

## Term Sheet 115 S Union Street Hotel Conversion

Property:	115 South Union Street, Alexandria, VA 22314-An existing 29,717 square foot office building located in the Old Town Small Area Plan.
Ownership:	115 UNION CMB-GME LLC
Proposed Project:	A 64 key boutique hotel with a 135-seat full service restaurant and bar.
Approvals:	All terms contained herein are subject to Ownership receiving all appropriate approvals and permitting from the City of Alexandria for the Proposed Project including, but not limited to, Special Use Permits, Building Permits, and Certificate of Occupancy. Notwithstanding, the payment described in this term sheet is subject to final approval by the City Council of Alexandria.
Commencement Date:	January 1 <sup>st</sup> of the calendar year following Ownership's receipt of a Certificate of Occupancy allowing the proposed use of the Proposed Project.
Payment:	Annual payment subject to annual appropriation by City Council of <b>seventy thousand dollars (\$70,000.00)</b> per calendar year.
Term:	<b>Ten (10)</b> calendar years following the Commencement Date.
Capital Investment:	Ownership shall invest no less than 90% of the projected \$8.95 million dollars in improvements to the Property to complete the Proposed Project. Improvements shall include both hard and soft costs.
Quality of Flag:	Ownership shall guarantee with reasonable certainty that the Proposed Project will be marketed and operated by a first-class hospitality group offering similar levels of service and quality to other Hotels in the immediate vicinity of the Proposed Project.
Public Parking:	Ownership agrees to amend the current public parking agreement with the City of Alexandria, extending the Term from its current expiration in 2027 through December 31, 2047. This amended agreement shall designate that any existing parking spaces in excess of those required for the hotel use by Special Use Permit will be available to the public for paid hourly, daily, and monthly transient parking seven days a week. Staff estimates that sixty-five (65) spaces will be open to the public per this agreement.
Outside Date:	Ownership must have building permits in hand and be actively improving the Property within twenty-four (24) months of the later of approval of, i) this Incentive, ii) Special Use Permit, iii) or Board of Architectural Review approval if applicable.
Disclaimer:	This term sheet in no way constitutes an agreement between the City of Alexandria and Ownership, at any time prior to full approval by the City Council of Alexandria either party may discontinue these discussions with no recourse by the other party.