



Resort Advisory Commission
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RESORT ADVISORY COMMISSION
MINUTES

DATE: August 6, 2015
TIME: 3:00 pm
PLACE: Virginia Beach Convention Center, Room 1C

COMMISSION MEMBERS PRESENT

Billy Almond
Bobby Melatti
BJ Baumann
Kristina Chastain
Sam Reid
Randy Thompson
Joe DaBiero
Nancy Creech
Bill Gambrell
Craig Roback
Preston Midgett
Bryan Cuffee
John Hawa
Laura Habr

OTHERS PRESENT

Doug Smith, COVB
Warren Harris, COVB Econ. Dev.
Rob Hudome, COVB Econ. Dev.
Jim Ricketts, CVB
Greg Ward, BCF
Courtney Dyer, VBCC
Diana Burke, VBHA
Jim Capps, VBHA/Breakers
John Uhrin, Council
Harry McBrien, 2nd Prec.
Barbara Clark, RBCL
Michael Johnson, Shoreham Sq.
Bill Reed, BEACON
Stacey Parker, The Pilot
Mike Eason, SGA/Resort Mgmt.
Robin Hart, SGA/Recorder

COMMISSION MEMBERS ABSENT

Michael Cloud-Butler
Sylvia Strickland
Gerrie West
Tom Brown

Chair Billy Almond called the meeting to order at 3:00p.m.
Motion carried unanimously to approve the minutes from the July 2, 2015 meeting as written.

Arena Development – Doug Smith

Doug Smith begins by saying that these presentations today both concern the 19th Street corridor.

Now that they have a clearer idea of what the infrastructure and development of 19th Street might look like, the budget that Council just adopted includes money for the infrastructure improvements for both 19th Street and the arena. Warren Harris will discuss what is happening with the dome site in terms of construction and timeline. Almost in parallel to that are all the things that are happening relative to the ViBe District.

Council approved the term sheet for the arena in December 2014. Bringing together a public partner (the City) and a private entity while bridging the gap between each other's concerns is the challenge. The three-page term sheet has morphed into a 400-page

document, which defines six agreements: a development agreement, lease agreement, cooperation agreement, parking agreement, cost participation agreement, and arena funding agreement.

The development agreement outlines both parties' rights during that 3- to 4-year time of construction. The lease agreement defines the five or so acres of land under the building for the decades that the building will be sitting there. The cooperation agreement that will govern how the convention center and the arena will function together and the parking agreement will define how parking is managed between the two facilities. The cost participation agreement deals with how the infrastructure is put in place. The arena funding agreement covers the basic premise of the agreement, which is that the taxes (local taxes as well as some state sales taxes) generated in the building flow back to the developer. The mechanics of the arena funding agreement are new, as the process involves the General Assembly and the State Treasurer, and the process is cumbersome.

Doug feels that they have come a long way and they think they have some agreements near final form. There are always some final issues to slug through, as they just made their last presentation to Council this past Tuesday. All things continue to look good.

QUESTIONS

The anticipated term of the lease, and what happens upon termination, is under discussion. The term sheet contemplated a 40-year deal where the building reverted to the city. If that changes, it may affect another part of one of the agreements.

Doug agrees with Nancy Creech that the timing of the opening of the arena is imperative, and hopes for an opening in the fall when they can take advantage of the season.

Nancy asks if there is anything they can do as an organization or as individuals to be supportive, and Doug encourages the public to participate and give feedback on the arena progress.

Dome Site - Warren Harris and Rob Hudome

Warren Harris reiterates the great opportunity of having multiple projects to frame a development and work with the Peterson Companies. Peterson recently had a consultant in Virginia Beach to look at a potential residential component to the project.

They are still early in the process, but Peterson has a draft term sheet. Warren will be visiting them on Monday, along with Rob Hudome, Councilman Uhrin, Linwood Branch and Rob Nicholson. They will walk their premier development, National Harbor, to get a feel for how their mixed uses are organized and how they coexist.

Rob Hudome also believes that they have selected a good developer with Peterson. They have the two blocks between 18th and 20th Street, fronting Pacific and Arctic Avenues. New to the site now is that it encompasses a total of three blocks; they have another parcel that the city owns that may be included in the development. They anticipate the current development spurring a lot of activity around the dome site.

In November 2013, the City Council requested the Virginia Beach Development Authority to issue a Request for Qualification (RFQ) to determine which developers were interested in working with the City and see what their idea for the project would be for the site and for the oceanfront. (An RFQ is different from the RFP that they had in the past where Dallas developer Michael Jenkins submitted an RFP (Request for Proposal) for what they wanted to do on the site.)

The City was happy with the proposal they received from the Peterson Companies,

and they entered into a six-month exclusive agreement with them for due diligence, which was extended another six months for further market study and analysis. On June 16, the agreement was extended for a year, which stated that within the first six months, a term sheet would be subject to approval by the Authority and City Council. In turn, that would spur another six months in which to get a development agreement completed and approved by the Authority and City Council.

Peterson Companies is one of the largest privately owned companies in Washington D.C., and have been in business for 50 years. Their flagship property, National Harbor, just outside of D.C. is a high-density mixed use development with a hotel, lots of retail/restaurant, an outlet mall, and they are currently building an MGM casino on site. They also have a Capital Wheel on the dock in front of the water.

Peterson has designed a conceptual overview for the area that has approx. 230Ksf of mixed use, entertainment, dining and retail. The Exhibition Hall would be a black box-type of space that would house touring exhibits, such as King Tut or Titanic, for example. A 1500-car parking structure would replace the parking that is currently at the site and supplement the structure. They are looking at almost 2400 full-time and part-time jobs, and capital investment will exceed \$100M.

Peterson's approach has been to meet with stakeholders and adjacent property owners. They retained MXD Development Strategists for the market assessment, and California architectural firm Perkowitz and Ruth to begin conceptual design.

The aerial shows that people could access the site from gateways at 19th or 20th Streets, and vehicles coming down 21st Street could turn down Arctic or Baltic and turn into the parking garage instead of coming down Pacific in the summertime, when it might be congested.

There will be one and two-story buildings, and back on the third block there will be a parking structure. They did talk about increasing the number of cars to support the arena project, maybe increasing from 1500 to 2300, but that is still under consideration.

A rendering of what Pacific Avenue could look like, looking west on 19th Street, shows an opportunity to close off a portion of that street in the evenings with bollards to make it a plaza for entertainment and activity. During the day, the bollards would be down to accommodate local traffic.

The video from the Economic Development Authority can be found at this link: [Dome site video](#). (Click on the "Download video" link under "Additional Resources" in the middle of the page.)

QUESTIONS

There is a not yet a proposed start date, but Warren says that at one point, they were trying to shoot for 2017 with a 2-year construction line. The timeline is subject to them working through the term sheet and the other agreements.

Preston Midgett says that currently there exist over 500 parking spots available at that site for day and night visitors. He asks if there has been any consideration to building the parking deck first, as he is concerned about losing day and/or night visitors due to ongoing construction, as well as the construction workers having adequate space to park as the rest of the facility is constructed. He also asks if a study has been done to determine the unloading capacity of Arctic and Baltic Avenues.

Rob Hudome replies that it is still under discussion due to the sequence of construction events, but they are aware that parking is a sensitive issue in this area, and adding residential components on top of the garage might further complicate the answer.

He mentions that the Methodist church is looking at building a parking garage, and Peterson has met with them. If that occurs, it would offset some parking at the dome site. An updated parking study for Arctic and Baltic will be completed as soon as some other items are in place; however, they will make some minor recommendations for that area based on the original study.

Rob says that the city will probably lease the property to Peterson under a long-term lease.

Nancy Creech asks if there is any consideration to a rooftop garden-type area for events, and Rob replies that the rooftop idea is an option, as illustrated in the video, and is also shown with a residential setback. A parking garage structure with 1500 spaces should be about five or six stories high.

Kristina Chastain comments that the possibility of a residential aspect is very exciting as it could provide a lot of energy for the area, and the green space option, although not necessarily profitable, is a nice enhancement.

Rob clarifies that the concrete plaza is depicted in the video is actually a green plaza. He says that Peterson is in tune with environmentally sensitive conditions and they are interested in incorporating green space in the development.

The retail aspect is on a walkable scale with a boutique-style atmosphere.

The theater would be in the 2300- to 2500-seat range. There will be nighttime musical entertainment, similar to Live Nation's Fillmore.

The Skywheel is not part of this project. They do have one at National Harbor, that they purchased themselves. There is a lot of opportunity for additional development to the north, south and west.

Joe DaBiero asks if 17th Street will be able to accommodate the increased traffic flow if something is going on in both the convention center and the arena, and 19th Street is closed.

Both Rob and Warren say that 17th Street has always been a gateway and it is going to need some improvements along the way, and John Uhrin adds that some previous studies for the first project had the traffic directed in a wishbone shape between 18th and 20th Streets, and it seemed to work.

Billy Almond asked if the improvements to 19th Street they began three to four years ago will be part of this development, and John replies that the 19th Street improvements are in the arena infrastructure plan as a funded CIP project.

The city's commitment has not been determined yet, but there are elements in the term sheet. The intent of the city is for the developer to build the parking, unless we add additional spaces to support the arena.

COMMITTEE REPORTS

Planning and Design Review (PDRC)

Billy Almond reports that the PDRC did not meet last month.

Transportation, Parking, Pedestrian Committee (TPPC)

Preston Midgett reports that the TPPC did not meet last month.

Oceanfront Enhancement Committee (OEC)

Sam Reid, reporting for Jim Davis, announces that Lt. Harry McBrien approached the committee about participating in a community-led effort involving a group that would work with troubled establishments in trying to assist with behavior problems resulting from those businesses.

Sam notes that they want to have a briefing from the newly hired advertising agency for the city when they are ready, so they can help with the Visitor Profile.

They also had some discussions on their priorities, one of which is Harry's idea for the community-led groups to assist businesses.

Resort Investment Committee (RIC)

Billy Almond reports that the RIC met yesterday and discussed potential speakers to invite to the RAC meetings this fall.

They also talked about retooling the Oceanfront Visionary Committee and setting it up as a new SGA committee with representation from the marina district, the central beach district and the Laskin gateway. An initial meeting is tentative for the end of August. That would take the OVC off their role, and set this up as a new committee that would foster growth in those areas. More information to follow.

G.R.E.E.N. Committee

Laura Habr reports that they have placed Beachy Clean stickers on every white trash can from 1st through 40th Streets. She thanks Nancy Marscheider and the ISOP for volunteer assistance, and additional stickers are in the Resort Management office. The website is www.beachyclean.org to refer employees, guests, and other businesses for more information.

Economic Development Report

None

Staff Report

Mike Eason is not yet certain at this point about the Cirque du Soleil progress. There is a meeting scheduled next week, and there are plans for their return next year.

The ECSC is here and the Rock and Roll marathon is right around the corner. So far it's been a good summer.

New Business

Doug Smith gives an update on the ViBe District. It has become one of Council's seven priorities: Council passed the ordinance last spring. Emily Labows of Cultural Affairs is the driver, and the plan is to put as little bureaucracy on the project as possible. There is some structure around it in terms of committees, but from a city perspective, we have the director of Parks and Recreation, the SGA office, Public Works, and Cultural Affairs, and they discuss the priorities.

Emily Archer, in the SGA office, will be working on connectivity in the area. Open big spaces is another priority, and the third piece is 17th Street. The city has no plans to acquire additional property, but their hope is to work with those who control the property to galvanize around a vision.

In the fall, Doug suggests asking get Emily Labows to come to RAC and give a presentation on the new cultural plan, which is defining the role of the arts in Virginia Beach. We talked about a cultural arts district at Town Center and an industrial arts district between

Town Center and Witchduck Road.

Doug believes it is a neat area to be involved in and he thinks the grass roots component of it is fascinating and they have a lot of support from City Council. Laura Habr adds that they have grown from four businesses to over forty.

Doug says that one of Warren's challenges is trying to find places to put people who want to start a business. Council has set up a revolving loan fund for \$150K/year, for three years, to allow for getting businesses up and running. It is a city-wide issue, but focusing on the ViBe, Warren has appointed Michelle Chapleau to assist. Economic Development also has a small business development manager to help the small business owner, and inquiries do not have to be concerning start-up only; existing businesses can call Economic Development for advice.

Public Comment

Beach Resident Barbara Clark thanks the Commission for their service. She identifies herself as a member the Resort Beach Civic League (RBCL), whose boundaries run from Laskin Road to Norfolk Avenue and Parks Avenue to the ocean, right in the middle of what she believes to be the Central Beach corridor. The Old Beach neighborhood runs from Laskin Road to 21st Street, Lakewood runs from 16th Street to Lake Drive, and Pinewood runs from Lake Drive to Norfolk Avenue.

She asks that the Commission reach out to their neighborhoods early concerning new projects that might heavily affect their neighborhoods; the dome site is right in the middle of them. She can serve as the contact for the RBCL. They have already worked with Kristina Chastain and Chris Richardson concerning their newly established businesses in the area. The RBCL has also met with representatives for the arena, and sent out a position letter to many of the Commissioners.

Lastly, Barbara asks that the RAC consider having someone that lives in a residentially zoned area in the resort serve on the RAC, so people who actually live in the resort area could be heard.

Other Business

Billy Almond shares how, with a donation from the Wyndham, they had a bus shelter built by HRT at 57th Street in the median for the employees leaving the Wyndham to go home. The shelter was finished yesterday.

Meeting adjourned at 4:02p.m.