

**RESOLUTION NO. 12977-16**

A RESOLUTION OF SUPPORT FOR A MAJOR HOTEL RENOVATION PROJECT BY L.T.D. HOSPITALITY GROUP, LLC TO INCLUDE AT LEAST \$14 MILLION IN CAPITAL INVESTMENT AND THE CREATION OF AT LEAST 85 NEW FULL-TIME EQUIVALENT POSITIONS AT 1000 OMNI BOULEVARD (THE "PROJECT")

WHEREAS, L.T.D. Hospitality Group, LLC ("LTD"), a Virginia limited liability company, headquartered in Chesapeake, Virginia, has entered into a purchase and sale contract to purchase the hotel and conference center property located at 1000 Omni Boulevard (the "Property") and intends to close on the Property by December 7, 2016; and

WHEREAS, upon purchase of the Property, LTD plans to make a capital investment of at least \$14 million to renovate the Property and to create at least 85 new full-time equivalent positions; and

WHEREAS, the Council of the City of Newport News, Virginia ("City Council"), adopted Ordinance 6842-12 on February 14, 2012 by authority of Virginia Code §58.1-3851 establishing the City of Newport News City-wide Tourism Development Plan as its official Tourism Plan; and

WHEREAS, City Council adopted Ordinance 6843-12 on February 14, 2012, establishing tourism zones, including the "Patrick Henry Tourism Zone", by authority of Virginia Code §58.1-3851; the provision creating the Patrick Henry Tourism Zone is contained in §40.2-22 of the Code of the City of Newport News, Virginia; and

WHEREAS, City Council acknowledges the purpose of the Patrick Henry Tourism Zone is to provide economic incentives and regulatory flexibility for eligible business entities which will advance the long term development goals of the City-wide Tourism Development Plan, the Retail Development Strategy and the Framework for the Future 2030, the City's Comprehensive Plan; and

WHEREAS, City Council understands that growth in the tourism industry can aid in the revitalization, development, and redevelopment of the City of Newport News' ("City") targeted commercial corridors, and strengthen the City's tax base, as well as contribute to the tax base of the Commonwealth providing significant public benefit; and

WHEREAS, City Council wholly supports the Project and recognizes that there is a demonstrated need for additional quality lodging and conference space in the City that contribute to, support and grow the local tourism economy; and

WHEREAS, City Council recognizes that the Project will result in numerous important benefits to the City, such as generating increased tourism-related tax revenues and a significant number of jobs for the citizens of Newport News; and

WHEREAS, Council has evaluated the above described Project, and determined that it is in the best interests of the citizens of the City for the City to support the Project through the utilization of the Tourism Zone Program; and

WHEREAS, the Economic Development Authority of the City of Newport News, Virginia (“EDA”), in consideration of the capital investment to be made, the new full-time equivalent positions to be created and maintained and the value the Project has to the City’s tourism economy, and in accomplishing the City’s strategic priorities, intends to offer certain incentives through the Tourism Zone Program in support of the Project; and

WHEREAS, it is the Council’s expectation that the EDA will negotiate comprehensively and in good faith the terms and conditions of any agreements with LTD to detail the responsibilities of each respective party, and that the EDA will advise Council of the material terms and conditions prior to EDA authorization and execution of a Local Tourism Zone Incentive Program Performance Agreement; and

WHEREAS, Council acknowledges that a portion of the future new tax revenues generated by the Project will be appropriated annually to the EDA through the City’s operating budget to fund grants by the EDA over multiple years, consistent with such Local Tourism Zone Incentive Program Performance Agreement.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Newport News, Virginia:

1. That it hereby supports the major hotel renovation project by LTD which includes at least \$14 million in capital investment and the creation of at least 85 new full-time equivalent positions at the Property.
2. That it directs the City Manager to proceed and to undertake the necessary steps/actions to accomplish the City’s participation in the Project, which includes appropriating the necessary funding for grant payments to the EDA under the Local Tourism Zone Incentive Program Performance Agreement and including such funding in the City Manager recommended budget provided to City Council for the appropriate fiscal years.
3. That based on the reasons stated in this Resolution, the totality of which clearly demonstrates that the City’s participation in the Project is in the best interests of the citizens of the City, Council hereby requests that the EDA serve in the role outlined herein with respect to the Project, and directs the City Manager to ensure the implementation of the City’s participation in the Project as set forth herein, including scheduling, as appropriate, all necessary City Council actions to accomplish the City’s participation in the Project in a timely fashion.
4. That this Resolution shall be in effect on and after the date of its adoption, November 22, 2016.

PASSED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS ON NOVEMBER 22, 2016

Mabel Washington Jenkins, MMC  
City Clerk

McKinley L. Price, DDS  
Mayor

A true copy, teste:

City Clerk