

Hyatt Place Project



HAMPTON VA

City Council

September 14, 2016

Why A Hotel Strategy

- Hotel strategy launched in October 2015
- Strong tourism industry and visitor spending helps to keep property taxes low for citizens
- Hampton needs 300 new quality hotel rooms
- Up to 40% of visitors for the Boo Williams Sportsplex in Hampton use hotels in other cities

What Have We Accomplished

- Public and private investment led to the purchase of the Motel 6 and Hampton Bay Plaza Hotel. These actions removed nearly 300 rooms out of the City's hotel inventory.
- German grocery store Lidl is under construction at the "Hampton Bay Plaza Hotel site".
- Agreement in place with Landmark Hotel Group to develop a Hyatt Place on the "Motel 6 site".

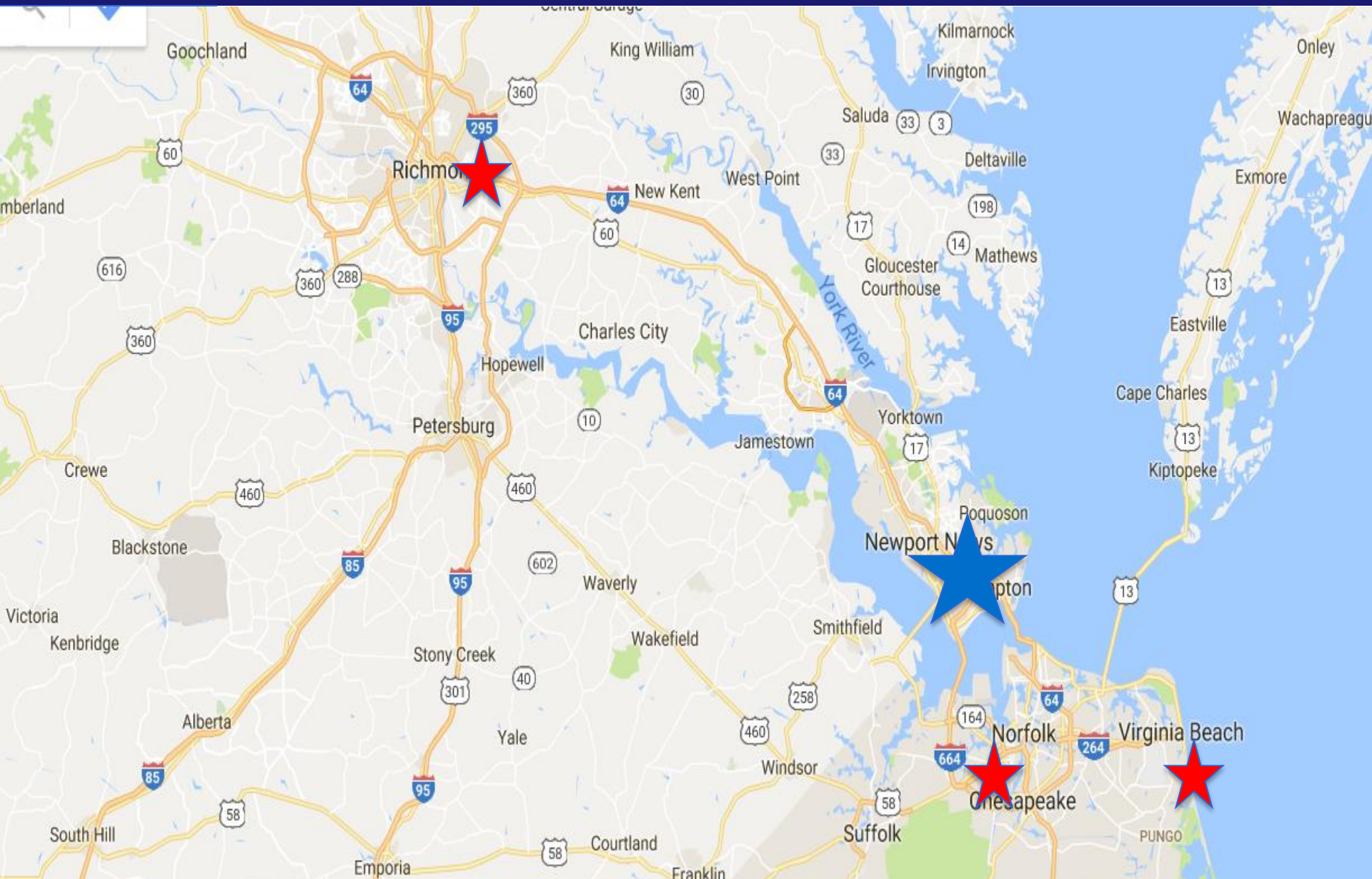
Hyatt Place Project

- Hampton EDA approved a development agreement and performance grant agreement to develop an upscale hotel.
 - Cost: \$11.2 million
 - Size: 109 rooms
 - Meeting Space: 2000 square feet
 - Opens: 2018
- Landmark Hotel Group owns and operates the award winning Holiday Inn Express and 11 other hotel properties in Virginia and North Carolina.

Public Funding

- The need for public funding is necessary to induce the develop of an upscale hotel given Hampton's current hotel market
- Land to be sold for \$1 (assessed value is \$1,362,800)
- Maximum of \$3,271,700 performance based incentive paid to the developer over a 10 year period

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Requested City Council Action

- Request City Council's approval of the Cooperation Agreement with the EDA in order to advance the City's hotel strategy.
- The City will recover the performance based incentive for the hotel project in 10 years.
- The Hyatt Place project can be key to stimulating additional private investment in Coliseum Central and attracting more tourism spending. Public funding for this project is a key for this to happen.