



HOTEL PATTEE & LA POSTE PUBLIC-PRIVATE PARTNERSHIP UPDATE

September 18, 2023







Hotel Pattee Management Timeline



Roberta Ahmanson Green

1997



Jay & Denise Hartz

2013



Perry Economic Development, Inc.

2021



2008

Leisure Hotels & Resorts



Tom & Vickie Maxwell



2018



Perry Hospitality, Inc.



2022



Project Update



Perry Economic Development, Inc. acquired the Hotel Pattee and La Poste in public private-partnership funding model for the purchase and subsequent operation of the two properties including a combination of public funding and private contributions.

- Hotel Pattee & La Poste Management Committee overseeing all facets of hotel operations, meeting 2x/month since 2020
- Project Milestones
 - Capital Campaign Phase I & Hotel / La Poste Purchase – April 2021
 - Employee Handbook - July 2021
 - Lease of the Hotel & La Poste to Perry Hospitality, Inc. – July 2022
 - PHI is Perry-Owned, Professional Hotel Management Company
 - Comprehensive 3rd Party & Internal Facility Studies – August 2022
 - Friends of Hotel Pattee 501(c)(3) Charitable Foundation – December 2022
 - PED & City of Perry Appointed Board of Directors – Financial Supporter
 - Restoration of Hotel Facilities – April 2021 to Present
 - New 3-Year Lease (Assumable) to Perry Hospitality, Inc. – September 2023
 - Donation of the Hotel Pattee & La Poste to the City of Perry – October 2023
 - City of Perry Agrees to Fund Property Taxes, Insurance & All Repairs/Maintenance - \$230K



Hotel Pattee/La Poste Purchase

Purchase Price	\$ 2,000,000
Add: Closing Costs, Inventory Credit, etc.	\$ 16,000
Total Gross Purchase Price	\$ 2,016,000
Less: City of Perry Loan Forgiveness	\$ (350,000)
Less: Economic Development Agreement Recovery	\$ (62,500)
Less: Misc. Buyer Credits (Earnest, Prop. Tax Proration)	\$ (58,000)
Total Buyer's Credits	\$ (470,500)
Net Purchase Price	\$ 1,603,500



Fundraising /Friends of Hotel Pattee



Phase I – Purchase, Secure & Begin Restoration



Perry Economic Development, Inc. / Friends of Hotel Pattee Hotel Pattee & La Poste Capital Campaign - Sources - Phase 1 As of 9/14/2023

Private Donations

\$500,000 & Above (1 Donor)	\$	500,000
\$300,000 - \$499,999 (2 Donors)	\$	805,000
Perry Economic Development, Inc. - March 2021	\$	300,000
Perry Economic Development, Inc. - Addtl. Contribs	\$	205,000
Wiese Foundation c/o Perry Economic Development, Inc.	\$	300,000
\$50,000 to \$299,999 (3 Donors)	\$	250,000
\$25,000 to \$49,999 (3 Donors)	\$	79,141
\$10,000 to \$24,999 (7 Donors)	\$	75,647
\$9,999 & Below (72 Donors)	\$	146,847
Total Private Donations (88 Donors)	\$	1,856,635

Public Donations

City of Perry - Loan Forgiveness - April 2021	\$	350,000
City of Perry - TIF Loan Forgiveness - April 2021	\$	93,000
City of Perry - Cash Donation - March 2021	\$	300,000
City of Perry - PED Development Agreement (2020) - 2020-2023	\$	125,000
City of Perry - PED Development Agreement (2022) - May 2022	\$	150,000
Total Public Donations (1 Donor)	\$	1,018,000

Total Donations Project to Date

\$ 2,874,635



Hotel Pattee Facility Maintenance

April 2021 to September 2023

- \$400K+ in Maintenance Repair Expenses Initiated Project to Date
 - Highlights:
 - 1MM Gallon Water Heater - \$68K
 - New Prep Line in Kitchen - \$45K
 - Access Control Guest Room e-Lock System - \$32K
 - New Banquet Tables & Chairs - \$24K
 - Reupholster Booths & Furniture - \$20K
 - Elevator Hydraulic Oil & System Flush - \$8K
 - New Computers/Printers/Terminals - \$7.3K
 - Chiller Circulation Pump #2 Rebuilt - \$6.6K
 - Chiller Circulation Pump #1 Replace - \$4.5K
- \$20K+ in Experienced Maintenance Staff Salaries Paid Annually
- All Major Systems Have Been Maintained, Inspected & Cleaned
- Perry Quilters Guild Has Created & Donated 12 Quilts to Date





Financial & Operations Recap

- Jenny Eklund, GM & Dr. Tom Burkgren, Operations Mgr.
- Average \$1.4MM+ in Gross Sales FYE 2022 & 2023
- 3,900+ Hotel Rooms Sold - Avg. Daily Rate of ~\$145
- 37 Employees on Staff for Total Payroll of \$478K
- Generates Hotel/Motel Tax Revenue of \$70K and Property Taxes of \$32K
- Marketing Initiatives – Multi-Channel Campaign
 - Social Media, Traditional Media, Word of Mouth
- Ray B. Smith Museum Store Reclamation & Conversion to Courtyard Café





Recommendations for Future

- Destination Marketing Plan – Hire a 3rd Party Advertising Firm in Collaboration of Partners to Drive Business to HP/LaPoste
 - City of Perry
 - Perry Economic Development Marketing Pillar
 - Perry Chamber of Commerce
 - Perry Hospitality, Inc. Management
- Prepare to Capitalize on the High Trestle Connector Trail – Summer 2024
- Launch Friends of Hotel Pattee, Form Initial Board & Fundraising Committees
- Identify Strategic Projects to Enhance Guest Experience
- Add Hotel & La Poste Properties to City's Solar Network
- Consider Destination Marketing Fee for Every Guest Room





The Hotel Pattee and LaPoste are **crucial** pillars to Perry's brand differentiation and unique positioning as the community with a small-town feel that delivers big-city culture amenities.

But Perry isn't just where culture and community meet. It's not where culture and community *lives*.

Perry is where culture and community *thrive*.



The Perry Community-Owned Hotel

