



ON REAL ESTATE BY BEN VAN DER MEER



BVANDERMEER@BIZJOURNALS.COM



916-558-7861



@BENVSACBIZ

BEHIND THE SCENES

Historic Senator Hotel office building gets a dramatic makeover

In recent years, both Sacramento historians and those who've owned it generally agreed: The Senator Hotel office building in Downtown Sacramento needed restoration work.

But only in the last few months did an owner fully commit to the daunting project. Seagate Properties has spent more than \$5 million on both interior and exterior work for the 96-year-old building.

"We've been working hard on how it should've looked," said Dennis Fisco, chief financial officer at San Rafael-based Seagate.

Though built as a hotel, subsequent owners converted the Senator, at 1121 L St., to an office building. Seagate acquired the nine-story building in late 2018 for \$46.9 million.

While previous owners worked on mostly tenant spaces, Fisco said, common areas didn't keep up. Seagate has worked to reverse that, including replacing a lobby chandelier, restoring skylights to their original condition and putting in new lobby furniture.

While concerns about Covid-19 are expected to make office spaces implement six-foot spacing between employees, the lobby furniture already meets those guidelines, he added.

Seagate has also refurbished or replaced all 520 windows, cast new foundations for 72 roof features of 45 pounds each, and started repainting the exterior, which should be wrapped up by month's end.



DENNIS MCCOY | SBJ

◀ New paint on the exterior of the Senator Hotel building in downtown Sacramento will be the last step in a \$5-million-plus restoration.



Seagate's investment will make the building more attractive to tenants, but it's arguably not a direct goal at the moment. Alexis Garrett, a senior vice president at JLL Sacramento, said current occupancy in the building is 97%.

"Previous owners spoke about doing the work, but when they priced it out, it was a very large price tag," said Garrett, who's worked on building leasing since 2011. "It's a massive amount of work no one was willing to tackle before Seagate."

One of the largest available spaces in the building is 4,000 square feet on the first floor, suitable as either office or retail. Another component of the renovation, moving a ramp for Americans with Disabilities Act accessibility, helped create a patio that could benefit that space, she said.

Fisco said there's another reason for the upgrades: Setting the stage for the building's golden anniversary, with events already being planned.

"The upside is bringing what was a very beautiful building to its original beauty, and positioning it for the next generation or two," Fisco said.

ON THE MARKET

CLOSED DOWNTOWN SAC HOTEL MARKETED FOR REDEVELOPMENT

What happened: Holiday Inn Express at 728 16th St. in Sacramento, closed since March, is listed for sale.

What's next: Listing broker Dan Hayward of KW Commercial said it's possible the property will have more buyer interest for redevelopment into multifamily or senior housing than as a hotel.

Details: With 130 rooms, the \$17.9 million list price for the Holiday Inn Express would be significantly less on a per-room basis than other downtown hotels, Hayward said. But the property

was also in line for some major upgrades when the Covid-19 pandemic closed its doors in March, he said. For a new owner, that means more investment either to upgrade the property or convert it for another use. Current owners Manas Hospitality LLC, based in San Diego, did not return a call for comment. Manas bought the hotel for \$9.5 million five years ago. In addition to current Covid-19-related challenges for hotels, the property also has a union contract for its housekeepers as a limiting factor, Hayward said, though selling it could help solve that issue.



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▲ Closed since March, a Holiday Inn Express at 728 16th St. in Downtown Sacramento is listed for sale with redevelopment marketed as a possibility.