

November 5, 2019

Fullerton City Council
City of Fullerton
303 Commonwealth Ave
Fullerton, CA 92803

Re: Fullerton Transportation Center Exclusive Negotiating Agreement

Dear Honorable Mayor Silva, Council Members Fitzgerald, Flory, Whitaker, Zahra;

In December 2018, the Fullerton City Council approved our request for an Exclusive Negotiating Agreement (ENA) to evaluate the feasibility for the development of a hotel in the Fullerton Transportation Center located on the surface parking lot directly east of the Train Depot and south of E. Santa Fe Avenue.

As you are aware, within the agreement, milestones were established in two six-month intervals. The initial six-month Negotiation Period milestones were completed as of May 2019 and an update was provided to you at that time. Since June 2019 we have:

- Continued to work with the City's economic development and real estate team to provide the information necessary, including draft terms and conditions, to facilitate evaluation of the project and transaction structure such that a recommendation can ultimately be made to the City Council for consideration;
- Continued to work with City staff and the Town Architect for the Transportation Center to refine the site plan, including a complete redesign of the parking structure and the adjacent Transportation Center parking lot, and building elevations;
- Prepared technical studies necessary for site and building design including the Phase 1 and Phase 2 Environmental Site Assessments and the Preliminary Geotechnical Investigation Report.
- Indicated our desire to staff for an ENA extension such that we can continue to work in partnership with the City.

The second set of milestones to be met in the second six-month of the ENA interval are listed below and their status indicated.

- Commence environmental analysis for CEQA determination.

Once all development factors are determined, the CEQA study and evaluation will commence. Expected commencement is TBD.

- Conduct community outreach.

The North Orange County Chamber of Commerce arranged for a meeting so we could present the project to local business owners. A meeting was held and several interactive questions presented. The project received an overwhelmingly positive acceptance.

We also met with the Southern California Railway Plaza Association several times to ensure that we maintain an effective ingress and egress to the train museum. Based on our discussions, we mutually agreed on a plaza type entrance adorned with an arched monument entrance sign and agreed to work with the SCRPA to increase their leased area.

The majority of the Train Depot building is leased by Bushala Brothers, Inc. and we wanted to make sure that the hotel development project's impact is minimal to their future development plans. Our engineers provided plans to make sure there were no conflicting overlaps. Adjustments were made as mutually agreed to accommodate their access needs.

City staff arranged for a Community outreach meeting which was held on October 14th at the Fullerton Library Conference Center. Approximately 35 – 50 people attended. A presentation of the Project was presented showing 3D renderings of the building and parking structure along with a walk around of the project. The meeting lasted about 1 ½ hours with lots of input from the community, however we believe the project was well accepted.

- Prepare draft Disposition and Development Agreement.

Currently working with the City's economic development and real estate consultant and City Staff to evaluate draft terms and conditions to provide a recommendation to the City Council.

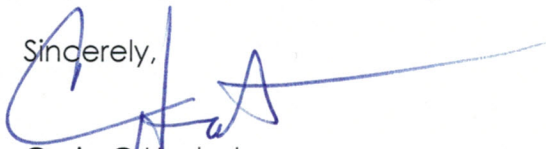
- Submit LOI's, financing / loan evidence to complete the project

At this time, project operational proforma analysis have been submitted, by our consulting firm HTL Advisors, to several investment groups. In addition, we have had several discussion and meetings with Hilton Hotels Vice President – Development Southwest Region in bringing the project into the Hilton Tapestry brand. Hilton's Tapestry brand hotels are intended to have unique designs that reflect an independent boutique-like character and work well with our proposed site design and architecture.

If I can provide any additional information, please feel free to contact me directly. As you already know, our historic downtown area has many appealing attributes. A hotel in the Transportation Center will elevate the economic impact by providing local jobs, attracting tourists and enhancing the stature of downtown.

We respectfully request an additional 12 months in which to exclusively negotiate with the City, complete the remaining milestones, and reach the public hearing process.

Sincerely,



Craig G Hostert
Westpark Investments, LLC
Parkwest General Contractors

Cc; James A. Stearman, Esq