



Statement to City Council
On Resort Development Projects

Adopted March 13, 2018

Virginia Beach Vision's mission is to create a vision and advance initiatives necessary to the City of Virginia Beach and the Hampton Roads region's future development, prosperity and quality of life. The tourist industry represents Virginia Beach's second largest economic engine. As such, it is a major employer, a significant generator of tax revenues, and the unique asset that is at the core of the city's identity. It is an asset that must be protected and continuously grown and enhanced to ensure market competitiveness and expansion of the City as a year-round destination.

Virginia Beach City Council is currently considering three major projects to be developed in the resort area that have the potential to grow the tourist industry and the traditional visitor season. They are a sports complex adjacent to the Virginia Beach Convention Center, "The Wave," on the former Dome Site, and "The Pier Project" in the 17th Street Corridor. It is in the best interest of the City and its citizens to encourage such private sector investment in the resort area and to provide public sector incentives where appropriate and in the best interest of the taxpayers.

The proposed projects, while at differing levels of planning and development, each may have the potential to meet the requirements for public sector support. As established by City Council, a project must "enhance the economic prosperity of the City, broaden the tax base, and serve the interests of the citizens at large" to qualify for public investment. Each of these projects should be given a full vetting by the City to judge their merits. Should a project meet the stated criteria, public infrastructure, TIP funding and other appropriate public support should be approved.

Beyond the specific projects currently under consideration, Virginia Beach Vision's Board of Directors cautions that the City must be viewed as open and welcoming to private sector initiatives. Having seen three major public/private partnerships fail to gain city support in recent years, (the Hyatt, the light rail extension and the arena), the city must caution against the perception that such projects cannot succeed in Virginia Beach or developers will move their interests and investments elsewhere.

City Council wisely recognized the value of providing public support to such projects when it created the Tourism Investment Program Fund (TIP). Through revenues received by taxes directed at the tourist industry, generating approximately \$39 million annually, Council created this dedicated funding source for tourist attraction and market enhancements. Recent city reports indicate that there is sufficient TIP funding to support public partnerships with all three projects and without impact to the City's General Fund or bonding authority.

Virginia Beach Vision asks City Council to vet these and future resort projects using the Council's established criteria and to make their decisions for public support based on those objective criteria alone. The City Council established the TIP with the specific intent of supporting such resort development. It has a resort development plan and has solicited proposals. Investors who have responded to those actions should be encouraged and judged without prejudice.