



Resort Advisory Commission
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RESORT ADVISORY COMMISSION MINUTES

DATE: August 1, 2019
TIME: 3:00 pm
PLACE: Virginia Beach Convention Center, 2nd Floor, Rm 4AB

COMMISSION MEMBERS PRESENT

BJ Baumann
Randy Thompson
Billy Almond
Bobby Melatti
Bryan Cuffee
Craig Roback
John Hawa
Keith Ireland
Kristina Chastain
Laura Habr
Michael Levinson
Phil Boyer
Preston Midgett
Tyler Brown
Russell Lyons
Sam Reid

COMMISSION MEMBERS ABSENT

Gerrie West
Michael Cloud-Butler
Sylvia Strickland

OTHERS PRESENT

Eric Terry, VRLTA
Guy Tower, Council
Rosemary Wilson, Council
Kathy Warren, SGA
Emily Archer, SGA
Stacey Parker, The Virginian-Pilot
Mike Eason, CVB / Resort Mgmt.
Robin Hart, CVB/Recorder

BJ Baumann called the meeting to order at 3:00pm. **Motion carried to approve the July 11, 2019 RAC minutes as written.**

Virginia Restaurant Lodging and Travel Association (VRLTA) Update – Eric Terry

The RAC had requested Eric to speak to them about any upcoming legislative issues that they might want to consider for the future.

Eric noted that they are flat and/or declining in hotel occupancy and that it is common across the country. Virginia Beach had fared better than most, probably from a boost from SITW19.

He reviewed domestic travel, with increases since 2007, and it is typically related to building new product (i.e. the new Cavalier and VBRCC). He is also seeing the positive effects of Amazon travel on hotel occupancy. Smith Travel tracks the hotel numbers and they believe that 2019 and 2020 years will be in decline. Declining rates are not always an indicator of less demand, but also increased supply, but they are still well ahead of where they were in 2014.

Eric pointed out challenge of seasonal occupancy and believed that the year-round Sports

Center will assist with that.

The good news with Short Term Rentals is that our local regulations are solid, showing increasing registrations and tax collections, helping to level the playing field with the hotel industry. The increase in Air BnBs is indicative of approx. three or four additional hotels in the area.

In the next 45 days, there are 140 seats up for re-election in the VA House of Delegates. It is a narrow vote for party control. It is the most impactful area that may change the balance of power in VA on how the VRLTA approaches things. Some redistricting in six districts in Virginia may move from them from Republican control, and may affect tourism funding and tourism projects. The VRLTA has been making visits to municipalities and candidates to stress the importance of tourism funding and projects on a long-term basis.

Eric Terry addressed the minimum wages and tipped wages. He thinks they will see some minimum wage changes but tipped wages are the ones that could have the most impact on the full service restaurants (which include impacts to the hotels). The wages need to be indexed according to where the employees are within the State.

They have been advocating for tourism funding and are working on funding that goes along with the school calendar. Do not expect to see results from the school request until next year, however, as the school systems have already set their dates. They put two amendments last year to increase tourism funding to focus on that two-week period last year, and will try again next year. Their \$27M budget for Virginia is way below comparable markets (i.e. Myrtle Beach) and they are trying to find some dedicated sources, but it is proving to be problematic.

Less than 40% of their school systems were starting after Labor Day, but two large systems (Fairfax and Loudon County) will start before Labor Day. They are trying to make sure that they don't start any earlier than 14 days before Labor Day, but with their waivers, they could start as early as early August. A lot of late-season tourism comes from that area. They are awaiting the makeup of the General Assembly.

Eric closed with the announcement of the VA Tourism Summit in Arlington in November.

QUESTIONS / COMMENTS

Kristina Chastain asked if they were going to go for the back taxes on the short term rentals, and Eric replied that the city was not thinking that it was going to be feasible to try to do that, however the size of the loss.

They are meeting on Monday to review the legislative package and will send out in September. BJ Baumann verified that the VRLTA has real-life scenarios to show folks the impacts of changes in the minimum and tipped wages. Kristina asked who the players are in changing the tipped wages and Eric believed that it was the same folks who were for increasing the minimum wage. There is anecdotal data only on the impacts to the wait staff versus the back-of-house staff, so trying to indicate the impact of changes is difficult.

Chairman's Report

BJ Baumann updated the Commission on the CVB Director's departure in August. Interim replacements will be announced soon. Also, the second RASAP Public Hearing will be Aug 22 at 6pm. BJ stressed the importance of participating in the public hearings.

The RAC letter to Council on the 5G towers installation has not been completed. They need more information, such as verifying whether towers need to be 500 or 1500 feet apart, and are awaiting confirmation. They are also requesting that the installation locations be gridded out so they can better view the overall plans. There have been discussions on whether they can require co-location, or whether smaller technology is available.

Committee Reports

Transportation, Parking, Pedestrian Committee (TPPC)

Preston Midgett reported that they City is looking at things they can do for the next step in dealing with

scooters. Brian Solis led the discussion with a short questionnaire, collecting their thoughts about shared mobility scooters. Comments will be included in the stakeholder input sessions.

Preston Midgett also updated the Commission on discussions for the Route 35 and its suspension for the season at the Shore Drive lighthouse and plans for next year. Billy offered a suggested use for two possible lots near 89th Street that might be acquired or used. Mike Eason replied that the city is looking at multiple options and will pass along Billy's suggestion.

Preston reviewed the success of the parking office's "Pay 5 times and get the 6th space free" program.

They discussed the LED lights test on Atlantic Avenue, which was discussed with the PDRC.

Planning & Design Review Committee (PDRC)

Billy Almond reported that they also discussed the LED lights test on Atlantic Avenue. They are somewhat drowned out by the ambient lights on the street, and are examining other locations.

They tried to resurrect the Virginia Legends Walk with some upgrades. One thought is to include a section emphasizing Famous Virginia Beach personalities in addition to the Famous Virginians walk.

Oceanfront Enhancement Committee (OEC)

Sam Reid reported that they discussed the Sense of Arrival (SOA) for about four years and the idea lost its legs. With the RASAP refresh, they will invite other parties next month to renew discussion.

BJ advised trying to make it a conception of continuity, and Sam added that there was further discussion on Witchduck Road SOA and establishing a connection.

Resort Investment Committee (RIC)

BJ Baumann reported on their presentation from Kevin Chatellier from the Budget Office on the TIP Fund. She will request a presentation from him for the RAC.

Oceanfront Strategic Growth Area Committee (OSGAC)

BJ Baumann reported that the OSGAC is not meeting while the RASAP Steering Committee is meeting.

G.R.E.E.N.

Laura Habr reported that the G.R.E.E.N. committee did not meet this month. She did provide an update on a Town Hall hosted by the Chesapeake Bay Foundation with Elaine Luria. The focus was on protecting their coastline.

They are still working on understanding the scope of the Global Covenant of Mayors for sustainability.

Staff Report

Mike Eason advised that there the first meeting with Red Rock Productions on the SITW20 occurred last week. They are starting one year out on planning.

He advised on upcoming events for the AMF, and are getting back into their busy season again.

New Business

Guy Tower advised the Commission of his recent meeting with Elaine Luria at Oceana and the opportunities for property use there. They are anxious to find economic ways to use that property for their own benefit, and are underfunded for maintenance. The Commission discussed possibilities for solutions.

BJ Baumann requested the possibility of having someone in to speak for Oceana.

Public Comment

Meeting adjourned at 4:40 p.m.