

From: [Dolores Vasquez](#)
To: [Marissa Davis](#); [Philip Strom](#)
Subject: FW: Support for proposed Hotel For Downtown Lyons
Date: Monday, February 7, 2022 1:04:43 PM
Attachments: [image001.png](#)

Take care,

Dolores M. Vasquez



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From: Parker Johnson <gparkerjohnson@gmail.com>
Sent: Monday, February 7, 2022 11:22 AM
To: Dolores Vasquez <DVasquez@townoflyons.com>
Cc: Victoria Simonsen <vsimonsen@townoflyons.com>
Subject: Support for proposed Hotel For Downtown Lyons

Parker Johnson
382 APPLE VALLEY ROAD

To the Lyons Board of Trustees:

I am writing to encourage and support the proposed 79-room hotel for downtown Lyons, and address the macro situation and predicament this opportunity forces us to confront.

Prior to becoming our Town's Mayor, John O'Brien was Head of Economic Development, and at that time he asked if I could possibly tap my relationships in the hotel industry to try and bring a hotel to the Eastern Corridor site. By way of background, I have been in and around the lodging and leisure industry essentially my entire life. My father was a developer of Holiday Inns, Residence Inns, Fairfield Inns, Embassy Suites, and other brands. I began my career in the real estate group at Morgan Stanley in New York in the early 90's and began buying and working out non-performing loans and REO (foreclosed assets) from failed Savings and Loans from California to the Caribbean (notably the 5-Star L'Ermitage Hotel in Beverly Hills, and a portfolio of resorts in Antigua, Turks & Caicos, and the Bahamas). And I currently am an owner/partner in a ground-lease on the Marriott Suites Hotel in midtown Atlanta. I share this to establish that hotels and hotel development are in my DNA; and I have seen my fair share of both successful and broken hotel deals. And I understand and appreciate the effect a vibrant hotel can have on helping revitalize a tired and struggling area/town.

What I shared with Mayor O'Brien a dozen or so years ago is that Lyons was too small to warrant a national hotel brand coming to town. And we are in only slightly better shape now than we were

then (ie. we've added homes and sold water taps, but nothing material has changed with our overall situation). It is well understood in the hotel industry that you need a minimum of 90 rooms to have a successful hotel. 100+ rooms is preferable. Though if you are extremely efficient, it is possible to straddle the line between full service and limited service, and solve for a 3.5 star product, with 80 rooms. But to be clear, conventional corporate brands avoid taking on projects at this scale, and independent boutique hotels cannot afford to pay the license and management fees of the national brands. Moreover, this asset size is not what mainstream investors are looking for, and the marginal yields at this scale require a dynamic, multi-disciplinary, hands-on management team. Which is a fancy way of saying, they must be nimble and modest. Below this threshold, the math doesn't work unless you are essentially family run (ie. an Inn); with the owners living on the property and personally managing all aspects of the operation. Having said this, perhaps Lyons could pull in a Motel 6, Red Roof Inn or Microtel, but these are likely not the brands we want to help us initiate a "Renaissance" for our downtown.

As such, a proposed 79-room hotel for downtown Lyons, while ambitious, would be a game changer in helping us to kick start our much needed revitalization. Yes, a smaller Inn could be a nice addition to our town, but it would not be the economic engine we are needing. And I think we need to be mindful not to look the gift horse in the mouth here. **It is important to make clear that no one will get rich off of this hotel, and in full truth this is more akin to a community service project.** The Town will be the beneficiary of the largesse and financial risk taken by local, values-aligned owner/operator/investors.

For the record, I am not involved in this project, but since the PCDC meeting Zoom call week before last, my wife Ashley and I were introduced to (and met with) Agnes and Edna - and we are duly impressed by the courage, audacity and vision of what they have set into motion - on all of our behalf. It may be hard for us to face, but **without the generation of new tax revenues, Lyons is a dying town in a slow death spiral.** Up to now, we have managed to slog along by the sale of water taps; which as we all know is coming to an end. And I don't know how many businesses have come and gone over the 16 years we have raised our family here, but it is more than I can remember or count. And I don't know what the current traffic counts are that flow through Lyons with tourists traveling to/from Estes Park, but I believe the annual number is in the millions. Our town is suffering from an absence of political will and gumption. We may have grit, but thus far we have shown little collective vision as it relates to our 800 lbs. gorilla - parking. And until this changes, we will continue to submit our small business owners (ie. the lifeblood of our community) to perpetual strife and anemic growth (or worse, death by a thousand cuts). **And regardless of whether or not this proposed hotel is even built, it is serving as the clarion call to address our parking dilemma.**

Municipalities exist to serve their local population with access to clean water, waste management, security, schools, and public parking for the benefit of their business community. To be clear, **the private sector in Lyons did not create our parking problem.** As such, IT IS NOT THE JOB OR RESPONSIBILITY OF THE PRIVATE SECTOR TO SOLVE THE TOWN OF LYONS' PARKING PROBLEM. In the PCDC call 2 weeks ago, those of us who use Lyons Communications for our Internet were all cut off at 10pm. I understand that after we were cut off, our new Town Planner made the case that parking should be solved as a public/private venture. And this is true to a point. And this is what is taught when you go to school to become a Planner - (ie. how much of the public burden can be put

onto the development community). This strategy works in thriving municipalities where new development is simply an ongoing part of community growth. Which is not the reality of our situation. Furthermore, our parking problems have been compounded by the success of the redevelopment of LaVern Johnson Park. For some reason, we failed to anticipate that opening a free waterpark for the Front Range would fill our town on the weekends in the Spring, Summer and Fall with **people who neither live nor pay taxes here**. And the spaces our park visitors don't take up are filled with mountain bikers (who also don't live or pay taxes here). So, **we have created the conditions of our peril**. It is a shame that we did not use some of the Federal dollars from the flood relief to address our existing parking problem, or anticipate the compounding of the issue by the overwhelming popularity and success of what we've created with LaVern Johnson Park, the Hall and Heil Ranch mountain biking trails, and the redevelopment of the St. Vrain River running through town. For sure, much of the problem causing the back-up of traffic on Hwy. 66 coming into Town on weekends is caused by tourists and visitors looking for places to park to come enjoy our outdoor amenities.

An additional factor in our parking dilemma is due to the nature of our Town's governance. By having 2-year terms for the PCDC and the BOT, this makes it difficult to provide for enough consistency of tenure for major projects, such as a parking deck, to garner the political will necessary to tackle a challenge as complex and potentially messy as this one. And thus we are overly dependent on our Town staff and administrators, who are neither empowered nor incentivized to lead something as bold as solving the parking problem once and for all. No doubt it is easier to just order another parking study and kick the can to the next PCDC and BOT, but this isn't solving the problem. And in fairness, we have faced the very real dilemma/predicament that we have had no clear way to pay for it. Until now.

The good news is there are viable solutions. But each requires the BOT to step up and deal with our reality. We don't need another parking study. We need action and a solution - for the greater good - and it is in our collective, enlightened self-interest to do so. And this proposed hotel helps create the conditions to address and solve this once and for all. **After speaking with several business leaders in town and meeting with former Town officials and planners, it seems the possible solutions are (in this order):**

- A) Move the bandshell from Sandstone Park to LaVern Johnson Park, and convert (all or half of) Sandstone Park to Public Parking (with our without a parking deck)
- B) Move Town Hall to the Eastern Corridor and build a parking deck there
- C) Buy Steve McCain's lot and build a parking deck.

The first two solutions require little other than re-purposing existing Town property for the higher and greater good. Each comes with positives and trade-offs. The 3rd option, which is arguably in the highest and best interest of the Town, is also the most controversial, and should only be initiated should the first two solutions prove unviable. **But it is completely within the rights of the BOT to effectuate**. And this is how CAGID (the parking district) in Boulder solved their parking needs.

Essentially the Town creates a defined Parking District and initiates an Eminent Domain process vis-a-vis a 3 appraisal process. The Town hires an MAI appraiser. The landowner hires an MAI appraiser. And then the two appraisers hire an independent, third MAI appraiser. The 3 appraisals

are then added together, divided by 3, and that determines the Fair Market Value price the landowner receives. The money to acquire the land and build the parking deck comes from a municipal bond that is conditioned on the Certificate of Occupancy of the hotel, and a portion of the hotel's tax dollars, as well as the other businesses within the Parking District. Businesses within the Parking District that provide their own parking receive a parking tax credit for each parking space that they own/control (as part of a pro-rata formula). Again, this is exactly how CAGID in Boulder works. The bond pays for the acquisition, bricks and mortar. And the property/parking tax pays back the bond, and pays for the ongoing maintenance and operations of the Town's parking. Thus it is a public/private solution. The Town pays for the hardware, the businesses help fund the ongoing costs and repayment of the bond. Additionally, the Town can charge to park in the deck; and can further install parking meters on Main Street, High Street, 3rd Ave., 4th Ave., and Railroad Avenue. Locals can pay a nominal amount for an annual parking pass, and thus be exempt from paying to park in designated paid parking spaces in town - **thus passing along the bulk of the parking fees to the visitors and tourists who come here to enjoy the amenities provided by our Town.**

We are at a crossroads. We do not need more parking studies. We need the bold and decisive action of an empowered BOT that recognizes the responsibility and obligation to address and fix our Town's greatest handicap. And in doing so, pave the way to a Renaissance which the Town and BOT has the foresight, wisdom and resolve to address and cure. **And again, which needs to be addressed and solved whether or not the proposed hotel is built.**