



Legislation Details (With Text)

File #: 18-281 **Version:** 1 **Name:**

Type: General Business **Status:** Passed

File created: 4/26/2018 **In control:** City Commission Regular Meeting

On agenda: 6/13/2018 **Final action:** 6/12/2018

Title: Proposed North Port Limited Service Hotel - Request for City Support

Sponsors:

Indexes:

Code sections:

Attachments: 1. North Port - Lodgco Incentive Request, 2. Email from Lodgco 04292018, 3. Estimated Impact Fee Calculation, 4. Response to Req for Legal Services Hotel Request

Date	Ver.	Action By	Action	Result
6/12/2018	1	City Commission Regular Meeting	motion to approve	Pass
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TO: Honorable Mayor & Members of the North Port Commission

FROM: Peter Lear, City Manager

TITLE: Limited Service Hotel - Request for Assistance

Recommended Action

For Commission to consider a fiscally sustainable form of City support for an investor to build a hotel in the City of North Port.

Background Information

Lodgco Hospitality, LLC is proposing a hotel development project at Tuscola Commons, a master-planned development that Economic Development helped bring to the City of North Port, starting in the summer of 2014. The proposed hotel brand belongs to a major flag and it will be what is called a 'limited service hotel.' After doing market analyses and feasibility studies, and talking to several funding sources, the developers determined that some form of impact fee assistance is necessary to lessen the comparatively higher risk that they face for the North Port location. Such high risk consists of several factors: one of which is the newness of the North Port market. No hotel currently exists in North Port and this is the first time that a hotel developer is being presented to a North Port City Commission.

The reality is North Port's hotel recruitment efforts are occurring in a very competitive market. Some communities around us are equipped with a better 'toolbox,' including at least one that has the ability to grant land to developers. We do not have that capability nor desire in North Port. In addition, there is a lack of existing comparable real estate within the area of what is considered the North Port trade area. It is very difficult for any feasibility study - on the part of consultants, appraisers, or bankers - to pin down what the true hard numbers are. Because it is a brand-new real estate product, there is naturally the need to rely partly on projections and estimates to complete the final analysis which typically are reliant upon financial and market data. It does help that the North Port economy is doing well and other data points exist

