



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

## RESORT ADVISORY COMMISSION MINUTES

**DATE:** October 4, 2018  
**TIME:** 3:00 pm  
**PLACE:** Virginia Beach Convention Center, 2nd Floor

### COMMISSION MEMBERS PRESENT

Kristina Chastain  
Billy Almond  
Bobby Melatti  
John Hawa  
Tyler Brown  
John Hawa  
Nancy Creech  
Randy Thompson  
Sam Reid  
Russell Lyons  
Michael Cloud-Butler  
Bryan Cuffee  
Preston Midgett

Keith Ireland  
Laura Habr  
Sylvia Strickland  
Gerrie West  
Craig Roback  
Ron Villanueva

### OTHERS PRESENT

Eddie Bourdon, Sykes, Bourdon, Ahern & Levy,  
P.C.  
Bruce Smith, Partner, The Apts. At 27<sup>th</sup> Street  
John Uhrin, Council  
Kristine Gay, SGA  
Mike Eason, CVB/Resort Mgmt.  
Andrea Brown, CVB/Recorder

### COMMISSION MEMBERS ABSENT

BJ Baumann

Kristina Chastain called the meeting to order at 3:00pm. **The minutes from the September 6, 2018 meeting were approved.**

### The Apartments at 27th Street Project – Eddie Bourdon

The 27<sup>th</sup> Street partners are redeveloping the acre and a half of property they have assembled on the north and south sides of 27<sup>th</sup> Street between the east side of Atlantic Avenue all the way to the boardwalk and on the north side of 27<sup>th</sup> Street between Pacific and Atlantic Avenue.

Through a visual presentation, Eddie reviewed the project that started in 2013 with acquisitions of the Seaside Inn, Dairy Queen and Seagull Inn in 2013 and 2014.

The initial phase was to replace the 46-room Motor Inn (Seaside Inn) with what is now a 156-room Hyatt House Hotel and Ocean 27 restaurant, bar and entertainment venue.

The Apartments at 27<sup>th</sup> & Atlantic is the next phase. He reviewed the elevations, and stated that they will also be developing a parking garage at Pacific and 27<sup>th</sup> Street.

Eddie pointed out that this privately financed redevelopment will result in 380,160sf of new resort hotel residential and commercial space at a cost of \$150M, which he believed to be the largest privately financed development in Virginia Beach's history.

The development will be within the requirements of the Form-Based Code (FBC), and resort parking strategy. It is designed to create a sense of place at 27<sup>th</sup> Street. It addresses the

desire to bring higher end retail to the oceanfront as well as year-round activity. It is not a precedent for any other project, because they are looking at the entirety of the project. All the projects are included in the approval under the alternative compliance request for the project filed in May 2017.

#### QUESTIONS / COMMENTS

Kristina Chastain verified that the staff recommendation on this project was for approval.

John Hawa asked what the course of action would be if the project was not approved, and Eddie Bourdon replied that the area would have remained a surface parking lot.

John asked Eddie why he thought the current (15% rule) ordinances were in place and Eddie replied that the concern was that they do not replace existing hotels with residential uses; that they try to preserve the hotel portion at the oceanfront.

Randy Thompson asked about the valuation of property, and Eddie replied that preliminary numbers showed over a 1000% in real estate taxes alone in the oceanfront component.

Russell Lyons asked if the 30% mix was per building or per development and Kristine Gay replied that it is all viewed as one project. Eddie added that equaled to 130,800sf total commercial, hotel and residential space.

Billy Almond summarized that the project came in at 30%, was reviewed at 30%, and today the percentage request is to increase at 44%, and asked the reason for the extra 14% request.

Eddie answered that it was in order to make the project viable and in order to get the financing. They are not exceeding the density that could have been built to begin with. They are not comfortable trying to do that because it messes up the ability for the luxury apartments to be luxury apartments. The project is about adding more people to do what they need to do to activate the oceanfront.

John Hawa asked about credit for the parking, which will support the entire project. The code requires 1.3 parking spaces for hotel room and 1.3 spaces for apartments. He also asked about employee parking.

Eddie replied that there is the potential for 2-car units, as there are a lot of one-bedroom and studio apartments. He said that the parking meets and exceeds what the code requires. There will be valet parking for the hotel and 27<sup>th</sup> Street Apartments.

Kristina Chastain believed that a luxury apartment, mixed use facility could only improve the oceanfront and help businesses.

Preston Midgett believed that they have 40 blocks of oceanfront property that is trying to be preserved for hotel space. He believed that hotel guests, due to consistent turnover, would have a much greater benefit and economic impact than residents in the apartments. Hotel guests and tourists also have different expectations of what should occur at the oceanfront, regarding parades, runs, street closures, etc. Under the 30% rule, something like this will most likely not occur again; however, under the 15% rule, it could be likely. Preston reiterates that he is not in support of the project. He felt that a better use of the property would be a hotel.

Eddie Bourdon thought that Preston's comments disregarded the positive aspects of the development, and unlike residential owners, these residents will tenants, and have the ability to terminate the lease.

John Uhrin believed that the new code is a better solution, at 15% of the number of units. He asked Eddie Bourdon what the chances were of unringing the bell concerning the curb cuts in

the stub streets and Eddie believed that because it was a grandfathered approval, very little. Anything suggested in the future would be presented to Council.

John Hawa reiterated his concerns over the minimum parking requirements because it does not take into effect any employee or visitor on the properties.

Eddie replied that they were meeting code, and not asking for any parking space variance. There is additional parking on surface lots, and they have valet parking.

Sam Reid made a motion to approve the concept of project as presented. Seconded.

There was discussion that and a substitute motion from Billy Almond to include concerns about representing the three PDRC comments from a previous presentation (use of the connector park, architecture of the Atlantic Avenue façade and elevation, and the room percentage of the request). Sam amended his motion to include the first two PDRC concerns. Motion carried to approve The Apartments at 27<sup>th</sup> Street project as presented today, with concerns previously noted about the connector park and Atlantic Avenue façade. Preston Midgett opposed. Russell Lyons and Bryan Cuffee abstained, with letters to be placed on file with the Resort Management Office.

#### RAC Nominations

The nominating committee was formed, and Preston Midgett will chair. Billy Almond and Russell Lyons also elected to serve on the committee. They will review at the next meeting.

#### Other Business – RAC Speaker

John Uhrin brought up the Seaside Harbor Apartments, the workforce housing on Mediterranean Avenue. It is 100% occupied, and a nice addition to resort. He wanted to request that someone come to RAC to talk about the project in the next month or so.

#### Committee Reports

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

Emily Archer reported for Preston Midgett, reviewing the demonstration project on Pacific Avenue from 33<sup>rd</sup> to 34<sup>th</sup> Streets, and the VDOT grant opportunity that they are pursuing for the City.

**The RAC unanimously approved the draft letter to Council in their packets to support the VDOT Grant Application for Pacific Avenue Pedestrian Safety Improvements.**

##### Planning & Design Review Committee (PDRC)

Billy Almond reported that they had a review of The Apartments at 27<sup>th</sup> Street and Emily Archer's presentation she just gave under the TPPC report.

They also had a presentation for the Ramada at 7<sup>th</sup> Street with significant renovation and more work to be done on the café. The hotel has changed hands, and the new owner wants to turn it into a Hilton property with a contemporary design. PDRC was pleased with the design.

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

Kristina Chastain reported that the PSGAC did not meet this month.

**Resort Investment Committee (RIC)**

Billy Almond reported that they talked at length about speakers for next few months, as well as the Apartments at 27th Street project.

**G.R.E.E.N. Report**

Kristina Chastain reported that it was believed that they did not meet this month.

**Oceanfront Enhancement Committee (OEC)**

Bobby Melatti reported that they had Karen Gratton from the Housing Resource Center discuss the letter received by several people from the owner of the Dairy Queen voicing concern over the pickup and drop-off location for people being transported to the new HRC appearing to be at the Dairy Queen's 17<sup>th</sup> Street location. The location for pickup and drop-off was changed to the JOC and 24<sup>th</sup> Street locations.

They also heard the 10 public safety issues offered by the Atlantic Avenue Association, overlaying those with the RAC's top priorities. They found that they were similar in nature. They discussed the lighting at the resort, power washing, and creating a sense of closure for the resort.

**Staff Report**

Mike Eason reported on some of the issues they are experiencing on the greenbelt areas with the demand for data and placement of utility box locations.

Tyler Brown suggested creating some guidelines for public works on what types of boxes could be located where.

A motion was made by Billy Almond to take the four options recommended by Mike as guidelines to Public Works. Seconded by Sam Reid. **Motion carried unanimously for Mike Eason to carry the suggested guidelines to Public Works for reference for the utility companies' requests for installations in the resort area.**

**Old Business**

None

**New Business**

John Uhrin introduced Lynn Hightower from DeWitt Cottage, noting the work they have been doing in highlighting their attractions the resort. He was in hopes that Lynn and William Hazel of the Surf and Rescue Museum might be able to come to the RAC for a presentation in the future.

**Public Comment**

None

Meeting adjourned at 4:33 p.m.

October 5, 2018

Mr. Mike M. Eason  
2101 Parks Avenue  
Suite 302  
Virginia Beach, Virginia 23451

Dear Mike (and To Whom It May Concern),

At the Resort Advisory Commission meeting yesterday afternoon, I abstained from voting on the 27<sup>th</sup> Street development project presented by Mr. Bourdon, the developers attorney.

I do not have a direct financial interest in this project specifically. However, my family maintains ownership of the Holiday Inn Express directly south and adjacent to the development in question, and my company manages said hotel. Our company has had very early conversations with the development team, and they have suggested that they might need temporary air rights over our property to help facilitate the construction process. If we were to agree to such an arrangement, it would most likely come with a financial incentive to offset the hotels' inconvenience.

While I am not sure if this reason fits the technical requirements for an abstention, I did so out of an abundance of caution, and will continue to on any votes that might have an influence on this projects path to approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Russell J. Lyons", written in a cursive style.

Russell J. Lyons  
RAC Commissioner

October 4, 2018

Mr. Mike Eason  
Resort Management Office  
2101 Parks Avenue, Suite 302  
Virginia Beach, Virginia 23451

Re: Abstention Pursuant to Conflict of Interests Act § 2.2-3115(F)

Dear Mr. Eason:

Pursuant to the State and Local Government Conflict of Interests Act (“the Act”), I make the following declaration:

1. I am executing this written disclosure regarding the Resort Advisory Commission’s action concerning The Apartments at 27<sup>th</sup> Street on October 4, 2018.
2. I am an employee of Gold Key | PHR (“PHR”), which is located at 300 32<sup>nd</sup> Street, Virginia Beach, Virginia 23451. PHR operates hotels at the Oceanfront and engages in other development projects.
3. While I do not have a “personal interest” in this project and I am able to participate in this transaction fairly and in the public interest, the action to approve The Apartments at 27<sup>th</sup> Street could potentially impact hotels at the oceanfront or other development projects, so I have chosen to abstain from voting on that action.

I respectfully request that your staff record this declaration in the committee’s official records.

Thank you for your assistance and cooperation in this matter.

Sincerely,



Bryan D. Cuffee  
RAC Member