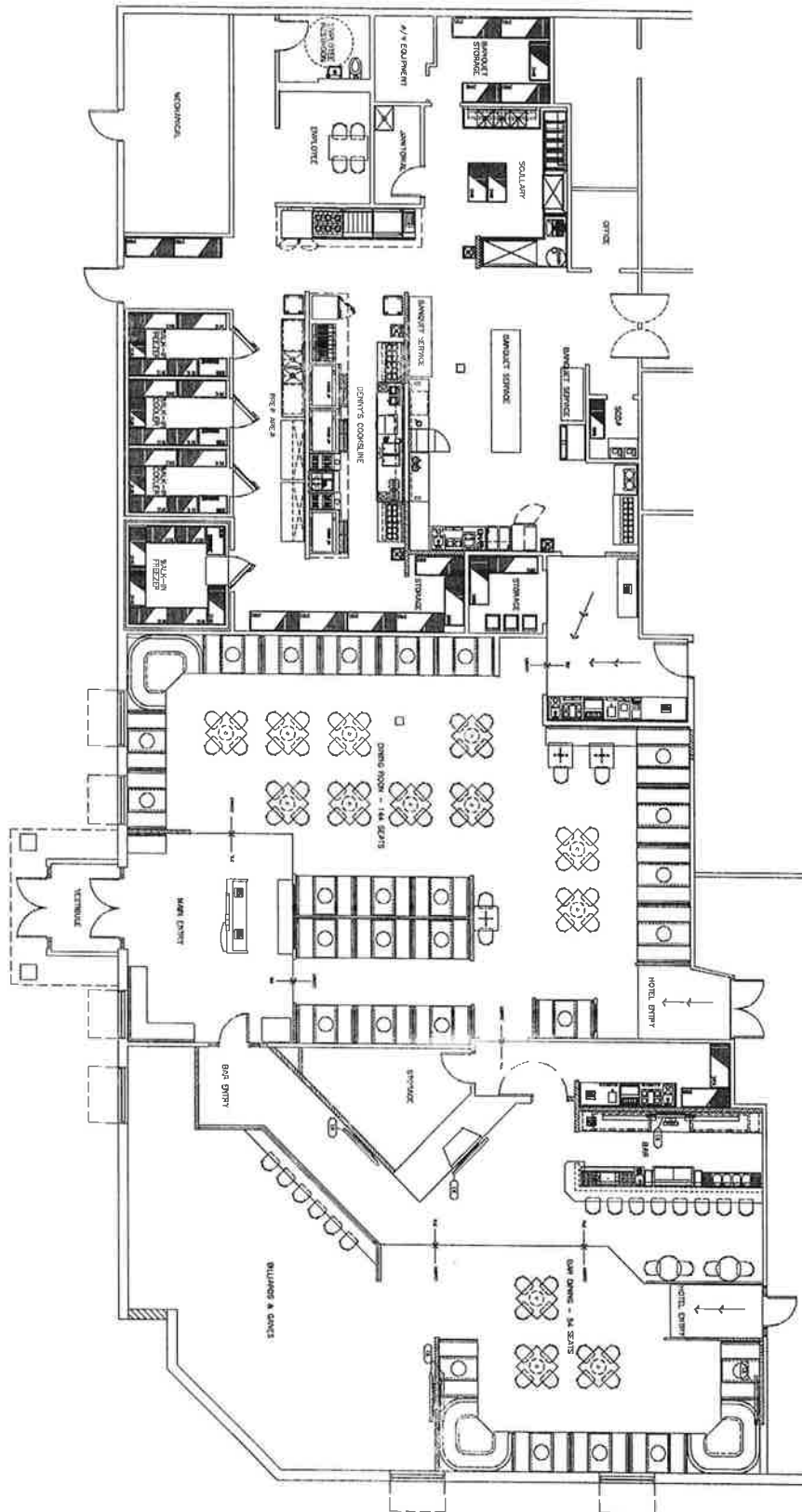
Economic Stimulus to South Locust Street and City: This property is a prime candidate for the Façade Improvement Program and Tax Increment Financing assistance because:

- The strong brand name of Denny's will bring instant name recognition and more stability to the property immediately.
- The South Locust Street corridor's appearance has been enhanced in recent years including the removal of the former Desert Rose. This project will make a bold statement at the southerly entrance to the corridor.
- There is potential for development at the southwest quadrant of the southwest intersection of Highway 34 and South Locust Street.
- The hotel has the largest convention center space in Grand Island.
- There is strong potential to draw more events including those associated with the State Fair and others utilizing the Fairgrounds such as agricultural shows.
- Denny's is a national brand that is well recognized by both local residents and those travelling along Interstate 80.
- The existing restaurant will be completely renovated on the exterior and the interior.
- The roofline of the hotel facility will be completely renovated.
- The addition of a national branded restaurant on South Locust Street will make an important statement for future investment on the corridor at a

time where most of the new development has been on the Highway 281 corridor.

- It is important for the community to have full service hotels with convention center facilities at various price points.
- Other businesses along South Locust Street will benefit from the additional traffic and recognition resulting from Denny's. This will generate economic growth for the entire area.

FOOD SERVICE EQUIPMENT FLOOR PLAN - 198 TOTAL SEATS

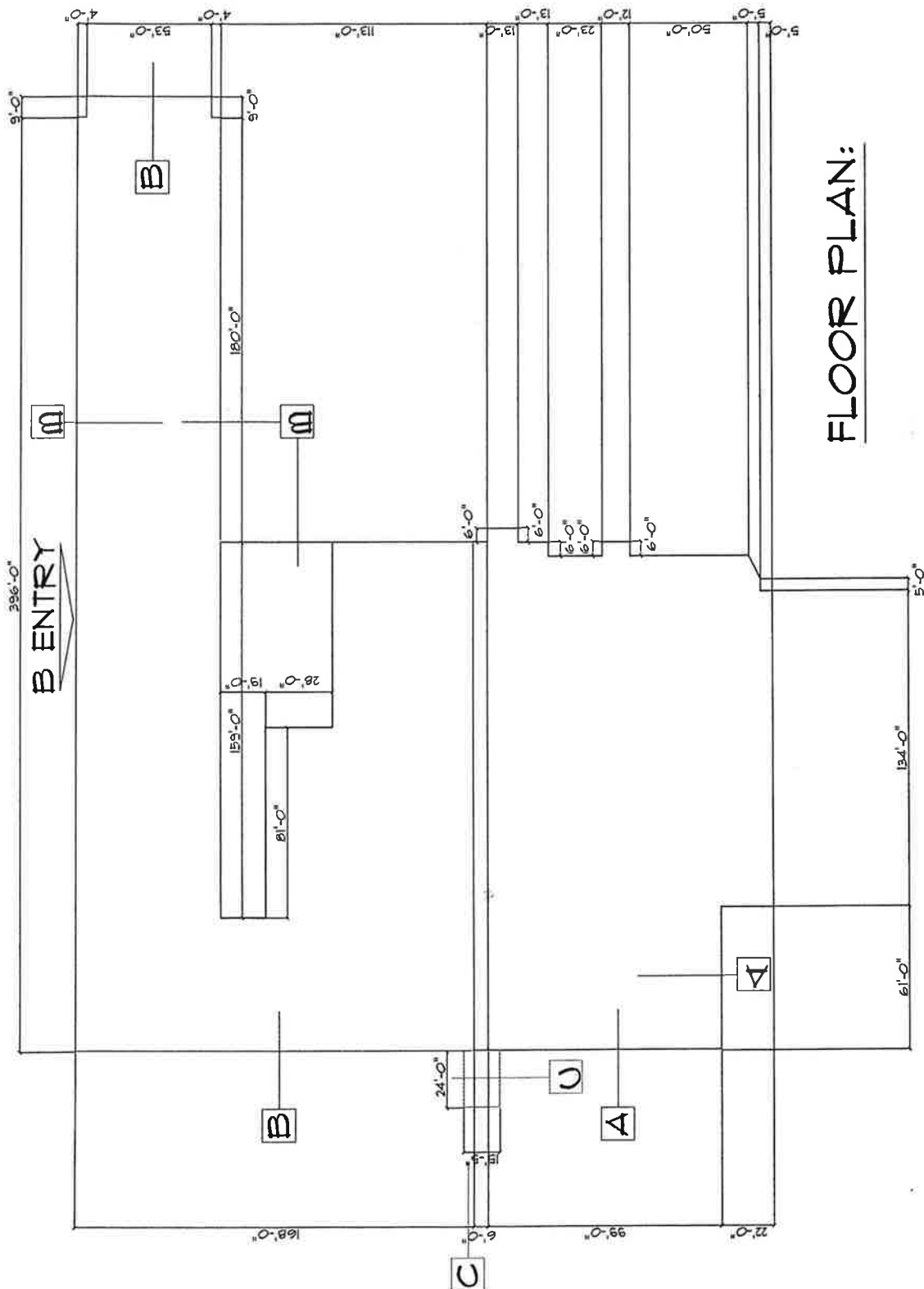


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PROJECT:
DENNY'S RESTAURANT
GRAND ISLAND, NE

RESTAURANT
EQUIPMENT
FOOD SERVICE
EQUIPMENT &
FURNISHING
DEALER
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P.O. BOX 100
P.O. BOX 100

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FLOOR PLAN:

Builders

1-308-382-9656

BUILDERS IS NOT A PROFESSIONAL ENGINEERING OR ARCHITECTURAL FIRM. THESE PLANS ARE DRAWN ACCORDING TO THE CONTRACTOR'S CLIENTS' SPECIFICATIONS. ALL DIMENSIONS ARE TO BE VERIFIED BY CONTRACTOR.

EXTERIOR REMODEL DESIGNED FOR:

FOX CONSTRUCTION:

HOWARD JOHNSON
3333 RAMADA ROAD
GRAND ISLAND, NE 68801

I HAVE READ AND AGREE TO THE TERMS

JACQUE
JACQUES

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7933

ROLLEX COIL STOCK FORMED CAP
MATCH COLOR TO CROWN AS CLOSE
AS POSSIBLE

3/4" CDX PLYWOOD

SHORT WALL

EXISTING RUBBER ROOF

2'-0"
8'-1"
4'-1"

1/2" CDX PLYWOOD
W/ RUBBER ROOF PATCH

3/4" CDX PLYWOOD

PREFORMED FOAM CROWN
24" TALL, 2" DEEP BTM SIDE
10" DEEP TOP SIDE COLOR
EIFS EXTERIOR TO
OPTION #1-SW 6655 CAPTIVATING CREAM OR
OPTION #2-SW 6660 HONEY BLUSH

EXISTING RED BRICK FACE
EXISTING BRICK PAINTED
SIMILAR TO LIGHT NAVAJO
MATCH ALL NEW CONST TO
MATCH EXISTING PAINT

16'-0"

DETAIL "A":

SCALE: 1/4" = 1'-0"

Bûlders

1-308-382-9656

BUILDERS IS NOT A PROFESSIONAL ENGINEERING OR ARCHITECTURAL
FIRM. THESE PLANS ARE DRAWN ACCORDING TO THE CONTRACTOR/Clients
SPECIFICATIONS. ALL DIMENSIONS ARE TO BE VERIFIED BY CONTRACTOR.

EXTERIOR REMODEL DESIGNED FOR:

FOX CONSTRUCTION:

HOWARD JOHNSON
3333 RAMADA ROAD
GRAND ISLAND, NE 68801

DRAWN BY:
JACQUE

SHEET

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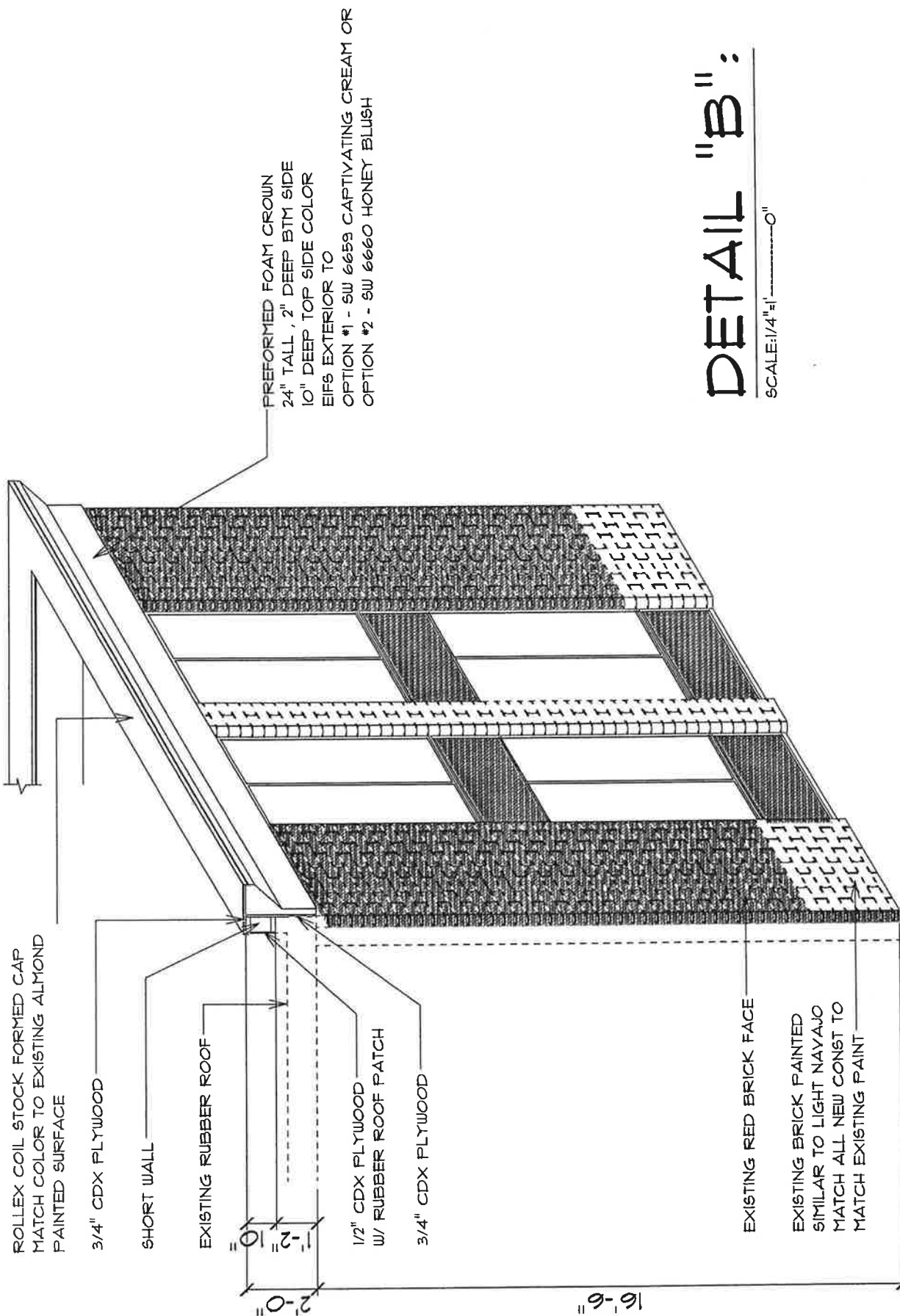
OF

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DATE

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I HAVE READ AND AGREE TO THE TERMS

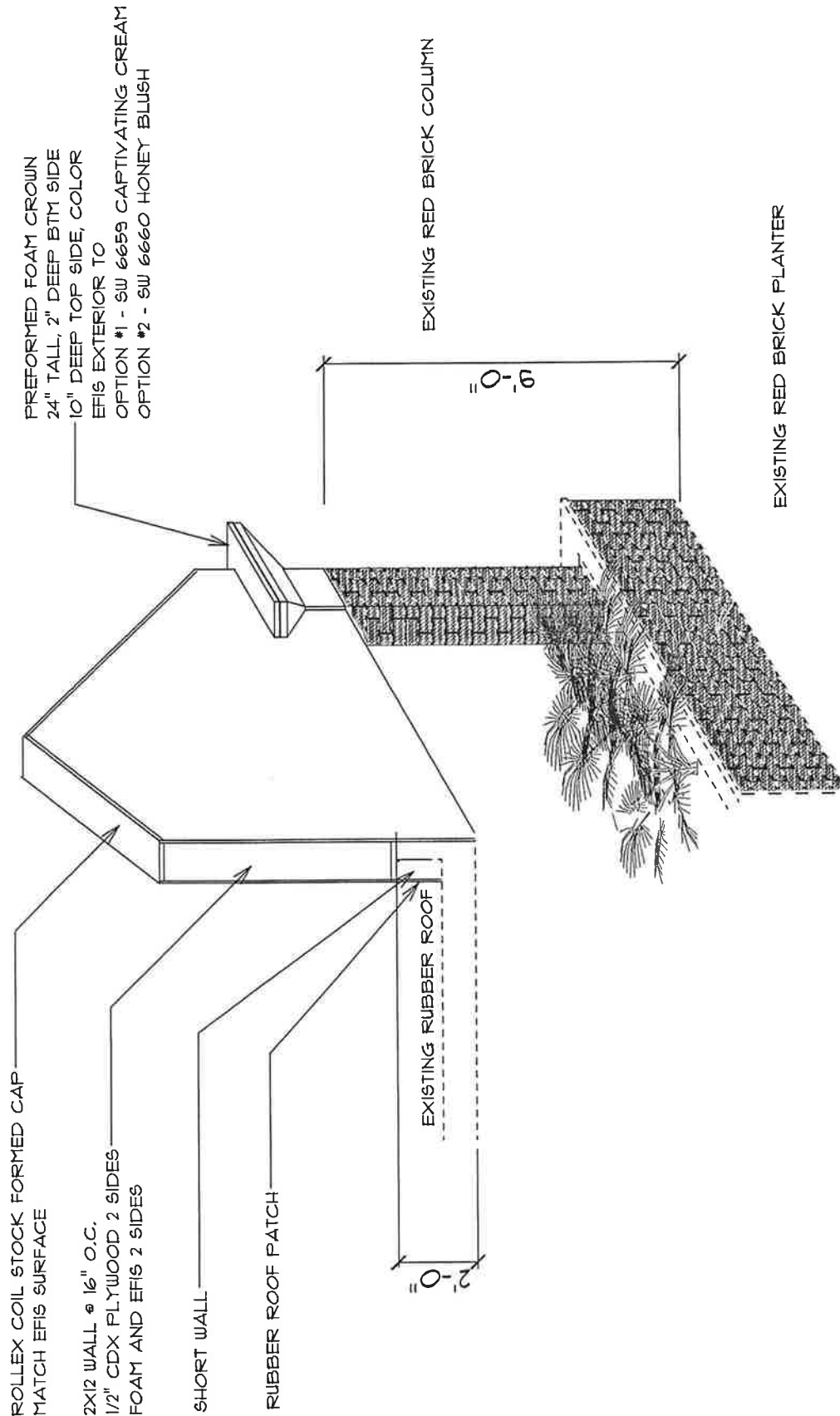


DETAIL "B":

SCALE: 1/4" = 1'-0"

EXTERIOR REMODEL DESIGNED FOR:	JACQUE
FOX CONSTRUCTION:	HOWARD JOHNSON 3333 RAMADA ROAD GRAND ISLAND, NE 68801
I HAVE READ AND AGREE TO THE TERMS	

Bûlders 1-308-382-9656	BUILDERS IS NOT A PROFESSIONAL ENGINEERING OR ARCHITECTURAL FIRM. THESE PLANS ARE DRAWN ACCORDING TO THE CONTRACTOR'S SPECIFICATIONS. ALL DIMENSIONS ARE TO BE VERIFIED BY CONTRACTOR.
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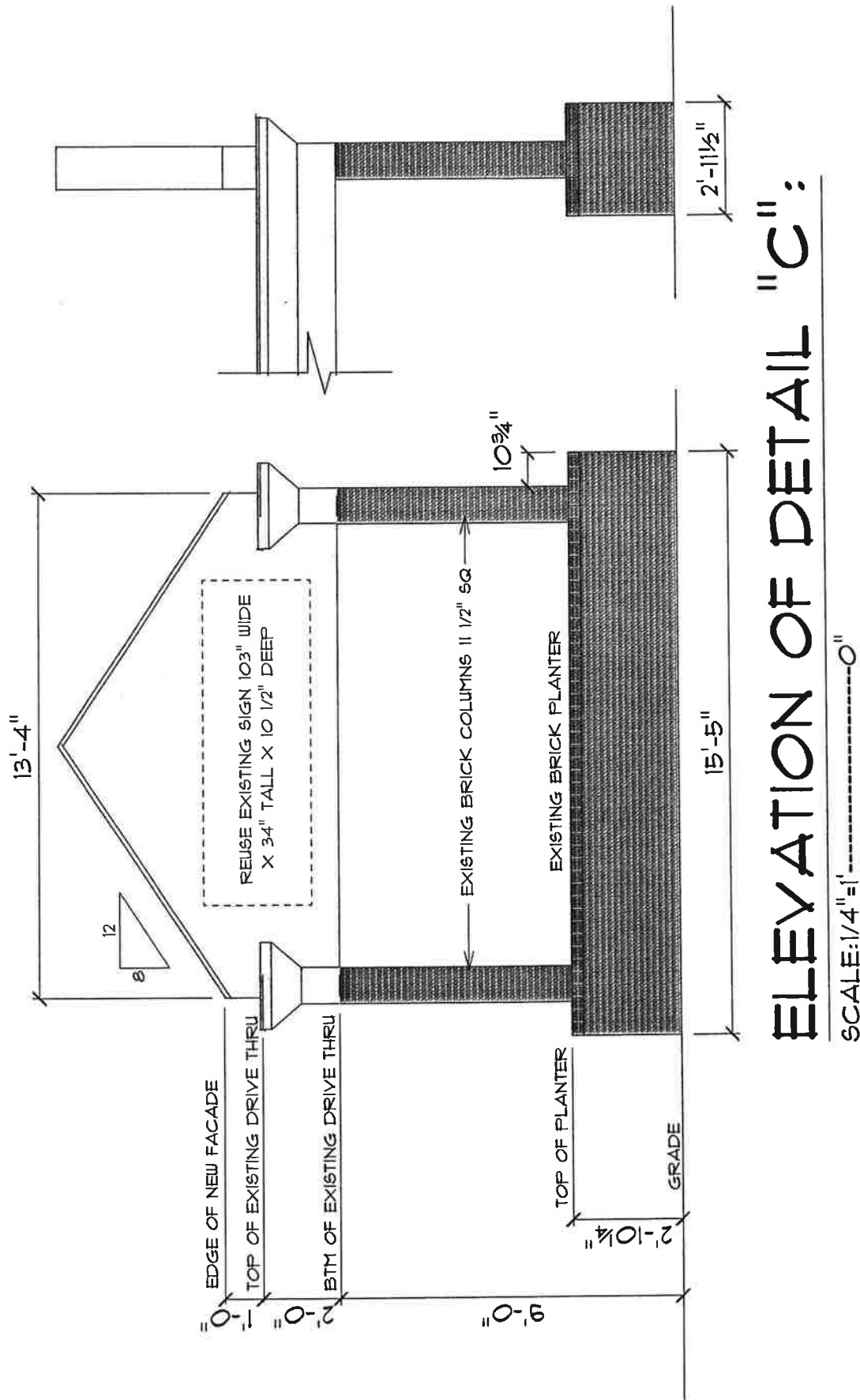


DETAIL "C":

SCALE: 1/4" = 1' ----- 0"

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	FOX CONSTRUCTION:		PAGE 4 OF 5
	HOWARD JOHNSON 3333 RAMADA ROAD GRAND ISLAND, NE 68801		JOB NO. 7933

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ELEVATION OF DETAIL "C":

SCALE: 1/4" = 1'-0"

Builders

1-308-382-9656

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EXTERIOR REMODEL DESIGNED FOR:

FOX CONSTRUCTION:

HOWARD JOHNSON
3333 RAMADA ROAD
GRAND ISLAND, NE 68801

DESIGN BY: JACQUE

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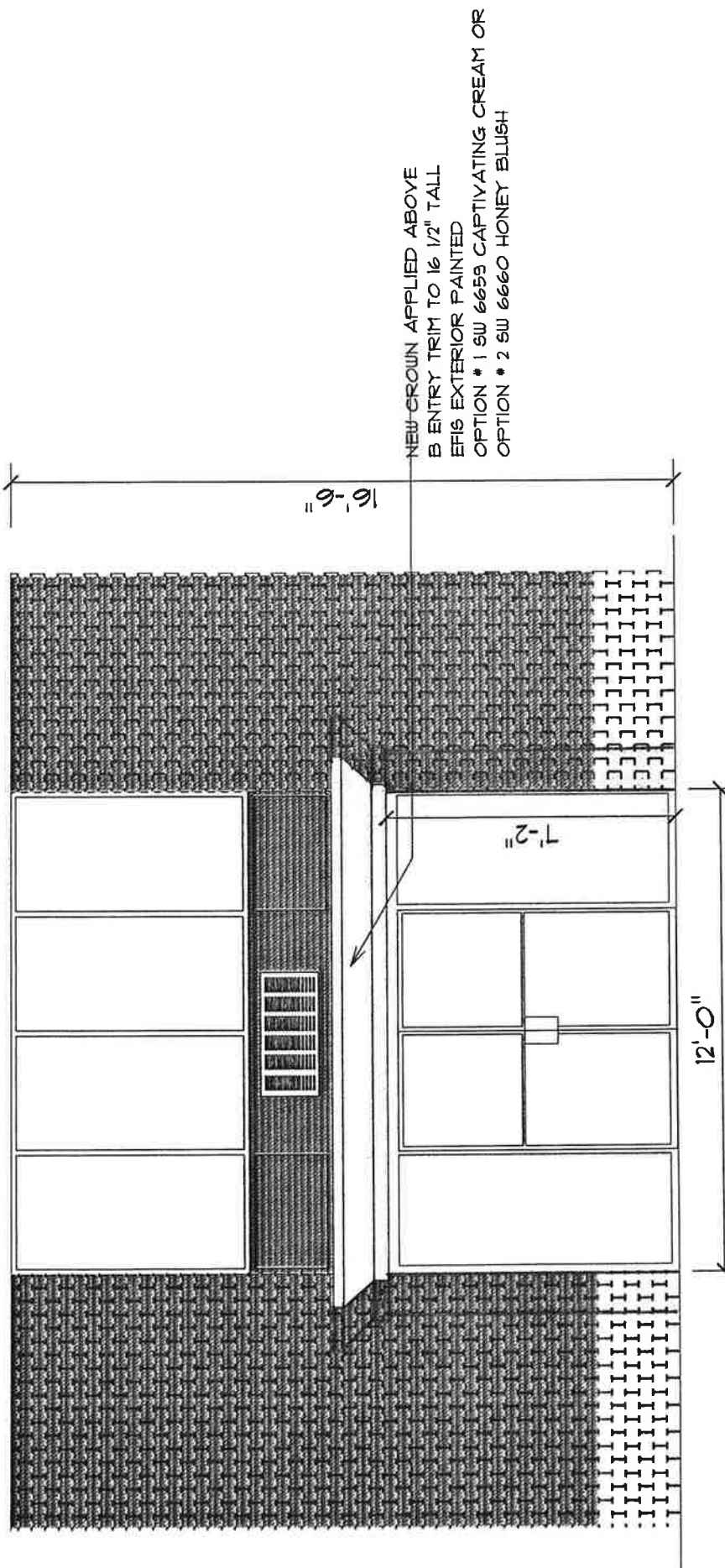
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JOB NO.

7933

I HAVE READ AND AGREE TO THE TERMS



"B" ENTRY DETAIL:

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Bûlders 1-308-382-9656 <small>BUILDERS IS NOT A PROFESSIONAL ENGINEERING OR ARCHITECTURAL FIRM. THESE PLANS ARE DRAWN ACCORDING TO THE CONTRACTOR/CLIENTS SPECIFICATIONS. ALL DIMENSIONS ARE TO BE VERIFIED BY CONTRACTOR.</small>	EXTERIOR REMODEL DESIGNED FOR: FOX CONSTRUCTION: HOWARD JOHNSON 3333 RAMADA ROAD GRAND ISLAND, NE 68801	DRAWN BY: JACQUE PAGE: 6 OF: 6 JOB NO. 7933
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Grand Island Denny's Elevation

