



PLANNING & COMMUNITY ENVIRONMENT

CITY OF  
**PALO  
ALTO**

250 Hamilton Avenue, 5th Floor  
Palo Alto, CA 94301  
650.329.2441

July 17, 2018

Timothy Franzen, President  
Adventurous Journeys Capital Partners  
133 N. Jefferson Street, 4<sup>th</sup> Floor  
Chicago, Illinois 60661

Dear Mr. Franzen,

Thank you for meeting with me and City Manager Jim Keene on June 7, 2018 to introduce yourself and share your plans to convert the Hotel President Apartments into a new hotel. I asked at the meeting if your team had reviewed the City's municipal code for compliance with applicable provisions and your representative, Richard Hackman, at the time indicated only a need to address parking and obtain design review approval.

Since that meeting, the City has conducted a review of the property and determined that the establishment of a hotel at this location, as described, is impermissible based on existing zoning regulations and site characteristics. Specifically, Palo Alto Municipal Code Section 18.18.120(b) precludes the remodeling, improving or replacement of site improvements together with the conversion of an existing non-complying facility in the subject property's Downtown Commercial CD-C district to a different land use. The subject mixed-use building with ground floor retail and above grade apartments is non-complying with respect to maximum building height and floor area requirements of the municipal code and perhaps other provisions as well.

Based on the foregoing, at your convenience, please schedule a meeting through Yolanda Cervantes so we may discuss this matter further. Yolanda is available at (650) 329-2404, or by email: [yolanda.cervantes@cityofpaloalto.org](mailto:yolanda.cervantes@cityofpaloalto.org).

Sincerely,



Jonathan Lait, AICP  
Assistant Director

c: Alex Stanford, Vice President AJ Capital  
Richard Hackman, Director



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