The Hotel President is significant to Palo Alto’s roots for its role in establishing the commercial corridor of University Avenue, as an example of the Spanish Colonial Revival style in Palo Alto, and as a work of master local architect Birge M. Clark.

Located in the heart of downtown Palo Alto, the Hotel President was built in 1929 and its doors opened to guests in 1930. The hotel was named to honor then-president Herbert Hoover, who was one of the first students to enroll at Stanford University.

For nearly forty years, the Hotel President was one of the most prominent buildings in Palo Alto, long lauded as the place to stay in the region and featured on postcards and travel brochures.

After decades of deferred maintenance, the historic Hotel President was acquired by AJ Capital in June of 2018 with the intention of returning it to its former purpose as a destination hotel through thoughtful historic preservation and restoration.
There are three key project components that guide our vision for Hotel President’s restoration efforts:

1. Historically Accurate Rehabilitation & Preservation
2. Critical Property Condition Upgrades
3. Positive Community Economic Impact
Hotel President’s extensive rehabilitation and preservation scope received unanimous approval from the Historic Resources Board (HRB) in May. The HRB concluded the project is consistent with the Secretary of the Interior’s Standards for the Treatment of Historic Properties.

**PRESERVATION OF KEY CHARACTER DEFINING FEATURES**

- Preserving exterior stucco façade, original steel-sash multi-lite windows, wood gallery at University Ave façade, and front entry canopy
- Rehabilitating commercial storefronts, including original and replacement tile buckheads and spindlework screens at transom windows
- Restoring former lobby lounge area, including exposing original ceiling
- Preserving original elevator and original interior central stair
- Rehabilitating rooftop garden, which will be ADA accessible and a public amenity
Once restored, the Hotel President will offer a captivating and authentic sense of place that has become synonymous with AJ Capital’s approach to community-centric hospitality.

### HOTEL PROGRAMMING + SPACE PLAN

- 100 GUESTROOMS
- LOBBY CAFÉ & COMMUNITY LIVING ROOM
- LOCAL BUSINESS RETAIL STORES
- PANORAMIC VIEWS OF PALO ALTO FROM AN UNOBSTRUCTED ROOFTOP GARDEN
- VALET MANAGED PARKING AND IMPLEMENTATION OF TRANSPORTATION DEMAND MANAGEMENT (TDM) PLAN

### PARKING COMPLIANCE

Through a combination of on-site parking, off-site parking, and in-lieu payment to the Downtown Parking Assessment District, the project fully satisfies the required 115 total parking spaces:

- On-site Parking: 14 Spaces
- Off-site Parking: 25 Spaces
- In-lieu Payment: 76 Spaces ($8,068,996 Total)
The Hotel President has suffered from decades of deferred maintenance and is in urgent need of upgrades to critical building infrastructure. As a result, a significant percentage of the total development budget is dedicated to ensuring the building’s longevity through investment in an extensive seismic retrofit, installation of sprinkler and fire alarm systems, ADA upgrades, and MEP modernization. Our design team has thoughtfully integrated the infrastructure upgrades without compromising the rehabilitation and preservation of the building’s character defining features.

**PROJECT ADDRESSES EXISTING BUILDING RISKS:**
- SIGNIFICANT SEISMIC VULNERABILITY
- INACCESSIBLE INGRESS + EGRESS (ADA)
- LIMITED FIRE + LIFE SAFETY SYSTEMS
- ANTIQUATED MECHANICAL, ELECTRICAL, AND PLUMBING SYSTEMS

Upgrades are vital to saving the Hotel President from its current dilapidated state and safely restoring the building for future use by the Palo Alto community.
### 3. Positive Community Economic Impact

**Recurring Annual Economic Impact**

**$20,100,000**

**Annual Economic Stimulation Impact from Operating Hotel Business**

It is estimated that the restored hotel will generate $20,100,000 in recurring annual economic impact for the Palo Alto community once the hotel stabilizes in 2024.*

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**Recurring Annual Tax Impact**

**$2,340,000**

**Annual Tax Contribution to the City of Palo Alto**

As a hotel, the building’s direct tax contribution to the city of Palo Alto will increase from $0 to an estimated $2,340,000 in annual sales and transient occupancy taxes.

#### Annual Tax Impact by Category (2019 $)**

<table>
<thead>
<tr>
<th>Tax Category</th>
<th>Tax Base</th>
<th>Effective Tax Rate</th>
<th>Estimated Tax Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$8,820,000</td>
<td>9.00%</td>
<td>$790,000</td>
</tr>
<tr>
<td>Transient Occupancy</td>
<td>$9,990,000</td>
<td>15.50%</td>
<td>$1,550,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,340,000</strong></td>
<td></td>
<td><strong>$2,340,000</strong></td>
</tr>
</tbody>
</table>

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*Economic impact estimates are based on findings from Hotel President Palo Alto Economic Impact Study conducted by third-party research firm HVS. HVS Consulting and Valuation estimate of $971,000 in 2023, deflated to 2019 dollars assuming a 3% inflation rate.

**Annual property taxes estimated at $860,000 are not included as direct tax benefits to the city of Palo Alto as they are contributed to the County of Santa Clara.
A groundbreaking restoration of a Columbian Exposition-era Venetian Gothic Tower constructed in 1893. A former club for Chicago’s elite, the reborn CAA contains 241 guestrooms and over 225,000 square feet of dynamically programmed space.
Across the Graduate Hotels portfolio AJ Capital has worked with local communities and architects to successfully restore the vitality of several notable historic properties. From coast to coast these properties have experienced a renaissance of community enjoyment and engagement.

RESTORED & TRANSFORMED