



City of Grover Beach

**PRESS RELEASE
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Grover Beach City Council Authorizes Contract for Lodge and Conference Center

At Monday night's meeting, the Grover Beach City Council (acting as the City's Improvement Agency Board) authorized a three-way contract between the City of Grover Beach, the State of California, and Pacifica Companies LLC, to facilitate the construction of the 135-150 room Grover Beach Lodge and Conference Center. Approved with a 5-0 vote, the agreement requires Pacifica Companies of San Diego to develop and operate the lodge and conference center located on a 7.5 acre site owned by the State of California Parks and Recreation Department and situated at the west end of Grand Avenue. The contract will now be transmitted to the State Department of Parks and Recreation for execution.

According to Mayor Shoals, *"The Grover Beach Lodge & Conference Center is one of the City's catalyst projects needed to stimulate economic investment in the beachfront area and along the West Grand Avenue Corridor. Approval of the contract demonstrates the Council's commitment to the Grover Beach Lodge. I am also pleased that Pacifica Companies and State representatives continue to be committed to completing this very important project in these tough economic times."*

Groundwork for the project was laid in 2004 with the formation of a City-led Lodge/Conference Center committee, which successfully negotiated with State representatives on a variety of important issues. In December 2006, the City and the State entered into a Joint Powers Agreement, which makes the State-owned land available for this project with the City acting as a project manager. In late 2007, the State/City issued a Request for Proposal to identify a private partner to develop and operate the lodge and conference center. As a result of this process, Pacifica Companies stepped forward with a solid proposal.

Pacifica Companies LLC is a large international and well-integrated real estate development, investor, and management firm. The hospitality arm of Pacifica Companies currently owns 30 properties within the United States, ranging in size from small beachfront inns to the 415 room Holiday Inn at the Houston Airport. Pacifica plans on constructing a quality destination resort and meeting facility. A schedule contained in the agreement calls for Pacifica to complete the planning process in approximately two years and, according to Pacifica's Project Manager Alison Rolfe, the doors will open in 2012.

Pacifica is expected to make a minimum construction cost contribution of \$20,582,000 towards the project. To assist with the success of the project, the City's Improvement Agency will contribute \$450,000 to cover a portion of the project's development impact fees. Total revenue the City / Agency expect to receive during the first year of lodge operation is in excess of \$530,000. This revenue is expected to grow annually throughout the duration of the contract.

Once the contract has been executed, the project will move on to the planning and development phase. The execution of the agreement brings to an end another phase in the successful development of the Lodge and Conference Center and culminates years of work by Council Members both past and present. The project is an excellent public-private partnership that blends the best of private investment to enhance the public services for coastal visitors, providing jobs and revenue for the local economy.

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