



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

RESORT ADVISORY COMMISSION
MINUTES

DATE: December 1, 2016
TIME: 3:00 pm
PLACE: Virginia Beach Convention Center, Room 4AB

COMMISSION MEMBERS PRESENT

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

COMMISSION MEMBERS ABSENT

Laura Habr
Jim Davis

OTHERS PRESENT

Warren Harris, Economic Dev. Authority
Brad Van Dommelen, CVB
Todd Bertka, CVB
John Uhrin, Council
Nancy Perry, ISOP
Kathy Warren, SGA
Diana Burke, VBHA
Russell Lyons, VBHA
Bill Reed, BEACON
Stacey Parker, The Pilot
Mike Eason, CVB/Resort Mgmt.
Robin Hart, CVB/Recorder

Chair Billy Almond called the meeting to order at 3:00p.m.

Motion carried unanimously to approve the minutes from the November 3, 2016 meeting as written.

Economic Development Process Update - Warren Harris

Warren Harris highlights the initiatives in which the City of Virginia Beach is currently involved, as well as the opportunities that exist that could help grow the City's economy and create jobs to generate tax revenues to support Virginia Beach.

Some background information on the Economic Development Authority:

The City's Authority is one of only 50 accredited organizations in the country, and is ranked second below Fairfax in terms of economic performance. The City is doing well within the Commonwealth, having had 20 announcements of either business expansions or new businesses in 2016.

Initiatives are now a global exercise, and Virginia Beach is the only local authority that has offices overseas, located in Germany and the Philippines.

The goal is to diversify our economy, and with the healthcare industry representing 25% of our GNP, a market assessment shows that Virginia Beach can grow in four major areas: diabetes, cardiovascular disease, neuroscience, and oncology. The City is looking at creating a Bio Park with 155 acres in the Princess Anne Commons corridor. Co-located in the corridor will be a 120-bed Veterans Care Center, one of two in Virginia.

Cyber Security is another area in which Virginia Beach has chosen to focus, as it applies across fields today: health records, personal identity, business plans, political activity, etc. Some of the leading experts in that field are in our region and we are addressing it to create business opportunities.

Transatlantic Fiber is a huge opportunity for Virginia Beach, as this mid-Atlantic area is the gap between Miami and New York, where data connections are already established. We could be the hub of hi-speed internet and data for this area. Croatan, Corporate Landing and Sandbridge areas are under review, and the attraction for businesses that depend on big data would be valuable.

Moving into the potential in the resort area, the City is doing things that make the area more attractive for tourists and bring new amenities. The ViBe District and Cavalier Development are two major projects in the resort area, and Warren Harris lists several other development and repurposing projects moving further inland, such as those in the Kempsville and Burton Station areas that are all helping to grow Virginia Beach.

Future opportunities and challenges involve whether the City develops light rail and what that entails. Virginia Beach must also remain competitive through providing economic development incentives, promoting millennial migration and retention, and ensuring that our product supports our strategies' goals.

The Authority has a "Yes Virginia Beach" app that provides information for users that want to find out more about the Virginia Beach and Hampton Roads business community.

QUESTIONS

John Uhrin points out that, concerning the transatlantic fiber network, the City has already invested in fiber optics in the school system and that the two existing connections in New York and Florida are nearing their 30-year term.

He also points out that Warren has helped increase the focus on the tourism industry by the economic development department where in the past there was little interest.

The workforce development has a hospitality aspect to it that they are trying to further develop in coordination with TCC, and have just completed a DACUM for their curriculum.

Victus Study Results – Brad Van Dommelen

Brad Van Dommelen presents the findings of the Victus Study, the purpose of which was to review our current facilities' use and performance. They also asked the Victus Advisors to recommend if the City needed a new facility and if so, what the economic impact would be on our community.

The City has been involved with the sport marketing community for about 15 years, and grown from 30 to almost 100 events in 2015. The four things that a rights-holder (tournament organizer) looks for when selecting a destination at which to hold their

tournaments are a strong sports brand, a strong sports culture reflected in demographics, an accessible proximity from major metropolitan areas and venue satisfaction for sports that might be brought to the area.

Current challenges Virginia Beach faces include lack of proper use of the VBCC for which it was designed (conferences) as well as the absence of a headquarters hotel, lack of control over other available facilities, and lack of local hotel inventory near those facilities.

Recommendations included providing more basketball court facilities, increasing the number of turf and volleyball court facilities, have better accessibility to schedule the field house. Overall, Victus Advisors recommended that Virginia Beach needs a new city-controlled indoor sports center, suggested size 175K s.f., with convenient access to the largest cluster of hotel inventory, which could bring as many as 36 new events to the area.

Brad noted that we are in a similar predicament as the City is with the biomedical industry, that we coming late to the game, but not too late to not to be able to develop relationships with rights-holders. The facility would help us in our shoulder seasons where we need to grow volume. Most of these events would not take place in the summertime when we are already busy with the tourist season.

For an estimated cost of \$24.5M for a new 175s.f. facility (building only) Brad reports that the facility would be a break-even facility, and the benefit to the community would be a total economic impact close to \$10M with 21K incremental room nights.

The CVB agreed with the conclusions and recommendations of the Victus Advisors, but with the indoor turf field to remain an optional amenity (a required addition of 90K s.f.). The reason for acting now is that we are approaching a sense of urgency in establishing Virginia Beach in the market. The City loses money when they cannot schedule an event due to lack of capacity, and the sports market is recession-tolerant. There is an existing new opportunity for a Sports Hall of Fame to relocate here from Portsmouth, and the VBCC needs to be used for its intended design, which is meetings and conventions.

QUESTIONS

The idea was presented to Council as a concept based on the results of the study, and the Sports Hall of Fame was in the presentation. Also included was a proposal for a new event center/entertainment facility. Dave Hansen inquired about combining all three elements, but Brad points out that they would be trying to create something that does not exist, and it would take longer to get there.

Brad is trying to use this development as a means to a headquarters hotel, and is hoping that the increased use of the VBCC for meetings and conventions will support that. Our competition already has that package.

John Uhrin believes that our next steps are to come up with the footprint required to house the facility. We have the hotel inventory, and this is a time-sensitive issue.

Joe DaBiero asks if the arena and new facility would complement each other and how much more might that increase the 36-event predicted use for another facility.

Brad replies that they would be complimentary and not competitive. The arena is about performance (entertainment) and not floor space (sports). You would want one to feed off the other. He encourages Commission members to create and be engaged in dialogue with what might happen with this information.

Committee Reports

Transportation, Parking, Pedestrian Committee (TPPC)

Preston Midgett reports that they met last week and talked about the Bayfront Shuttle that they were discussing last year. The BAC has been pushing for it, and HRT they has worked out some issues with the bus, but are working on the turnaround time, which will be a budget issue. It would run May through September, 8:00a.m. until 12:30a.m. More to follow.

They also discussed the possibility of a shuttle running from the oceanfront to the municipal center to TCC, starting at 19th Street, and transferring at TCC.

This is their first full year of all the trolleys being in service at the oceanfront, and there appears to have been a 10% increase in ridership.

Planning and Design Review (PDR)

Billy Almond says that they reviewed a new corporate Starbucks at 501 Laskin Road. They approved the design with minor revisions to the site plan.

They also had a final review of the café guidelines, and they have been sent to the City Attorney's office. More to follow.

Oceanfront Enhancement Committee (OEC)

Sam Reid defers to Bobby Melatti to talk about Sense of Arrival.

Bobby suggests that King Neptune icon is the most photographed icon in the City and could be used as our resort icon. He thinks it would be a positive image to be associated with the beach and could be printed on billboards, mile markers, in digital format, on anything. He will assist anyone who wants to jump in with him.

Sam adds that the majority of respondents to the survey that was taken last month from RAC members listed the Neptune Statue as an icon representative of Virginia Beach.

Billy says that there have been multiple ideas suggested for the Sense of Arrival and he thinks it is a great idea. It needs to be vetted out and have the options presented again.

Randy Thompson says that the discussion included the rest of the water elements in the area as well.

Resort Investment Committee (RIC)

Billy reports that the RIC met yesterday and they are inviting the city manager to come to the RIC in February to talk about last year's Top 5 subcommittee priorities, as well as the Sense of Arrival that was touched on today.

He reminds RAC Commissioners that they need to be involved on a subcommittee for 2017.

They revised and resent the letter to Council on the RAC's position on oil drilling to properly reflect what was said in last month's minutes. Billy said that it brought to his attention that if the RAC is going to take a position statement in a letter to be sent to Council, then the letter should be sent back out to the Commission before it is sent to the Clerk's office to make sure that everyone agrees that the meaning is conveyed correctly. That will be done for future letters to Council.

Oceanfront Strategic Growth Area Committee (OSGAC)

BJ Baumann reports that they had a housekeeping meeting yesterday for the conversations held about the 31st Street corridor. They will be looking at Atlantic Avenue and The Block area and then moving on.

G.R.E.E.N. Committee

Billy reports for Laura Habr that their next meeting is January 25, 2017.

They are looking for other members to join their committee.

They have a tall list of efforts for 2017 and hope to have members join them from Planning and the Green Ribbon Committee starting 2017 to share information.

Economic Development

None

Staff Report

Mike Eason reports that there are about 30 days left for Holiday Lights, which has new displays. He would like to see a big turnout to assist in obtaining additional funding.

Last Night On The Town will be at Town Center. The event will be held on Constitution and street closure will occur from Dick's Sporting Goods to the theater, so the venue will look different.

They are working on the 2017 event calendar and look for some new and exciting changes for next year.

Other Business

John Hawa asks when Pacific Avenue will be cleared of construction, and Preston advises that the last Phase should be completed by the end of April 2017.

Public Comment

None

Meeting adjourned at 4:08 p.m.