



## CITY OF VIRGINIA BEACH AGENDA ITEM

**ITEM:** A Resolution Requesting that the City of Virginia Beach Development Authority Terminate the Existing Process Under the PPEA for Development of a Headquarters Hotel

**MEETING DATE:** February 14, 2012

---

■ **Background:** On December 21, 2006, the City of Virginia Beach Development Authority ("Authority") received an unsolicited proposal under the Virginia Public-Private Education Facilities and Infrastructure Act of 2002 ("PPEA") from Garfield Traub Development, LLC ("GT") for the development of a headquarters hotel adjacent to the Virginia Beach Convention Center.

On July 17, 2007, City Council adopted Resolution 03261 requesting the Authority explore the potential development of a convention center hotel under the PPEA. On December 21, 2007, GT withdrew its first proposal and replaced it with a second unsolicited proposal under the PPEA.

On April 2, 2008, in response to the public notice published pursuant to the PPEA, Armada Hoffer Development Company and affiliates (collectively "AH") submitted its proposal for the development and construction of a headquarters hotel.

On September 28, 2008, the Authority approved a resolution to proceed to the detailed stage of negotiations with both GT and AH for a headquarters hotel. GT withdrew from further participation on November 2, 2010.

Since November 2, 2010, representatives of the City of Virginia Beach and the Authority have been attempting to negotiate terms of a transaction for the development of a hotel, but have been unable to reach mutually agreeable terms.

Despite good faith efforts by AH and the Authority, it does not appear that further negotiations will result in an agreement.

■ **Considerations:** Since the proposals were received and evaluated by the Authority under a PPEA process, which was conducted under the Authority's PPEA policy, a vote by the Authority is required to formally terminate that process. Termination of the PPEA process will bar further consideration of the proposals received pursuant to that process. Termination of the PPEA process would not preclude the Authority from consideration of other proposals in the future.

- **Public Information:** Advertisement of City Council's Agenda.
  - **Recommendations:**
  - **Alternatives:**
  - **Attachments:** Resolution
- 

**Recommended Action:** Approve

**Submitting Department/Agency:** City Manager's Office RSH

**City Manager:** 