



Darrell Wong / The Fresno Bee

The Hotel Virginia, built amid the post-World War I boom, was once marketed as "Fresno's newest and coolest hotel."

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## Two historic buildings ... One buyer?

### One Fresno building is sold, the other to be decided.

By **Bethany Clough** / The Fresno Bee

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A new player in downtown Fresno's revitalization could bring big changes to the city.

Romi Baghgegian, a Pasadena artist and developer, has bought the 1922 Hotel Virginia on Kern Street and is looking at several other downtown buildings, said Scott Johnson, Fresno's economic development director.

Baghgegian said he is in escrow to buy the beleaguered Hotel Fresno and will make a decision on whether to finalize a deal on the property by this weekend. He already has begun to remodel the Hotel Virginia, with stores planned for the ground floor and offices on the two upper floors.

Although Baghgegian didn't give details about his interest in other locations in Fresno, Johnson said the city is taking Baghgegian seriously.

In addition to the Hotel Fresno, which is considered a major challenge in the city's effort to revive downtown, he's looking at some buildings on Fulton Mall, Johnson said.

Pouya Moghavam, a principal of Hotel Fresno owner Investors Credit Corp., did not return calls seeking a comment.

The city is not directly involved in any deals but is sharing its ideas about downtown with Baghgegian, Johnson said. If Baghgegian's investment is effective, other developers could follow suit, he said.

"You need the catalyst and for somebody to take the chance and get it started," he said. "Once it's proven, it seems like that's all it takes."

A painter who lately has spent more time developing buildings than creating art, Baghgegian has remodeled several older buildings in Los Angeles and Pasadena, which is considered an example of successful revitalization, Johnson said.

He also has remodeled buildings into offices and artists' lofts, said his broker, Hoss MacVaugh of MacVaugh & Co. Commercial Real Estate Services in Pasadena. Baghgegian's work includes a brick building in old town Pasadena with a rooftop-style patio that houses the Cafe Santorini and its Rococo Room.

He also designed and built La Luna Negra Tapas Bar and Restaurant in Pasadena, which he has since sold, MacVaugh said.

"He hasn't been like other developers we've seen come in and sit on" newly purchased property, Johnson said. "He doesn't want to sit on the property. He agrees with our vision for the area."

Baghgegian said he purchased the Hotel Virginia for \$1.6 million -- the deal closed last week -- and plans to spend \$2.5 million remodeling it. The building houses The Olive Press Restaurant & Pizzeria and the Divorce Center and sits opposite Kern Street Coffee.

"I like those types of buildings," he said. "I don't like to see them go away."

MacVaugh sent him a photo of the hotel months ago. Baghgegian said he didn't know where the hotel was and had never been to Fresno before this deal.

Plans call for the two upper floors, which are vacant, to be turned into 19,000 square feet of loft-style office space that MacVaugh described as "not your traditional boring, drop-ceiling offices." Instead, the offices will take advantage of the building's high ceilings and brick construction.

The ground floor is to be remodeled into 12,000 square feet of retail space.

Baghgegian said he envisions restaurants, businesses that cater to nearby law firms and perhaps some with a creative bent.

He said he consulted with Reza Assemi, the developer and artist responsible for downtown's Broadway Studios, Vagabond Lofts and the under-construction H Street Lofts.

Assemi said Baghgegian's plans fit with what he foresees for Fresno.

"He has a great vision, an artistic vision and the know-how to do some pretty incredible quality projects," he said. "Sometimes I think it takes someone with fresh eyes from out of town to see what opportunity is here in Fresno."

Remodeling of the Hotel Virginia would be good news for this part of downtown, said Tony Williams of The Olive Press.

"Something needs to happen down here," he said. "The whole downtown needs rejuvenation in the evening."

Work began on the building Monday.

Although the building is scheduled to be finished in eight to 10 months, the upper floors need plenty of work. They are dilapidated, scattered with dead pigeons and damaged from water breaking through the roof and running down all three floors, MacVaugh said.

The building is listed on the Local Register of Historic Resources, which means the developer must work with the Historic Preservation Commission to preserve the façade.

It was built as a working-class hotel during post-World War I boom times, when grape prices

were high and a spurt of construction built the downtown skyline.

Once marketed as "Fresno's newest and coolest hotel," the building has been largely empty for years.

A partnership that included veteran home builder Spalding Wathen bought the hotel in 1999, but Wathen died in 2005. The partnership then sold the building to Baghgegian, MacVaugh said.

The Hotel Fresno also is in need of major remodeling. A prospective buyer of the older hotel backed off earlier this month.

The hotel, constructed in 1912 and once a social hub, has sat idle since 1983. It is in a state of disrepair, and city officials, considering it a safety hazard, filed a lawsuit against the owners. A settlement in that case gives the owner until Nov. 21 to either make repairs, sell the property or risk having it razed.

The reporter can be reached at [bclough@fresnobee.com](mailto:bclough@fresnobee.com) or (559)441-6431.



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Darrell Wong / The Fresno Bee

The Hotel Fresno has sat idle and in a state of disrepair since 1983, but it was once a downtown district showcase.



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Eddie Nolen spends time in downtown Fresno near the Hotel Virginia building on Monday. A Pasadena developer has bought the 1922 structure on Kern Street, and began work on remodeling it Monday.

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