



Resort Advisory Commission
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RESORT ADVISORY COMMISSION
MINUTES

DATE: January 12, 2018
TIME: 3:00 pm
PLACE: Virginia Beach Convention Center, Room 2AB

COMMISSION MEMBERS PRESENT

Kristina Chastain
BJ Baumann
Bobby Melatti
Bryan Cuffee
Craig Roback
Keith Ireland
Michael Cloud-Butler
Nancy Creech
Phil Boyer
Preston Midgett
Randy Thompson
Ron Villanueva
Sylvia Strickland
Tyler Brown

COMMISSION MEMBERS ABSENT

Laura Habr
Billy Almond
Gerrie West
Sam Reid
Russell Lyons
John Hawa

OTHERS PRESENT

DCM Ron Williams
Mike Culpepper, Venture Realty
Lindsay Usher, ODU
Capt. Mike Ronan, VBLE
John Uhrin, Council
Stacey Parker, The Pilot
Brad Van Dommelen, CVB
Emily Archer, SGA
Kristine Gay, SGA
David Keith, PDRC
Todd Bertka, CVB
Tiffany Russell, CVB
Kathy Warren, SGA
Pam Matthias, City Mgrs. Office
Mike Eason, CVB/Resort Mgmt.
Robin Hart, CVB/Recorder

Kristina Chastain called the meeting to order at 3:00p.m. She welcomed Ron Villanueva, replacing former RAC member Jim Davis, and Phil Boyer, newly elected President of the VBRA.

2018 RAC Nominations and Vote

Motion carried to elect Kristina Chastain as Chair and BJ Baumann as Vice-Chair of the RAC for the 2018 term.

The RAC meeting was not held in December. **Motion carried unanimously to approve the minutes from the November 2, 2017 meeting as written.**

Committee Reports

Resort Investment Committee (RIC)

Kristina Chastain reports that the RIC met this month and discussed future speakers and goals for 2018.

Transportation, Parking, Pedestrian Committee (TPPC)

Preston Midgett reports that the TPPC did not meet in December.

Planning & Design Review Committee (PDRC)

The PDRC did not meet this month.

Oceanfront Enhancement Committee (OEC)

The OEC did not meet in December.

Oceanfront Strategic Growth Area Committee (OSGAC)

The OSGAC did not meet this month.

G.R.E.E.N. Report

The G.R.E.E.N. committee did not meet in December.

Dome Site Development Stakeholder Engagement Session – January 2018

– Deputy City Manager Ron Williams and Mike Culpepper, Venture Realty Group

Ron Williams points out that although this is a presentation, it is also part of stakeholder engagement. He will talk about the project process and Mike Culpepper will talk about the vision for the Dome Site. They request input on the Dome project, and since the RAC is an umbrella group, he would like to come back to RAC as early as possible to report on the feedback they receive from other groups.

Ron reviews how the City is developing its economic portfolio as part of the Resort Strategic Action Plan. The Laskin Gateway has matured with private investment, so their focus has been on the Central Beach District for the last 18 months.

Last year's Victus Study revealed that they need a facility so the City can retain and grow their sports tourism business. Sports tourism generated 73% of their room bookings last year. They have reached a Design/Build Interim Agreement with a team of three local firms, and will be discussed at the February 6 Council session. Any Agreement would be posted for 30 days before it can be adopted. They are working on an Operator Interim Agreement with Eastern Sports Management, who manages the Virginia Beach Fieldhouse off Princess Anne Road. The project will be called the Sports Center, to operate as the Convention and Sports Center. Due diligence is still required.

In January 2016, Council was given a package on the idea of redeveloping the Virginia Beach Fishing Pier. Council will consider whether they should review investing in a new pier on Tuesday. If they move forward, they have the opportunity to work with the Development Authority to help achieve that, as well as induce private sector development.

The Dome was torn down in the early 1990's and now approximately 10 acres are available in an area that is bound between 18th and 20th Streets, and Pacific and Arctic

Avenues. There is a smaller site to the south of 18th Street, which used to house the Treasurer's office. The area was used for parking for 20 years, and they received direction last year to go back out to pursue developers.

Entertainment is a requirement for the project. They put out a mixed-use RFQ to gauge response to a music venue with a 2500 to 3500-person capacity, unique or new-to-market retail and restaurants, residential use (not as primary), and year-round programming. The Development Authority, City Council and Executive Staff reviewed four teams and selected Venture Realty Group.

The schedule for the Dome project includes public engagement on their vision, concept and selection during the month of January.

The online public survey <https://publicinput.com/domesiteproject> will allow people to make comments on site layout and connections, public amenities, retail mix, etc. to make sure they are on the right track.

On January 31, there will be a Roll-Up-Your-Sleeves workshop at the VBCC for some final input. All information will be fed into the preliminary design, ideas for programming and feasibility study.

The Development Authority and Venture Realty are in an exclusive negotiating period to develop a term sheet, which ends in May. They want to be able to develop a term sheet by early summer that can be used to secure a development agreement.

They are conducting feasibility studies for the entertainment venue and retail mixes. They will study the economic impact of the development and the context of where the development is within the oceanfront. After a preliminary concept is developed, there will be a parking demand analysis, as well as a cost construction verification to see what the public might consider to invest in the project.

To present the project vision is Mike Culpepper, a managing partner with Venture Realty Group.

Mr. Culpepper stated that they decided to focus on a handful of things to seize on and implement the project, and they include the need for authenticity, uniqueness, and economic sustainability. The video they developed to illustrate the feel they want for the project was sent to Virginia Beach native Pharrell Williams, an entrepreneur in music and other businesses, and he joined the project as a partner. The team also includes WM Jordan Company and H2O Investments.

The project is a vertically oriented mixed-use development that includes a two-acre competitive surf park, retail, experiential retail, residential, office, an entertainment venue and parking. The surf park will provide a backdrop for all the businesses that will surround it and be a correlation to the ocean.

The entertainment venue was a critical piece, as the Dome was seen as a cultural epicenter when it occupied the site. They want to bring that back and evolve it into a 3500-seat music venue to hold approx. 250-300 events per year. A tiered balcony with a general admission floor (that can hold seats or rounds) will allow for intimacy. Use of the venue can include music events, comedians, children's performances, sports performances, trade shows, business events, etc. It will supplement the existing VBCC and sports center.

Other elements include the residential (426 units) and office tower, both of which will create activity and increase pedestrian traffic. The experiential retail is increasingly important because it creates opportunity elsewhere throughout the oceanfront by supplying retail anchors that offer an interactive experience. The goal of the project is to transform the oceanfront and help it evolve.

QUESTIONS/COMMENTS

One comment regarding placement was the desire to turn the project around to better integrate and involve the oceanfront.

Mike Culpepper replied that the project needs porosity, which means being inviting on all sides of a project.

The project also needs a buffer against Pacific Avenue congestion during months of swelling traffic. The design alone provides protection from a northeast wind, not only for the surf park, but also for the whole experience.

Suggestions for the entertainment acts planned for the project will be analyzed through a feasibility study and a consultant. With the assistance of Oak View Group, they have focused on an entertainment category designed to attract either a set of new emerging artists, and/or artists who have matured, still have a stable audience, and want to tour, but do not have a desire to play the other local areas available. The local venue sizes range from a 2,000- to 9,000- person capacity and there is nothing in between. They are working with a 3500-seat model as a point of reference.

Mike Culpepper reviews the layout, stating that the two-acre section in the middle is the surf park; the two levels that immediately surround the surf park include the experiential retail and the restaurants. A pedestrian overlook is in one corner, with a pedestrian bridge that would accommodate people walking from one building to another, over 19th Street. On 19th Street, retractable bollards on each side would go up during those months and events where they expect high pedestrian activity to provide full pedestrian treatment for programming that area. Above could be general commercial (which could include offices) and above that, residential unit towers. A standalone deck to the south has a fragment block that poses some challenge for utilization. They also have a parking deck integrated in the north block accessible from the rear. To the west of the entertainment venue is an office tower. Beyond the office tower is additional parking.

The anticipated restaurant and retail space will depend on what the market will absorb and what is appropriate to the site. They have engaged consultants to give them the answer, and they want a healthy mix without overdoing it.

The height of the tallest building is approx. 108 feet; the apartments reach eight floors.

Data collected from the study conducted 10 years ago in relation to the Performing Arts Center are not viable to be used in correlation with this project. The number from the study did not envision the flexible space that they are envisioning with this project.

Concerning Pharrell Williams' level of participation, a member from the Venture Team replied that today's version of Pharrell as a businessperson is on a different platform than it may have been 10 years ago, as he has developed a solid team with extended reach. There is a component on their team to address minority business issues.

It is believed that the stigma of offseason traffic will be offset by the ViBe, the sports activity and other attractions that will increase business.

Feasibility studies will reveal what the City's financial contribution will be for the project.

They will work with the tourism financing program for incentives.

The amount of additional capacity is yet to be determined. They know that they will be accommodating performers' and other groups' buses.

On the But-For taxes generated to the TIF, the same formula they currently use will apply for this project.

Mike Culpepper provides details on the surf park, regarding quick cycling, the number of the types of waves available, and the natural pushback of the current. One member commented that not one of these types of facilities has been built in the United States yet.

For spectator space, the mezzanine provides an overlook, and there are people below. The 19th Street area can have bollards to create a viewing area, and there will also be what is known as a hard-decking beach near the park.

Other Business

Lindsay Usher from ODU comments on the 3 February Tourism Business Workshops that are scheduled in the area, with one being held in Virginia Beach on February 26 and one in Norfolk on February 12. She asks interested parties to register for a free invitation at [this link](#). or contact her at lusher@odu.edu.

Staff Report

Mike Eason defers to Bobby Melatti to provide an overview of the Holiday Lights and their performance this past season.

Bobby presents an update on the "Maola Milk Merry Mile" for the 2017 season, showing changes to the electrical system in order to lessen the effects of the elements.

Although there were only 35 fewer cars through the display route than in 2016, the difference in dollars collected was reduced by \$124.5K due to the admission price reduction charged for the shorter display route. They will not be able to charge only five dollars in 2018; Bobby tells the Commission that they at least need to double the price.

Considerations for the future included possible commitment to a 5-year plan, and/or investment from the private sector. Should the program be changed back to continue to 33rd Street, or implement new concepts. Bobby pointed out that Beach Street cannot carry Holiday Lights alone and the hotels' festive decorations added to the display. They were not present in 2017.

He suggests asking the private sector on whether it might be willing to contribute financially, and asks people to think about whether the program is good for their business when making decisions about future Holiday Lights.

Mike adds that there are ongoing discussions with city staff and representatives about new technology for static displays, and exploring what else is out there. As of today, Holiday Lights is scheduled to continue.

Meeting adjourned at 4:31p.m.