



Resort Advisory Commission  
2101 Parks Avenue, Suite 302  
Virginia Beach, VA 23451  
(757) 385-4800  
FAX (757) 422-3666

RESORT ADVISORY COMMISSION  
MINUTES

**DATE:** February 4, 2016  
**TIME:** 3:00 pm  
**PLACE:** Virginia Beach Convention Center, Room 3AB

**COMMISSION MEMBERS PRESENT**

Billy Almond  
Kristina Chastain  
Bobby Melatti  
Craig Roback  
Sam Reid  
Bill Gambrell  
Preston Midgett  
Gerrie West  
Michael Cloud-Butler  
Sylvia Strickland  
John Hawa  
Joe DaBiero  
Laura Habr  
Bryan Cuffee  
Nancy Creech  
BJ Baumann  
Jim Davis

**OTHERS PRESENT**

Matt McInerney, VBPD  
Scott Wichtendahl, VBPD  
Billy Zelms, VBPD  
Barbara Clark, RBCL  
Robin Tuite, OBV Condo Assn  
Diana Burke, VBHA  
Bill Reed, BEACON  
Stacey Parker, The Pilot  
Hillary Smith, Southside Daily  
RJ Nutter, Troutman Sanders  
Jim Capps, Breakers  
Bobby Lachman, Pier  
David Keith, PDRC  
Emily Archer, SGA  
Courtney Dyer, VBCC  
Mike Eason, SGA/Resort Mgmt.  
Robin Hart, SGA/Recorder

**COMMISSION MEMBERS ABSENT**

Randy Thompson

Chair Billy Almond called the meeting to order at 3:00p.m.  
**Motion carried unanimously to approve the minutes from the January 7, 2016 meeting as written.**

VDOT Transportation Update – Aubrey Layne, Secretary of Transportation  
Aubrey Layne talked about transportation, roads, and funding for the area, and how people to be able to get here. He reviewed the legislation that has occurred over the last two and a half years, because not only did it affect transportation in the Commonwealth but also how it was procured and how it came to be.

The latest estimate for revenues to be available for our area was for about \$200M but will most likely end up being closer to \$160M, due to the unexpected decrease in gas prices and change in how the fuel was taxed (changed to a percentage per gallon instead of actual cents per gallon). Because there was no floor put in in this area or in Northern

Virginia, we are still taxing the gas at \$3.11 at the wholesale level, and in turn, the revenues that were projected for here are off. Legislation was discussed, and Villanueva put some in, but died at the House. Wagner put some legislation in, but we do not know the effects of that yet, as some see it as tax increases, so it may not survive the Senate.

Aubrey next discussed the prioritization of projects and to which projects money was allocated. Last year, H.B. 2, which is the new prioritization of projects, used by the Commonwealth Transportation Board (CTB), along with H.B.1887, which allocates the revenues against needs, and the first 45% goes off the top to the State of Good Repair, for which I264 from Norfolk to Virginia Beach is a prime example. The formula that allocates the money gives Hampton Roads one of the largest shares, at about 13-14% (Hampton Roads can receive no more than 17%). The remainder of the construction money, 55%, is divided into two pots and scored: one at the state level, and one at every district across the Commonwealth. The districts compete with other districts and the state projects compete across the Commonwealth. Hampton Roads received its district monies, but it also received \$144M of the \$800M available to help widen I64.

He says that Hampton Roads did well for what they received, as our bridges and tunnels are expensive. The I64 will now have the funds to be widened from Williamsburg (the HRBT) to Patrick Henry (the W99 exit) with one more lane added each way, and Richmond (I95) will have another lane coming this way. That will be helpful with people getting here, but the next issue is the bottleneck at the HRBT.

The decision on whether to toll roads is under discussion, and Aubrey urges caution on how we toll roads. There is enough money to do everything from the I64/I264 interchange, the high-rise bridge, to get a network around Bowers Hill, but that is where a decision will need to be made, and the Commonwealth Transportation Office (CTO) is going to encourage the CTB to focus in that area.

Those projects cannot be accomplished without tolls, but we have legislation this year that restricts where tolls can be utilized. This legislation is aimed at not having another Midtown/Downtown tunnel deal, and it states that there must be a "real free" alternative.

Aubrey believes that you should never pre-toll a facility. He believes that we should encourage spending what we have, and it is better to say that we ran short, rather than to ask for everything you want, and receive nothing. The first scenario gets the General Assembly's attention, rather than to do no projects at all because you do not have all the money you need.

On the subject of light rail, Aubrey says that as a citizen, even though right now light rail is only being looked at as going to Town Center, he is all for it, which conflicts with his fiduciary responsibility as Secretary of Transportation. As a State representative, they can only fund projects in the 6-year plan that can go to procurement; they do not fund contingent projects. He believes that a light rail project would score okay against other projects, but it is how it would compare with other needs of the Commonwealth as to how much money is received for it. He says that we have to consider the fiduciary ramifications on how we proceed with light rail.

Looking at the SGA's, most of the city's growth is through a corridor, which lends itself to additional modes of transit. He believes that HRT is underfunded and/or underperforming. The same is occurring in Richmond with their system, GRTC, and in Northern Virginia with their Metro. As communities change, one-size-fits-all transportation

will not work. As we work with limited resources, we have to analyze what the best way is to fix a particular problem.

The environmental impact study is looking to see whether we should expand the HRBT or the Patriot's Crossing, or both. He notes that there is no federally recognized project called Patriot's Crossing (the Third Crossing is, similar, but at a cost of about \$10B) and the tunnel across 64 is approved. The Patriot's Crossing may or may not get approved. He says that until it is stated by the federal government that either one is a viable project, you cannot make rational decisions and plans on it. He recommends that the City take that approach with their projects.

## QUESTIONS

Jim Davis asks if there is any new thinking about the HOV lanes.

Aubrey answers yes. There is a federal law process that you have to go through, and the reason they were originally put in was for air quality control – to move more people in fewer lanes. You can open them up to HOT Lanes, with the theory being that the more people you let use the road for free, the less revenue there is. The HOT Lanes guarantee a travel time at 55mph. As it slows, the toll goes up. By late summer they should have it open and allow single occupant users to pay and find out if that would be more beneficial, and they are trying to study it.

Nancy Creech asks if the Hampton Roads Transportation Accountability Commission (HRTAC) has changed the priority order of projects, and her second question is on the light rail. Light rail is scheduled to be developed only to Town Center. If people understood that there are phases to it, could it be used throughout the area to its best advantage, and if so, why isn't that idea being promoted.

Aubrey does not know about the priority order. HRTAC is a funding organization. That is why he encourages localities to use monies that they can. He believes that there are a lot of things that can be done on a pay-as-you-go basis. The TPO does the planning and the CTB makes the final decision. The HRTAC has taken on a slightly different role.

On the second question, Aubrey answers that the State always had a light rail plan for years, but theirs was along the peninsula. Connect the air base in Virginia Beach and the air base in Norfolk if you just want to get people off the roads. No federal money is available to do that, so it has to be done on a piecemeal basis. Norfolk has taken the leap to put light rail in place. Connecting Virginia Beach to Norfolk makes sense. From a state standpoint, they support it, but he re-emphasizes that they were asked to come in by the City.

## Pier Place Presentation – RJ Nutter

RJ provides an update on what has been submitted and completed for the project, which can be done with private money. They have submitted a term sheet and begun briefing councilmembers. Council has asked them to develop an outreach program.

RJ provides a brief history of the Pier since its birth in 1949 (65 years ago) with the third generation still participating in the operation and ownership of the pier. One of its drawbacks is that it is a wooden structure exposed to the elements. Because of its location and that it crosses the city beach, it only operates as a franchise on a 5-year basis. Its ability to have long-term investment, insurance and other things that would allow it to go to the next level, can't be implemented.

RJ says that the project that will occupy three city blocks and involved three groups of families (Murden, Lachman, the Capps and Sibony families and the Bonney and the

Thompson families). It is the largest single compilation of property ever to be developed in the southern end in the city's history.

The goal is to present a proposal to the city to do things they have not had an opportunity to do in the past. It is a mixed use project, involving restaurants, retail, an 180-ft concrete pier, the opportunity for a new oceanfront park, a brand-new full service hotel and a new timeshare/vacation ownership resort, and a new parking garage on the west side of Atlantic Avenue with between 800-1000 spots. They want to relocate the pier to the 15<sup>th</sup> Street venue and create a new park at 15<sup>th</sup> Street, a wheel, a fishing venue and a Virginia Beach Surfing Hall of Fame. This will represent a \$252M private/public investment. They are asking the city for their acquisition of hard assets, which makes this project unique to many private/public partnerships presented in the past.

For the City's participation, the questions that need to be answered by City Council are:

1. Does the city need to realign the 14<sup>th</sup> and 15<sup>th</sup> streets and build the pier?
2. Does the city want to buy additional area for park land at fair market value?
3. Does the city want to buy parking spaces in the garage?
4. Does the city want to own the pier and lease it for the next 40 years and allow for redevelopment on top and then return to the city?

What RJ presented today are the key components of the project and on what the City will be asked to focus. The private money invested is at a ratio of nine times what they are asking the public to put in, and the investment would be put into public assets. The timeline is Fall of 2016 to start things rolling, so they have to get through the approval process with the city. After that they will go into full design. They will need permission from the FAA for the hotels. The FAA already approved the wheel (initially for the dome site). They need to go to VMRC to relocate the pier and get related permits.

## QUESTIONS

- BJ Baumann asks where the parking is going to be and RJ says that it will all be on Atlantic Avenue, on the Sibony property.
- Nancy Creech asks what the timeline is and RJ replies that they are they asking for city council approval asap, with the vote in late March or April. The property owners operate on a seasonal basis so they need to make decisions early for the following season. The timeshare owner has identified this market as where they want to be, so they will probably build the entire timeshare at one time. They are hoping for a public outreach program later this month, but council needs to be caught up first.
  - Kristina Chastain asks what the architectural design might be, and RJ is yet unsure.
  - Joe DaBiero asks about oceanfront frontage. RJ replies that the Hotel would be about 220 feet and the timeshare piece would be about 200 feet.
  - Craig Roback asks about the structure under construction on the east side of the parking garage, and whether it will remain two stories. What is the opposition to the project, if any. RJ replies that the structure will remain two stories. On opposition, specifically, there is none. Maybe a concern on how the wheel will operate (i.e. lights), but Bruce Thompson will control it and the properties around it, so he can offset any impact.

Several councilmembers have asked about increasing parking.

Billy Almond proposes penciling the Pier architectural update for PDRC and RAC, respectively, if RJ has more information, and RJ agrees.

Jimmy Capps mentions that the project pays for 500 spaces and the City of Virginia Beach pays for the other. At the end of the pier they will be able to have the fireworks, and that will assist with the barges.

## **Committee Reports**

### **Transportation, Parking, Pedestrian Committee (TPPC)**

Preston Midgett reports that they discussed the Pacific Avenue construction schedule. The work will occur in coordination with the Shamrock Marathon schedule.

They reviewed the request from the Bayfront Advisory Commission for shuttle service that was first presented in the fall of 2015. They had a temporary motion, due to lack of quorum, in which the committee approved the shuttle route if it was able to carry the campground stop on Shore Drive. They will revisit the issue at the next meeting.

They discussed the SmartCities grant offer from the USDOT. They learned what the requirements were and which cities were planning to submit bids.

### **Planning and Design Review (PDRC)**

Billy Almond reports that they had an update on the Old Beach Village 2 project from Jack Pope.

The committee approved a motion for plans to update the Nautilus Restaurant on Atlantic Avenue.

There was discussion on the Commune outdoor café request and there were concerns with ordinance requirements and east-west café requirements, layout, servers, etc. It was determined that the plan did not specifically require an application for an outdoor café, and the request is being discussed with the Planning Department.

They also discussed the outcome of the Strategic Planning Session held at the RAC meeting in January 2016.

### **Oceanfront Enhancement Committee (OEC)**

Jim Davis turns the floor to Sam Reid, who chaired last month's meeting in Jim's absence. Sam reports that they discussed the progress of The Block meetings, Sense of Arrival priorities and the possibility of breathing new life into the Donation Meters program.

### **Resort Investment Committee (RIC)**

Billy Almond reports that they discussed a proposal that came before them for free Wi-Fi service in the parks. Mike Eason will further investigate.

They also talked about the Special Events process during the summer, the related alcohol events and their regulation in the off-season, if needed.

They will start talking about inviting city council members to the RIC meeting to see what they actually do down here and they planned to start that after the City Manager's Resort Committee meeting as soon as that is determined.

### **Oceanfront Strategic Growth Area Committee (OSGAC)**

Kristina Chastain reports that they began their exploration of supporting the development of the Resort Districts and had a property owner from the Laskin Gateway area in for their comments and vision for the area.

**G.R.E.E.N. Committee**

Laura Habr reports that although they did not meet last month, she reports that they are carrying on with their Beachy Clean stickers and stormwater program, weather permitting. She mentions that Earth Hour is coming up and to watch for information on Earth Hour in Virginia Beach scheduled for March 19, 2016 from 8:30pm-9:30pm. She will send a link out to the Commission.

She also reports that she was part of a Coastal Voices Summit in Washington D.C. last week on offshore drilling. They are about 30 days out from a draft proposal involving our state, and there will be a public comment period.

**Economic Development**

None

**Staff Report**

Mike Eason reports that the Polar Plunge location this year has changed from 7<sup>th</sup> Street to 31<sup>st</sup> Street. The boardwalk light replacement project is ongoing and they are almost through, with about 14 more lights to go.

**Public Comment**

Barbara Clark, President of the Resort Beach Civic League that covers from Laskin to Norfolk Avenue, and from Parks to the ocean, comments that they are excited about the new quality developments and have concerns of the impacts on them as residents.

She reviews the numbers for the project and the visitors it might attract. She asks about the passes for the employees that might be working there.

They are looking for relief from this type of parking situation, since Council passed a resolution in 2012 to reduce or eliminate parking in the neighborhoods, and asks that they be kept in mind as part of their discussions. Their neighborhood is right in the middle of all these projects: the arena on one side, a pier on the other, a lake that you cannot get through and the dome site on the other side.

**Other Business**

- Billy Almond tells the Commission that there is a challenge that will go out sometime in April from the subcommittee of the Green Ribbon Committee for an innovative idea for a stormwater design competition for the ViBe District. So far, they have been able to amass a \$100K prize for the competition.
- Billy acknowledges Sylvia Strickland for her award from Best of Houzz on planning, remodeling and design.
- Tyler Brown has been newly appointed to the RAC, replacing Tom Brown.

Meeting adjourned at 4:08p.m.