1213 & 1303 FOOTHILL BOULEVARD
The Craftsman Inn
Boutique Hotel Development Project

OFFERED AT $4,950,000

SHRE

Exclusively Offered by St. Helena Real Estate

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PROPERTY OVERVIEW & DETAILS

General Information of Existing Property

Main House Address: 1213 Foothill Boulevard, Calistoga, CA 94515
Lot Size: 13,159 square feet
City of Calistoga Zoning: Rezoned to Downtown Commercial
APN: 011-310-005-000

Cottage Address: 1303 Foothill Boulevard, Calistoga, CA 94515
Lot Size: 13,224 square feet
City of Calistoga Zoning: Rezoned to Downtown Commercial
APN: 011-310-004-000

General Overview of Existing Property

- **Main House:**
  - **Built in 1912, complete renovation and modernization in 2007 - 3,332 +/- sf with 6 bedrooms 6 baths.**
  - **Currently operating as a successful high end B&B with $400,000 +/- annual gross revenue, occupancy consistently in the 75%-80% range and gross ADR's approaching $300 per night**
  - **Trip Advisor Hall of Fame for winning Certificate of Excellence every year since inception in 2011**
  - **Strong client database of > 10,000 past guests**
  - **City Sewer & Water**

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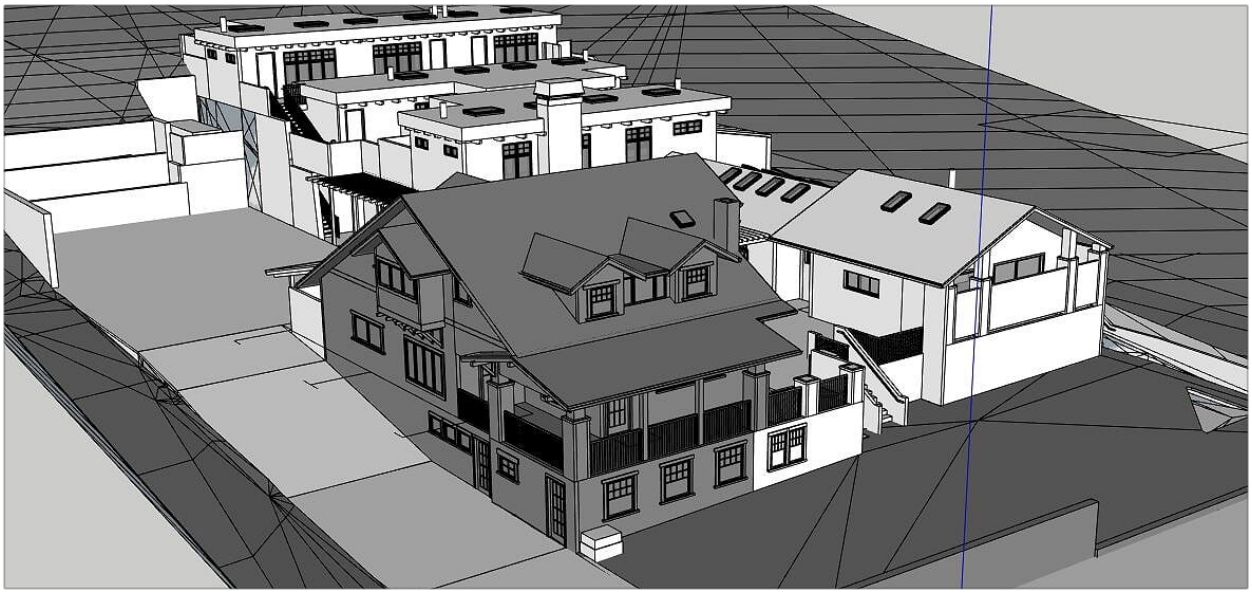
- **Cottage:**
    - **Built in 1940 - 700+/- sf with 2 bedrooms 1 bath**
    - **Currently operating as a profitable long term rental unit**
    - **City Sewer & Water**

BUILD READY PROJECT DETAILS



Development Project Overview

- **An outstanding opportunity to bring a unique landmark luxury boutique hotel to the market and capitalize on the exploding affluent tourist market of Napa Valley.**
- **Calistoga is the last underdeveloped town in Napa Valley and is poised to become its preeminent luxury destination surpassing existing favorites of Healdsburg and Yountville.**
    - **The existing investments in Solage and Calistoga Ranch will be supplemented by an expansion of Solage and the soon to be completed Four Seasons and Rosewood resorts.**
    - **Total investment in these projects is in excess of $500M demonstrating high investor confidence in Calistoga in general and for upscale luxury accommodation in particular.**
    - **The Craftsman Inn expansion will benefit from destination marketing expenditure from these new properties that will likely exceed the total project costs.**

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- **The project market position is to offer a unique boutique style that will attract the affluent customer seeking a more personalized and local driven experience than the large resorts can offer with no compromise on the luxury hospitality received.**
  - **Large rooms, designed by BAR architects, the leading regional hotel interior designers, will offer 5 star quality and amenities.**
  - **Use of the hydrothermal spa circuit and lounging areas will further increase perceived value.**
  - **High quality and unique paid Spa treatments will complement the experience**
  - **Food and beverage from Breakfast through Dinner will feature extensive small purveyor local produced and raised products offering guests a genuine locals dining experience**
  - **Financial projections reflect the highly favorable market opportunity and unique positioning.**
  - **Stabilized overall Cap Rate projected at 27%**
  - **Investor cash on cash returns of 46% at conservative 50% LTV**
  - **Higher leverage would increase investor returns further**

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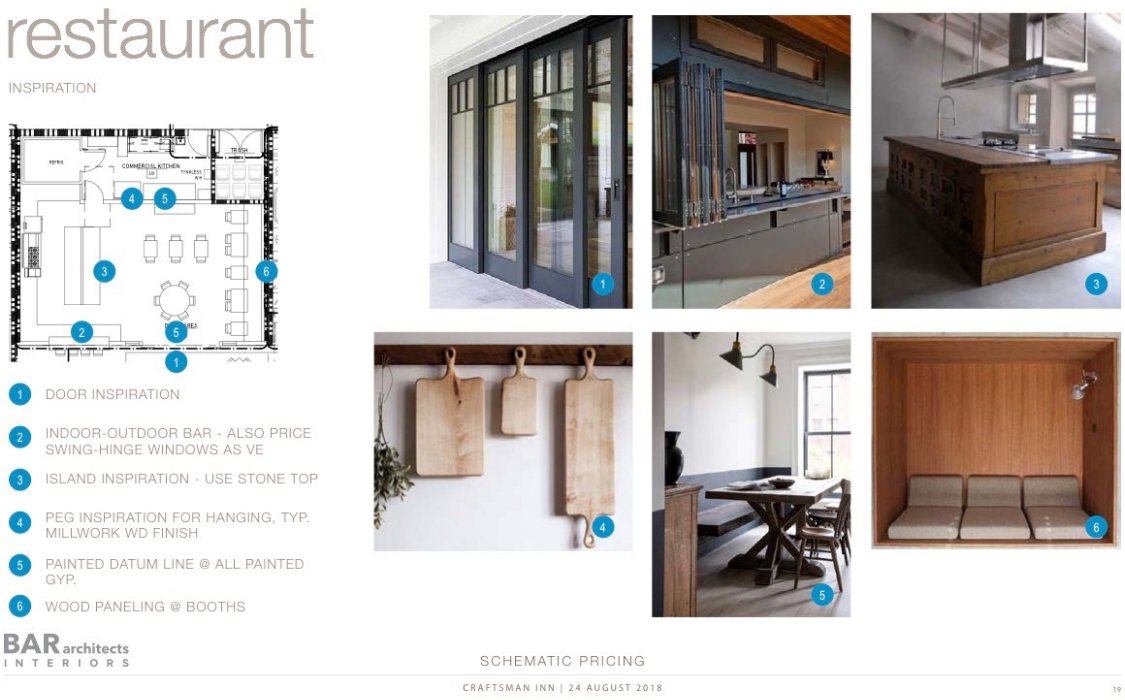
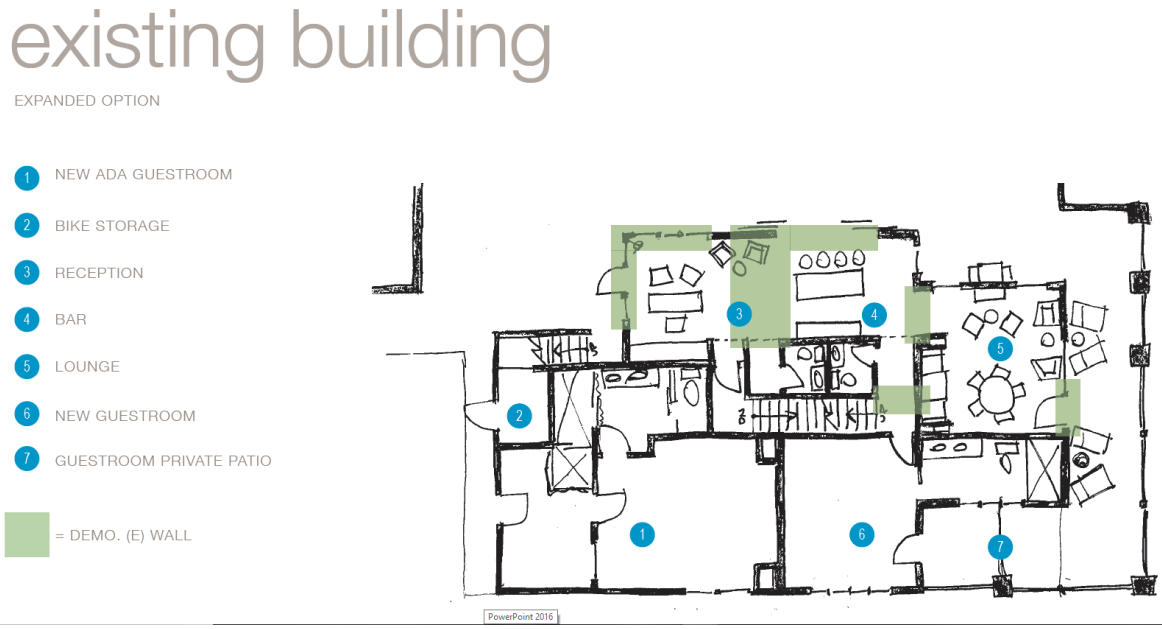
The Craftsman Inn

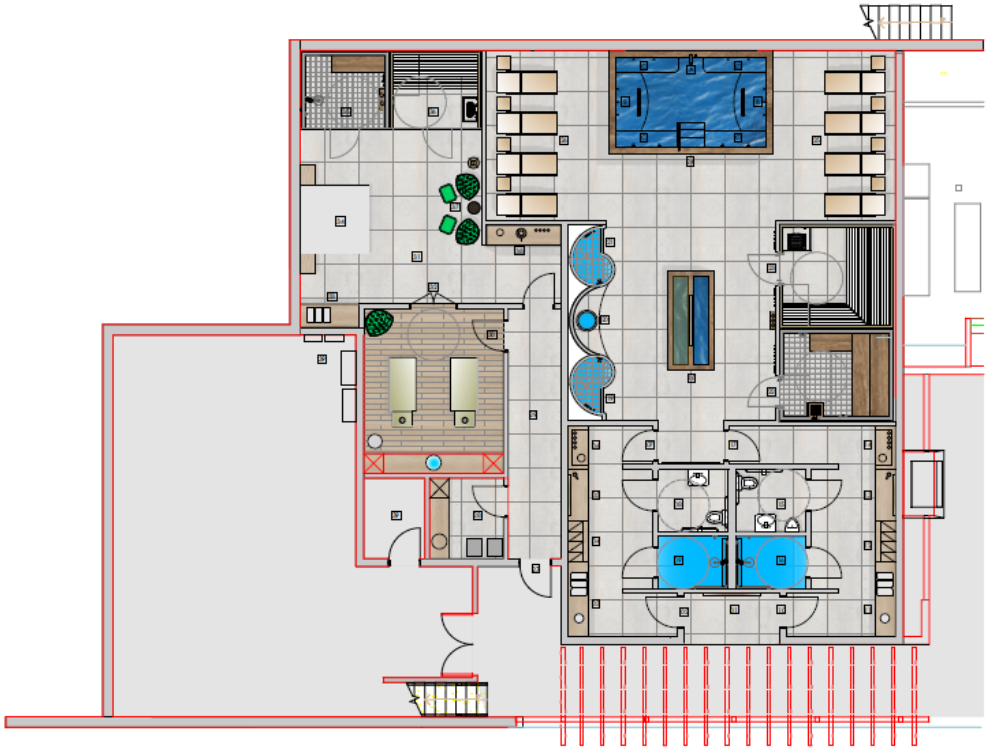
<u>Lodging, Restaurant, Spa</u> - three distinct complementary lines of business combine to yield a stabilized annual revenue potential of $5,000,000+/-:

- **Lodging:**
  - **7 new high end luxury rooms (over 500 sf) and 1 new high end luxury suite (more than 700 sf) each with private gardens indoor/outdoor bathrooms and fireplaces. Projected ADR's ~ $800, Projected Occupancy ~80%**
  - **5 reimagined rooms in the existing Craftsman Inn building including a new ADA room with private garden. Projected ADR's ~ $400, Projected Occupancy ~80%**
  - **Projections assume independent marketing. There is upside potential with membership of a high end boutique hotel marketing groups such as Relais & Chateau**



- **Restaurant:**
  - **Commercial Kitchen: a 1,000 sf commercial kitchen and dining room plus outdoor dining area, separate Bar and reception area. Interior Design by BAR Architects.**
  - **Conservative restaurant projections could be significantly higher with a well known chef and restaurant team.**
    - **Single Thread in Healdsburg demonstrates the potential for a destination restaurant.**
    - **Co-location of a destination restaurant with the lodging and spa facilities would offer additional opportunities to monetize the restaurant brand increasing revenue and overall profitability**





- **Luxury Spa:**
  - **The 3,400 luxury spa will offer a core European inspired hydrotherapy circuit featuring sauna, steam room, vitality pool, cold plunge, experience shower and ice fountain stations.**
  - **Use of the core will be covered by the daily resort fee**
  - **The spa will also have unique spa, massage, spa suite and meditative service offerings generating additional revenue**
    - **Existing projections assume a conservative utilization of only ~25%**
    - **Significant upside potential exists for a Med-Spa, Therapy Spa or even high end Cannabis Spa operator**

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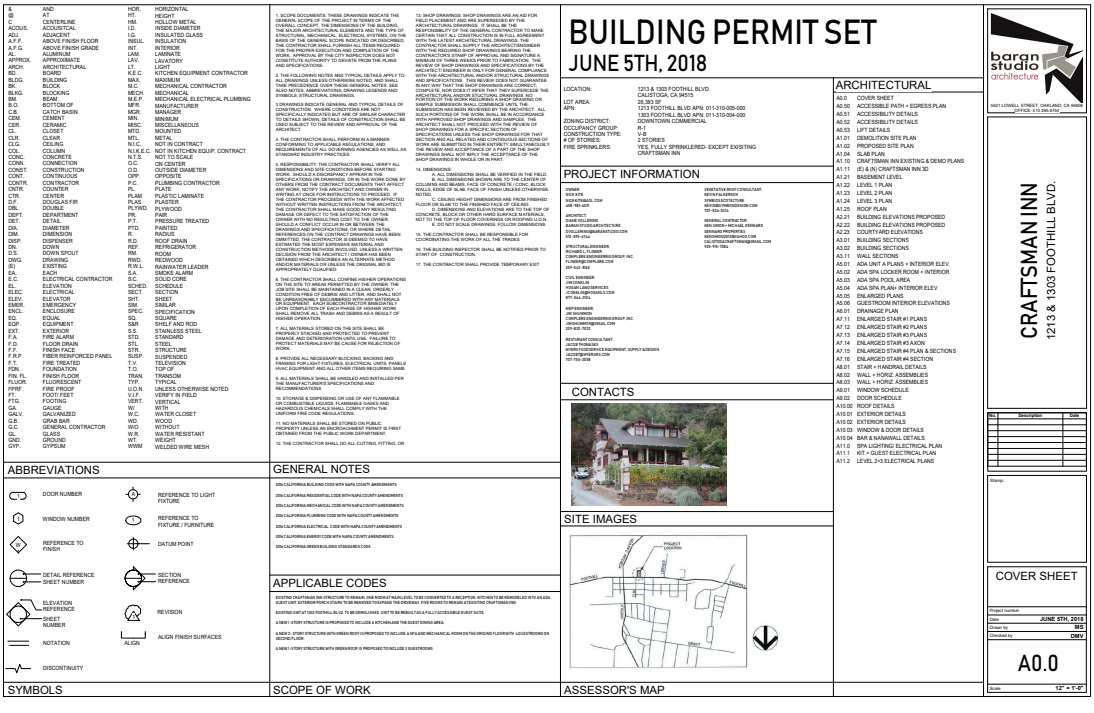
- **Ready to Build:**
  - **Downtown Commercial zoning change completed**
  - **DR and CUP entitlements in place**
  - **Lot merger approved and ready for execution**
  - **Permit ready plans including interior design available**
  - **Contractor partners identified**
  - **Preliminary financing identified**
  - **Provisional USDA funding for full build out costs in place**
- **Customizing the Project:**
- **At this stage the project is ready to build but still able to be tailored to specific investor needs.**
- **Fully approved project with all entitlements in place.**
- **Building permit ready plans available:**
  - **Architectural**
  - **Civil Engineering**
  - **Structural Engineering**
  - **Geotechnical**
  - **etc.**



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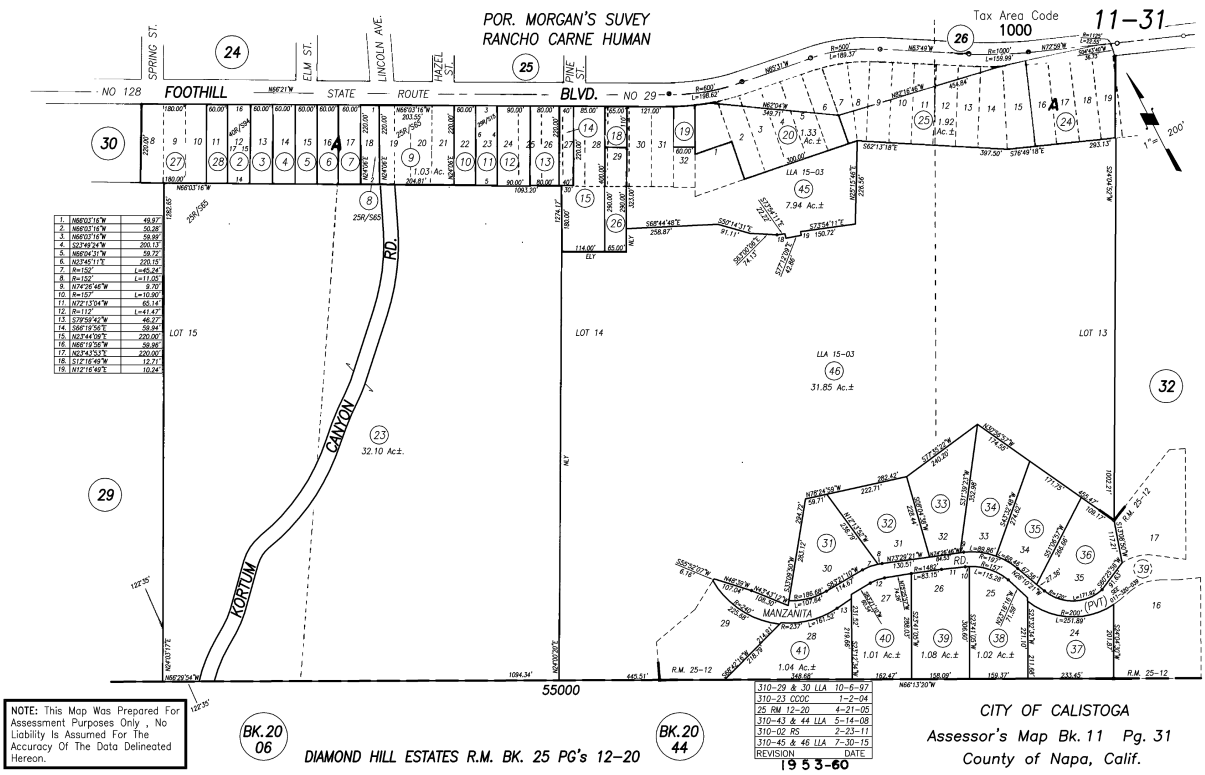
Parcel Map:



Property History

- **The Craftsman Inn has always been a house full of joy, family and feasting. The Ingalls family moved to Calistoga at the beginning of the 19 hundreds and built the town's most attractive representation of the Craftsman architectural style in 1912. They opened the first gas station in Calistoga next door to their home on the corner of Lincoln and Hwy 29. Chauncey Ingalls was a prominent member of the community. His wife Stella was an avid gardener and was the president of the Garden Club in town. They were known for having such a happy home and threw great parties until Mr. Ingalls's death in the 60's. The Ingalls family converted the home to three apartments in the 1980's and many locals remember the dances, parties and happiness of the house. By 2005 the house was in desperate need of renovation when The Kites purchased the historical home and lovingly restored and converted the home into The Craftsman Inn which opened in 2007. The happy heart of the home has continued with thousands of delighted guests and many enjoyable parties including the locally legendary Boxing day bash where the walls have once more resounded to singing, dancing and friendship.**
- **The Kites have been working on execution of this expansion project for ~ 4 years and originally intended to break ground in early 2017. A number of family health issues have unfortunately delayed construction and they are now considering passing the baton on so they can spend more time with their grandchildren.**

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Calistoga

- **With its unmatched location Calistoga was founded as a luxury destination resort.**
- **As the last underdeveloped Napa Valley location investment is exploding. Calistoga is poised to replicate the investment performance of Yountville over the coming years. Calistoga is the new Yountville!**
- **History and Small Town Charm - Calistoga has a deep history in the Napa Valley and still retains the charm of yesteryear which many tourists are attracted to. Calistoga is at the north end of the Napa Valley Calistoga AVA, part of California's Wine Country. There are numerous wineries within a short drive. The city allows visitors to see wine country as it was before freeways and fast food—only two-lane roads lead there and fast food franchises are banned by law.**
- **Calistoga itself is noted for its hot springs spas. A local specialty is immersion in hot volcanic ash, known as a mud bath. Nearby attractions include an artificial geothermal geyser known as the "Old Faithful of California" or "Little Old Faithful". The geyser erupts from the casing of a well drilled in the late 19th century.**

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