

# Planned hotel seen as beacon for business community

## City Council approves sale of land to developer

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SAN MARCOS – Despite years of economic growth, San Marcos has lacked a status symbol indicating the strength of its business community.

That marker is a business-class hotel, which the city expects to have in about two years off state Route 78. Plans for a four-story Marriott Residence Inn at Las Posas Road and Los Vallecitos Boulevard are in the works.

Tuesday night, the City Council approved selling a city-owned, 2.3-acre parcel to OTO Development LLC for the sole purpose of building a hotel. In addition to the \$3.9 million land sale, the city expects to receive at least \$400,000 each year in hotel-room taxes, officials said.

OTO, a developer of extended-stay hotels, has built about 50 hotels in the state over the past five years, said Thomas Crosbie, an attorney for the South Carolina-based company.

Crosbie said the Marriott hotel in San Marcos would be the first one to have the chain's newest design. It would have meeting rooms and up to 109 suites, he said. Construction could start next summer, he said, and the hotel would open about two years from now.

A business-class hotel means the city has come of age and has the ability to draw business travelers, said Brian Smith, president of the city's economic-development panel. It might also entice businesses to make San Marcos their home base, he said.

"It's a recognition that the businesses of San Marcos have reached maturity," Smith said.

Sandy Rees, president and chief executive officer of the Chamber of Commerce, said the proposed hotel's meeting rooms will fill a need. Rees said meetings and events often have to be staged outside San Marcos, such as at the Lake San Marcos Resort, because The Ramada Limited Suites and Hampton Inn in the city don't have meeting rooms.

Rees said the location of the Marriott will attract business people and tourists searching for a nice place to stay along the Route 78 corridor.

For years, Escondido has been trying to lure a high-end hotel. A 196-room, full-service Marriott is planned for a city-owned lot downtown, adjacent to the California Center for the Arts, Escondido. Escondido is contributing more than \$15 million to the project.

From San Marcos' perspective, the best thing about the proposed hotel is that it would significantly increase the city's hotel-tax revenue, City Manager Paul Malone said.

The city came to own the 2.3 acres as part of a bigger parcel it had bought to make right-of-way improvements for the Las Posas Road interchange. It had tried to lease the parcel for a gas station or fast-food restaurant – one of the ways the city generates income – with no success, city officials said.

Approval of the hotel plans will not require a public hearing, Malone said, because most commercial projects are reviewed and approved by city staff. But environmental reports, including a traffic study, will be required and can be appealed to the Planning Commission and then the council, he said.

Council members unanimously approved the sale of the land but asked Malone to keep them apprised of the project's progress since they won't be signing off on it.

