

From: Neil Chhabria <neil@chhabriare.com>
Sent: Monday, April 26, 2021 1:19 PM
To: Suja Lowenthal <suja@hermosabeach.gov>
Subject: H2O Hermosa Hotel

Hi City Manager Suja,

This is Neil Chhabria from H2O Hermosa Hotel and I'm writing to let you know I'll be speaking on behalf of my parents and our partners the Khosla family during the public comment portion of the next city council meeting regarding the planning commission's approval of the resolution for denial of our request to sell and serve liquor.

We would like the city council to pull/reopen discussion of our request to sell and serve liquor. Additionally we want to request to modify our CUP to allow the sale and service of beer and wine only to guests only at the hotel.

I've attached a brief slide deck summarizing the situation from our point of view and I hope that you can review it along with the council members before tomorrow's meeting.

If you have any questions please do not hesitate to contact me.

Sincerely,

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H₂O HERMOSA

– CITY COUNCIL MEETING –

APPLICANT'S OBJECTIVE

To NOT approve the resolution of Denial to amend Conditional Use Permit (CUP) 20-8. Additionally we ask the planning commission to reconsider amending the (CUP) with the following modification: to allow the sale of beer and wine ONLY to hotel guests ONLY 7 days a week from 7am to 10pm and allow the use and provision of beer and wine in common areas of the hotel from 7am to 10pm only.



WHY?

- Our business needs the revenue from beer and wine sales to help become viable. We have yet to have a successful month of business
- Sale of beer and wine would complete the luxury boutique hotel experience
- Enable us to secure group bookings for weddings
- Our competitors in the city have this ability which puts us at a disadvantage



ADDRESSING THE OBJECTIONS

There has been feedback from the community that we do not follow the rules and speculation that we have already been selling and serving beer and wine in our lobby area.

That is simply not true. We know we do not hold the permits and ability to do so. We would never flagrantly break the rules in this way, especially on this historically controversial issue in the city.



ADDRESSING THE OBJECTIONS

The community has had negative feedback about the execution and elongated timeline of construction.

We are very aware of the negative feedback and we also are not pleased about how the construction played out. We understand that construction is never an easy thing for a neighborhood to go through, especially a project of this size and we thank the community, the planning commission, and the city council for granting us the privilege of doing this project. The good news is the construction is complete and the project is no longer an eye sore, rather one of the brightest spots in the commercial area of downtown Hermosa. Additionally, we've had a change in the leadership dynamic of the project and we will be better about being mindful of our impact to the community in the things we do.

There was feedback that the construction workers were rude and inconsiderate. Unfortunately all the different tradespeople were subcontractors and we did not have direct control or authority over them. However, construction is now complete and although bumpy at times, there was no irreparable damage or effects from construction. Now we have more control and authority over workers on the property and can take quicker and swifter action on negative behavior. Of course, our goal is to avoid negative behavior and feedback completely by installing proper protocols and training.

We are operating and managing the hotel independently. Therefore we have ultimate accountability and cannot shift blame to 3rd party management for any mishaps. We do have a full time General Manager, Rajiv Paul, who has been excellent.



ADDRESSING THE OBJECTIONS

Concerns that we're going to be like the rest of the bars in Hermosa...

That is not our aim or intention and we have control on that. Being able to only sell to guests would provide a much needed boost in revenue without much additional expense AND would help bring in more bookings and group reservations. We simply want to provide a luxury boutique hotel experience that one would expect when coming to such an establishment.



ADDRESSING THE OBJECTIONS

Concerns we just want to get the property entitled to sell liquor just to increase the value and sell the hotel.

It's true that being able to sell and serve beer and wine would likely increase the value of the property and business, however our intention is to keep and operate the hotel for years and generations to come. The objective is for this to be an asset that can provide financial security for the owners in their retirement years. Ultimately, the more successful we are, the less likely we are to sell the property.



HOW WOULD WE EXECUTE THE SALE AND SERVICE OF BEER AND WINE?

- It would be to guests only. Our front desk person, who already sells and serves coffee at our breakfast bar, would also be the one to transact and serve any beer and wine to guests
- If needed, we can hire an additional employee to help execute the sale and service of beer and wine
- If there is a group booking for an event, we also can hire and provide extra staff as needed
- Strict enforcement and disclosure to guests about rules and timing about beer and wine



THANK YOU

