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FOR IMMEDIATE RELEASE:

City of San Bruno Committed to Pro-San Bruno Crossing Hotel Project to Create Event Space, Jobs and Tax Income for City

Hotel to Generate More Than 100 Construction Jobs, 30-40 Full-Time Jobs, \$1 Million a Year in Income to City

San Bruno— The City of San Bruno today reconfirmed its commitment to working with OTO Development, a nationally recognized hotel development company, to bring an upscale hotel to The Crossing that will create special event space, jobs and more than \$1 million a year in taxes for San Bruno.

San Bruno City Manager Connie Jackson said the approved hotel project is a good deal for the community.

“The City has been working for more than a decade to bring a high-quality hotel with meeting space to the San Bruno community,” Jackson said. “We are confident in our selection of OTO Development to deliver an upscale project that meets this community’s needs. OTO has an excellent track record and the City Council stands behind this pro-San Bruno project that will create jobs, provide much-needed event space and generate more than \$1 million per year in taxes.”

In March, the City Council approved a purchase and sale agreement to sell OTO the 1.5-acre slice of City land for \$3.97 million, which represents the appraised value and is almost three times what the City paid for the property. Last week, the Planning Commission approved entitlements for the 152-room, upscale

hotel, with a 163-space underground parking garage and a 3,000 square-foot banquet hall, fulfilling the City's need for additional large meeting space beyond the San Bruno Senior Center.

The hotel project will create more than 100 construction jobs and 30-40 hotel service jobs with competitive wages and benefits for full-time employees. It will also generate significant transient occupancy tax (TOT) revenues for the City, estimated to be \$30 million over 25 years, in addition to property and sales taxes once the hotel opens for business.

Beyond direct project benefits, the hotel is estimated to bring an additional \$5 million in regional economic benefits annually, translating into jobs and income, as hotel visitors spend anywhere from \$75-\$150 per day, according to statistics provided by the San Mateo/Silicon Valley Visitors Bureau.

The UNITE HERE union, which has announced efforts to put the project on the ballot, opposes the development because the developer won't agree to unionize the hotel operations in advance of its construction. However, OTO has said it will comply with all labor laws, meaning employees cannot be prevented from organizing if they choose to do so once the hotel opens.

Jackson said the deal culminates years of planning by the City to develop the relatively small site on El Camino at the intersection of Interstate 380. It completes the successful development at The Crossing, which includes 1,063 multi-family housing units, 12,500 square-feet of retail and a 4,000-square-foot fine dining restaurant (Jack's).

"This project is not anti-labor -- it's pro-San Bruno and aligns with the community's goals and needs for this site," Jackson said. "The City Council has listened and carefully considered comments from members of the community, local organizations and others. The City has negotiated an agreement that doesn't cost San Bruno a penny, but instead requires OTO to pay the appraised value of the land. This is a great achievement and investment for the City and its taxpayers."