

**REPORT/ RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF
ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY AND
RECORD OF ACTION**

February 10, 2022

FROM: Robert Olsilaggers, Senior Advisor

SUBJECT: Hotel Update

RECOMMENDATION: Ratification to conditionally Approve Hotel Lease with Devendra Patel and Binoy Patel (no relation) (50%) and Nupen Patel (no relation)(50%) individually and collectively under the name of TBD subject to approval by staff and counsel and Authorize the Chair and Clerk to sign.

BACKGROUND: At the October 14, 2021 meeting, the board conditionally approved a lease agreement with Messrs. Davendra Patel and Binoy Patel (no relation) to operate a Four Points by Sheraton/Marriott hotel. The Patels found a qualified buyer/managing partner to operate a Four Points with K&K Hotel Group and Mr. Nupen Patel (no relation). Mr. Nupen Patel previously showed interest but did not provide the necessary documentation to qualify by the deadline given to all prospective buyers. Mr. Nupen Patel has since provided verified financial information and is well-qualified to be a business and managing partner, meeting the Marriott standards and qualifications to manage a Marriott "Select" Four Points Hotel. Marriott International Area VP for Lodging Development, Mr. Jason Farmer confirmed in writing that Mr. Nupen Patel was qualified to manage a Marriott Hotel, and staff determined that all buyers are financially qualified and capable of buying the hotel and renovating it to Marriott Four Points standards.

Per the Board's direction in October of 2021, staff provided the buyers and the court-appointed Receiver, Mr. Byron Chapman the go-ahead to close the sale which was to occur on February 2, 2022. At the time of this writing, the sale of the hotel has not yet closed, apparently the result of the partnership agreement not having been completed according to the Receiver. Therefore, staff recommends conditional ratification of the approval to buy the leasehold and enter into a lease agreement with "TBD" and the Airport Authority pending counsel and staff review of all final documents.

FINANCIAL DATA: 2022 revenue is estimated at \$25,518.88 while it is being renovated. The rate is \$114,188.98 in 2023 and escalates at 3% annually with the ending rate in 2071 at \$255,188.44. Please see attached Lease Agreement and Exhibits.

REVIEW BY OTHERS: Robert Olsilaggers, Mike Fronapfel, Roxy Hahn, Andrew Gillespie, Jay Clark, Gwen Balk, Luke Skaflen, and Kimberly Bruetsch.

PRESENTERS: Robert Olsilaggers

Action of the Board of Commissioners

	1 st	2 nd	YES	NO	ABS
Bagnato	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Baker	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Doubek	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Holen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sharpe	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Preliminary Web Documents