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AC Hotel by Marriott part of new wave of development in Folsom



The AC Hotel by Marriott is under construction in Folsom's Palladio.

SONYA SORICH | SACRAMENTO BUSINESS JOURNAL



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Story Highlights

- Folsom's Palladio area expands with hotel and medical facilities.
- AC Hotel by Marriott to open in 2026.
- Kaiser Permanente plans new medical clinic, employing 350 workers.

This is part of a series of stories focusing on growth in Folsom.

New development is underway in the area surrounding Folsom's Palladio shopping center, introducing uses beyond retail and entertainment.

Projects in the works will add lodging, medical services and potentially hundreds of new jobs.

The largest projects currently active or in planning are the AC Hotel by Marriott and Kaiser Permanente's proposed Comprehensive Care Center. City officials say both developments are helping meet broader economic and community goals tied to health care access, tourism and job creation.

As previously reported by the Business Journal, the [\\$20.7 million Marriott project](#) is a five-story, 130-room hotel with eight executive suites. It is now under construction on a ground lease at the northwest corner of the Palladio.

The project is being developed by Insignia Hospitality Group, with a targeted opening in the second quarter of 2026, according to Rachel Overman, chief operating officer for the Midland, Texas-based company.

The hotel will feature a breakfast lounge, bar, outdoor patio and business meeting space. Overman said the design aims to complement Palladio's European-inspired architecture and appeal to travelers seeking a modern, design-focused experience.

"This location was meant for an AC Hotel," Overman said. "We've designed it intentionally to reflect the character of the Palladio while offering a new level of hospitality for business and leisure guests."



The new hotel will be near Dave & Buster's in Folsom's Palladio.

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Overman said the project will create between 35 and 40 permanent jobs and will include business-focused amenities such as a conference room with high-speed connectivity and flexible indoor-outdoor gathering areas. The structure was topped off in June, and construction is now focused on exterior finishes and interior build-out.

The hotel was initially envisioned as part of Palladio's original concept, but was delayed during the recession. According to Christine Brainerd, communications director for the city of Folsom, key infrastructure, such as storm drains, sewer lines, and water mains, was installed in 2007 and 2008, and no significant new public utility upgrades were required for the hotel.

Brainerd said the city expects the AC Hotel to increase business tourism and support nearby restaurants, entertainment venues and shops.

"This will provide much-needed premium lodging adjacent to the Palladio, Highway 50 and new medical facilities," Brainerd said. "It is hoped that the project will generate hotel tax revenue and help drive additional foot traffic throughout the area."

Directly across Palladio Parkway, Kaiser Permanente is moving forward with [plans for a new 183,417-square-foot medical clinic](#) and expanding its surgery center from 45,846 square feet to 72,950 square feet. The Comprehensive Care Center would go next to the existing surgery center at 285 Palladio Parkway.



Kaiser Permanente plans to build a 183,417-square-foot Comprehensive Care Center next to its existing surgery center at 285 Palladio Parkway in Folsom.

The project, currently in the environmental review phase, is expected to appear before the city's planning commission later this year. Kaiser representatives declined to comment on total project costs.

The site was originally sold by Elliott Homes to Kaiser roughly 15 years ago, according to Price Walker, vice president at Folsom-based Elliott Homes, which also developed and still owns the Palladio center. Walker described the development as a major medical office building that could bring about 400 new jobs to the area.

Brainerd said the facility is expected to employ approximately 350 workers and offer expanded local access to Kaiser services, eliminating the need for Folsom residents to travel to Sacramento or Roseville for specialty care.

"The city's role is to ensure infrastructure needs are met while recognizing the benefit of bringing essential health services closer to home," she said.

[Sutter Health broke ground in June on its Folsom Care Complex](#), a \$145 million project located across from the Palladio. The three-story medical center will include surgical suites, cancer care services and medical offices. Completion is expected in 2027, with some components such as the adjacent medical office building on track to open in 2026.

The project received planning commission approval in late 2024, and construction permits were issued for initial site work this year, Brainerd said. The city is overseeing zoning, inspections and infrastructure coordination, including road upgrades and traffic management at the nearby intersection of East Bidwell Street and Iron Point Road.

Elliott Homes is a partner on the Sutter project and will retain ownership of the land, Walker confirmed.



Rendering of the future Sutter Health Folsom Care Complex, which will include a full-service Advanced Cancer Center offering infusion and radiation therapy, part of a \$145 million project set to open in fall 2027.

COURTESY OF SUTTER HEALTH

While the AC Hotel and Kaiser facility represent two of the corridor's largest non-retail projects, development at [Southpointe at Folsom Ranch](#) will further diversify the business mix in the area. That project, located farther south, is a mixed-use development by LRE & Co. and includes 74,000 square feet of rentable office and medical space along with planned retail, a gas station and a child care facility. Brainerd said applications are active, though no medical tenants have been announced.

The city of Folsom is coordinating transportation and utility planning across the broader corridor. Projects include partnerships with the Sacramento Regional Transit District and Caltrans to improve access and service along the U.S. 50 corridor. Brainerd said funding is in place to evaluate and implement new transit options, including improved connections to light rail.

She stated that Folsom's updated zoning allows for more flexibility in the East Bidwell Corridor, as the city seeks a mix of housing, office, hospitality, and retail to support long-term economic resilience.

Brainerd noted the mix of projects near the Palladio reaffirms goals outlined in the city's general plan, including attracting skilled workers, supporting local colleges and developing industry clusters.

"These projects are complementary to the existing retail and entertainment uses," Brainerd said. "We're seeing health care, education and hospitality strengthen the corridor and provide stability beyond the retail economy."

Walker said the new developments align with the overall vision behind Palladio.

"We're excited to see these projects coming together," he said. "They add value to the area and reflect the kind of long-term investment we hoped would take root here."