



Resort Advisory Commission
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RESORT ADVISORY COMMISSION MINUTES

DATE: January 9, 2020
TIME: 3:00 pm
PLACE: Virginia Beach Convention Center, 2nd Floor, Rm 4AB

COMMISSION MEMBERS PRESENT

BJ Baumann
Bryan Cuffee
George Kotarides
Keith Ireland
Kristina Chastain
Laura Habr
Michael Levinson
Michael Ronan
Russell Lyons

Sam Reid
Tyler Brown

OTHERS PRESENT

Jenizza Badua, SGA
Lyndon Remias, City Auditor
Kate Pittman, ViBe
Caryl Thompson, VA Aquarium
Billy Almond, PDRC
Bill Gambrell, VBRA
Preston Midgett, TPPC
Stacy Parker, The Virginian-Pilot
Brian Solis, CMO/Interim RMO Administrator
Kathy Warren, SGA/RAC Staff Liaison
Sheri Higgason, Recorder CVB/RMO

COMMISSION MEMBERS ABSENT

Bobby Melatti
Chuck Cayton
Lori Overholt
Randy Thompson

BJ Baumann called the meeting to order at 3:00pm. **Motion carried to approve the December 5, 2019 RAC minutes as written.**

TIP/TAP Special Revenue Funds Audit – Lyndon Remias, City Auditor

BJ Baumann introduced Lyndon Remias, City Auditor for Virginia Beach. Lyndon thanked the commissioners for volunteering their time to serve on the Resort Advisory Commission. He explained his position as City Auditor is appointed by City Council and does not report to the City Manager. His audit reports are remitted to City Council through an Audit Committee. The City liaisons to the Audit Committee are Vice Mary Jim Wood and Councilman Louis Jones.

Lyndon explained the Tourism Invest Program (TIP) and Tourism Advertising Program (TAP) Special Revenue Fund is one of their planned audits. The general purpose of the audit was to determine whether the TIP/TAP Funds were receiving revenues in accordance with the specified allocated rates and that the expenditures from those funds were appropriate. The objectives of the audit were discussed. The City Auditor reviewed the period for fiscal years 2016-2019. External auditors, Clifton Larsen Allen audits the TIP/TAP Special Revenue Funds annually. The Finance Department performs a monthly review to ensure allocations are based on the current formulas. This was the first year Lyndon's office audited the TIP/TAP Fund internally.

Lyndon stated the TIP Fund is the merging of two existing funds (the Tourism Growth Investment Fund (TGIF) and Major Project Funds. TGIF provide funding for tourism related capital projects and initiatives. The Major Project Funds provide funding for the construction and debt costs for the major projects such as the Convention Center and the Sandler Center. The TAP Fund was established in 1995 to provide additional funding for the City's advertising and marketing program.

Lyndon provided an overview of the various tax categories (trust funds), tax rates and how funds are allocated. A review of the tax revenue collected for hotels, restaurant/meal, amusement and cigarettes for the fiscal year 2019 was provided. Budgeted versus actual expense totals were reviewed. The major revenue stream is the hotel tax that is 8% for all the hotels throughout the City except Sandbridge where the hotel tax is 9.5%. Funds left from what is budgeted versus actual expenses roll over into the fund balance to be utilized for development projects such as the Sports Center, Central Beach/Convention Center Parking, Pacific Avenue and 19th Street Road improvement projects. Debt to fund most of these expenditures will be issued in the 2020 fiscal year.

The audit results concluded objectives were successful as revenues collected were properly allocated and TIP/TAP Fund expenditures were appropriate. Lyndon indicated the full audit report and other audits conducted through the City are available on their website at vb.gov.com/cityauditor.

Review of Longwoods Study – Lyndon Remias, City Auditor

Lyndon explained that Longwoods International was the consulting firm hired by the Convention and Visitors Bureau to estimate visitors spending. The City utilized Longwoods in 2017 to perform visitor research. Longwoods estimates provided for domestic overnight spending for lodging, transportation, recreation, retail, and restaurant food and beverages were overly estimated and brought to the attention of the City by concerned citizens.

Meetings through the City and the consulting firm revealed the methodology being used by the firm for their estimates were based on surveys that used self-reporting numbers that were not accurate. The firm reported the City had received \$2.45 billion in visitor spending to local businesses in 2017. The actual variance was over \$500,000,000. The City was able to verify lodging based on tax receipts remitted to the Commissioner of the Revenue.

Future recommendations were to refrain from citing Longwoods International tourism impact figures until the methodology for computing direct spending has been modified.

Questions/Comments

There was discussion on the TIP Fund receiving funds citywide, except for Sandbridge, and if allocations of where in the city the funds are generated were available. Sandbridge has a fund for sand replenishment on a 5-year cycle to keep sand replenished in the area. It was stated revenue collected from the TIP/TAP Funds go back into the General Fund to support local schools, police and fire departments.

There was discussion on the Longwood consulting firm and other estimators accepted by the industry to measure economic impact.

The commissioners inquired on the Audit Committee meeting schedule. Lyndon advised the Audit Committee meets quarterly on the third Thursday of the month. Lyndon shared the city does seven or eight full audits a year. They perform audits for various agencies including the Animal Control and Adoption Center, Internal Affairs, Police Department, EMS, Parks and Recreation, Economic Development, and other departments. Their office operates the Fraud Waste and Abuse Hotline. They average 60-70 allegations per year they are required to investigate.

Lyndon advised the commissioners to contact him if they need any documents reviewed through their auditing department.

Chairman's Report – BJ Baumann

BJ recognized and welcomed new members to the Resort Advisory Commission (RAC). They include Mr. George Kotarides, owner of Dough Boys Restaurant and President of the Atlantic Avenue Association. Two new members that were unable to attend due to prior engagements are Chuck Cayton with expertise in areas of traffic and transportation and Lori Overholt, President/CEO of VSA Resorts. Upcoming appointees include Capt. Michael Ronan, retired from the Virginia Beach Police Department and Bill Gambrell representing the Restaurant Association.

BJ noted there is a slight change in the meeting set up. Two previous RAC members, Billy Almond and Preston Midgett will continue to attend Resort Advisory Commission meetings to provide reports on the Subcommittees they Chair.

BJ referenced the Financial Disclosure Forms included in the meeting packets required for the commissioners to complete and send in. The deadline is February 3. They can be given to Sheri Higgason today or forwarded directly to the City Clerk's Office by the deadline.

Speakers for February include Kathy Warren to present the RASAP Plan. The plan was presented this week to the Planning Commission. More details and priorities will be forthcoming. It is recommended after the RASAP Plan is approved by City Council that the Resort Advisory Commission meets to update their goals as they relate to the Plan.

There is concern for the possibility of minimum wage increases and ending the tip credit for restaurants at the state level.

Committee Reports

Transportation, Parking, Pedestrian Committee (TPPC)

Preston Midgett indicated the committee did not meet in December. There is no report.

Planning & Design Review Committee (PDRC)

Billy Almond reported the committee met Tuesday morning and received an update on the Bikeways and Trail Plan from Elain Linn of the Parks & Recreation Department. Phase one of the project include bike racks to be placed on 2nd Street and 24th Street this season at the Oceanfront. There are more sponsorship opportunities available in the Resort that includes a plaque to be mounted on the rack to honor or memorialize a person(s) or business. The bike racks are a unique green color and leaf shaped. There were questions about the 24th Street location and how the racks will get fastened into the concrete base and hold up during weather.

The other topic discussed was the Open Air Café Program at the Oceanfront. Café designs and styles have changed over the years prompting several past updates to the Cafe Guidelines and the need to revisit them through a proposed committee. The last time the guidelines were revised was in 2017. Billy indicated there is interest from the Atlantic Avenue Association as well as several members of the PDRC Committee to be involved in reviewing the current guidelines. Kathy Warren and the SGA Office will take the lead in organizing the committee and moving this forward.

Oceanfront Enhancement Committee (OEC)

There was none.

Resort Investment Committee (RIC)

There was none.

Oceanfront Strategic Growth Area Committee (OSGAC)

There was none

G.R.E.E.N.E.

Laura Habr stated the committee did not meet in December, but members are working on various projects. She gave an update on legislative issues to include proposals to keep offshore drilling

out of state waters. the Virginia's first Office of Offshore Wind, the Chesapeake Bay Clean Water Blueprint, keeping our water clean, and oyster restoration initiatives. There is a 2025 deadline for the Bay Clean Up.

Staff Report

BJ announced Kathy Warren and the SGA Office will be the liaison to the Resort Advisory Commission and provide the Staff Report. Kathy Warren indicated it will be a team effort on behalf of SGA Staff involved in the RAC and all the Subcommittee meetings including management of the Open Air Café Program. Brian Solis is managing the other portion of the Resort Administrator job duties temporarily. Kathy and Brian will share the Staff Report.

Update on E-Scooters – Brian Solis

Brian Solis gave an update on the E-scooter issue indicating there was a briefing at Tuesday's City Council meeting on the recent ordinance in November requiring franchise licenses for renting shared mobility devices (E-scooters) in Virginia Beach. The ordinance became effective December 16, 2019. The briefing outlined two items in city code; to require the franchise licenses and to prohibit E-scooter use on roadways with speed limits greater than 25-mph. There was a recommendation to allow E-scooters to access the shared lane on Atlantic Avenue but with requirements to park the devices in parking corrals and maintain a 10-mph speed limit. A 15-mph speed limit would be maintained in all other roadways in the City. Geo Fencing can help manage the speed limits.

Discussion led to working with the Finance Department and requesting proposals for five companies that are interested in operating the E-scooters in Virginia Beach. Three of the companies opted to operate in the City when there are guidelines in place.

A committee will evaluate the proposals that are most responsive and provide the best balance of a shared mobility option for residents and visitors with public safety and compatibility with pedestrians, motor vehicles and bicyclists. After evaluation of the proposals, there will be an award of up to four franchise licenses. The recommendation is for a limit of 1,000 scooters throughout the City and 400 in the Resort Area. There was a consensus at the City Council meeting to enable scooter management companies to increase scooter usage 20% during special events or peak times. The E-scooter program will be managed by SGA Parking Management. Part of the funds generated by the program will be utilized for improving bikeways and trails infrastructure throughout the City. April 1 is the date for the E-scooter operations to begin with City Council's award of those franchise licenses.

Questions/Comments

It was stated that Bird is now selling E-scooters at Sam's Club and BJ's that do not have the Geo Fencing or the speed regulations and there was concern for how that will interface with the scooter franchise program. Owners of scooters are not affected by the franchise license rules but they will have to abide by city code. Discussion led to franchise vendors requiring riders to be 18 years of age and wear a helmet. Some franchise vendors have technology that interfaces with the rider's smart phone providing visual confirmation of helmet usage.

There was an inquiry if bicycles are considered shared mobility devices. Motorized skateboards and scooters are the main source of shared mobility devices. There was concern if the Resort Area would have enough docking stations for 400 scooters at the Resort Area. The intent is for riders to utilize the trolley lanes that extend to Birdneck Road and 42nd Street to Rudee Inlet.

Guidelines for E-scooter usage are stenciled on the ground near the connector parks to aid riders. New signage will be in place at the Resort Area to help with enforcement of rules. Franchise vendors are required to follow frequent education plans for riders outlining their curriculum to the City. The Franchise vendors are required to have a staffing plan and a maintenance plan in place to manage the scooters and respond to service calls. There was some discussion on efforts in Washington D.C. and Northern Virginia that place helmets with the devices for riders.

Update on Something in the Water 2020 – Brian Solis

Something in the Water will be held April 20 – April 26 for the entire week this year. Monday

through Thursday of the festival will be held at the Virginia Beach Convention Center featuring various themed programs. Three days of music will follow Friday through Sunday from 12, noon to 11:00 p.m. on the stages at 4th Street, 14th Street, and 18th Street. The festival organizers submitted their special event application in December that included a transportation and parking plan for review. Ticket pre-sales on Oct. 12 sold-out. The festival lineup was announced on December 12 through local area high schools. Tickets went on sale Dec. 14 and the majority sold.

There are park and ride opportunities to and from the festival at the Virginia Beach Amphitheater and possibly Oceana. The City is requiring those venues to have a minimum of 12,000 spaces to be utilized for park and ride. Other parking will be available for a fee at the Convention Center and the Sports Center parking lots.

Redrock Entertainment Services is the festival event producer this year. They will be in town on January 27 to meet with stakeholders and businesses located adjacent to the festival. It is being proposed to close the boardwalk from Rudee Inlet to 18th Street during the event.

Questions/Comments

Discussion led to who is the point person in the City for the festival. Brian Solis is the lead contact for permits and Jamie Capps in the Special Events and Film Permitting Office is involved with the permitting itself. There was comment on a need for advocating for local stakeholder businesses to have inclusion in the festival along the resort area and Atlantic Avenue. Surveys provided to businesses on Atlantic Avenue last year were utilized for event feedback in planning for more inclusion this year.

New this year, the festival will include a standup marketplace to highlight local businesses throughout the weekend. Local business promotions will be emailed to ticket holders during the festival and window decals will be provided to area restaurants listing them as participating partners.

The festival is expecting up to 60,000 attendees through the weekend. This is the largest scale event on the oceanfront. Applications for festival food and beverage vending opportunities will be available for online registration February 14 at the event website at: somethinginthewater.com/getinvolved.

There has been a request to make some revisions on the food vendor application section on the festival website to make the process less lengthy. Brian indicated Redrock Entertainment will be invited to the next Transportation, Parking, Pedestrian Committee (TPPC) meeting on January 30 to provide their transportation and parking plan for the festival. There was a recommendation for additional bicycle parking during the event to accommodate riders.

Other Business

Laura Habr requested for an update on the Disparity Study. Kathy Warren will follow-up.

Old Business

There was none

New Business

There was none

Public Comment

There was none

Meeting adjourned at 4:34 p.m.