

Work Session Agenda Memo

From: Paul M. Briseno, City Manager

Council Meeting: March 17, 2020

Subject: Swiftel Center Hotel/Development

Person(s) Responsible: Paul M. Briseno, City Manager

Summary:

The City Council's strategic goals includes the provision of expanded conference and meeting facilities at the Swiftel Center. There is interest in the development of a hotel from the business sector. Staff recommends pursuing a public request for proposals (RFP) to identify a potential partner. A hotel development would produce revenues that can be reinvested into the Swiftel Center to attain Council's goal, thus limiting the impact to the Capital Improvement and General Funds.

Background:

In 2008 – 2012, Swiftel Center conference and event space expansion discussion occurred. Many studies were conducted by the City, Swiftel Center, and interested parties. City Council identified the need to "provide expanded conference and meeting facilities at the Swiftel Center to position Brookings as a major destination for such events" within their strategic goals.

Item Details:

There is interest in private development of a hotel at the Swiftel Center. Staff recommends a public request for proposals to competitively attain a hotel that adds the greatest value. City Council should discuss any desired outcomes of the proposed process and willing incentives.

Staff recommends any Tax Increment Financing (TIF) or other revenues produced from a private development be utilized to improve and potentially expand the existing Swiftel Center facility. Furthermore, utilization of existing funds for hotel attainment should be discouraged as commitments have been prioritized. The winning RFP will detail the Swiftel Center improvements needed to partner with the City. Staff recommends the development of an operational study to limit the City's future subsidy request should the Council proceed with a winning proposal.

The following timeline is proposed for this project:

- March 17th Work Session
- March 23rd RFP Issued
- May 15th RFP Due
- May 18th RFP Evaluated
- May 24th - June 9th Council Approval of RFP
- May-August (timeline can be expedited if necessary)
 - TIF & Occupational Tax for Swiftel Center Improvements
 - Rezoning
 - Property transfer, if necessary

The City and Brookings Municipal Utilities met at a Development Review Team (DRT) meeting to identify all site restrictions and opportunities at the Swiftel Center. Should an RFP occur, interested parties can schedule a meeting with the DRT to gain greater insight of the property including needed zoning, building code, infrastructure, cross parking availability, stormwater, etc.

Legal Consideration:

None.

Strategic Plan Consideration:

A strategic initiative from the 2018-2023 City of Brookings Strategic Plan “Provide for expanded conference/meeting facilities at Swiftel Center to position Brookings as a major destination for such events.”

Financial Consideration:

Swiftel Center/VenuWorks in collaboration with City Staff can perform future subsidy projections based on an enlarged facility. This information can be produced in May.

Supporting Documentation:

1. Map