

Best Western sells to investors who see high-rise hotel in the future

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Noel Neuburger | Sacramento Business Journal

With an eye on future development, local investors paid \$6.1 million for the Best Western Sandman hotel, a 110-room hotel at 236 Jibboom St.

Mark Anderson

Staff Writer- *Sacramento Business Journal*

Local investors bought a small hotel next to the Sacramento River with the idea that it could become a high-rise property in the next decade.

The hotel is a modest economy property now, but it is in the midst of where development is expected to be in the next few years.

The partnership paid \$6.1 million for the **Best Western** Sandman hotel, a 110-room

hotel at 236 Jibboom St.

The hotel will continue to operate it as it is for years, but the investors bought it with an eye toward building a hotel or residential tower in five to 10 years.

The hotel sits on 2.5 acres, and it also includes a large restaurant and banquet space, currently Nena's Mexican Cuisine.

"It is a good property and a good location," said Dr. [Venu Kondle](#), managing partner of the partnership that bought the hotel, New Sac Arena Properties LLC. Kondle also is the CEO of Golden Life Healthcare LLC, a medical administrative company in Sacramento. This is a separate investment.

The Sandman hotel has good ratings, and it cash flows as a business just as it is, he said. "It has river access; it is next to the new **Powerhouse Science Center**; and it is a half-mile from Old Sacramento," said Kondle, who described it as "a modest strategic buy."

The downtown arena now under construction is generating all kinds of developer interest in downtown Sacramento, and this property is not only downtown, but waterfront property as well.

After five to 10 years, Kondle said the property should be ready for a a high-rise building for "whatever Sacramento demands at that time." If a hotel or residential property on the site goes up to 15 or 20 stories, it would offer great views along the Sacramento River and the American River, as well as downtown, the railyard and Discovery Park.

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The neighboring science center is expected to begin renovation next year and then open a few years after that. The downtown railyard, which is across Jibboom Street from the hotel, is now just beginning to see development, after a decade of false starts.

The hotel is highly ranked in its reservation system, and it gets fairly high reviews on travel sites.

Kondle said the hotel is old, but has had "excellent maintenance" over the years.