

Plan Narrative

Hampton Virginia American Rescue Plan Act Tourism Recovery Program

Submitted December 5, 2022 – Updated January 23, 2023

Hampton, Virginia is the geographic center of the Coastal Virginia/Hampton Roads region. Interstates 64 and 664 converge at the region's center, and their convergence is the location of the campus anchored by Hampton Roads Convention Center, Hampton Coliseum and Hampton Virginia Aquaplex. The venues are located along the Coliseum Drive corridor accessible from Mercury Boulevard and intersected by Pine Chapel Road. The campus also hosts a full-service 295-suite Embassy Suites hotel, an estimated 4500 parking spaces, 906 additional hotel rooms on the Coliseum Drive corridor, limited fast-food dining, and a community of approximately 450 residential units. A linear park extends along the campus' waterfront perimeter connecting it to Air Power Park, a park with an outdoor display of aircraft and a paddle-craft boat ramp; Newmarket Creek and Coliseum Lake; Bluebird Gap Farm, a city park with Virginia farm animals; and the Power Plant, a shopping and entertainment venue featuring Bass Pro Shops Outdoor World, Rosie's Gaming, small themed restaurants, and PBR, an urban-country-themed restaurant and bar. Two additional hotels with 273 rooms are located adjacent to the Power Plant. All of these features and attributes combine to create a picturesque setting, but one that is non-cohesive and unbranded.

In 2020, prior to the pandemic the Hampton Roads Convention Center and Embassy Suites Hotel were positioned for their best-year years, with bookings that exceeded all years since both opened their doors in 2005. During the pandemic, the 344,000 sq. ft. Hampton Roads Convention Center, with capability of hosting 14,000 guests at full capacity, experienced a decline in annual events from 2019, when 370 events and 596 event days were hosted, to 104 events and 162 event days in 2021. While the convention center experienced recovery in 2022, the center is anticipated to end the year with 255 events and a decline of 14% in catering revenue.

Prior to COVID, 84,000 sq. ft. Hampton Coliseum averaged 75 annual performances and 263,300 in event attendees. The Hampton Coliseum, built in 1969, was completely shuttered from March 2020 to October 2021. The Coliseum has experienced stabilization since reopening; the venue will end the year with 100 performances, 98 event days, and 225,050 attendees.

The third of the three anchor venues, the Hampton Virginia Aquaplex, opened its doors on October 29, 2022. The newly-constructed \$29.6-million aquatic center was designed as a sports tourism venue, capable of hosting regional and national swimming and diving events. It is the largest competitive aquatic center in Virginia and the only one in the Coastal Virginia region, featuring a 50-meter pool, a 25-yard programming pool, and an outdoor splash park. The Aquaplex has several state, regional and national competitions on its books for the coming years.

While recovery and stabilization are occurring, the devastating losses that resulted from the pandemic compounded a preexisting situation that has inhibited the campus' success since 2008. This campus and geographic hub do not perform at their full potential due to the insufficient number of hotel rooms to serve Hampton Coliseum and Hampton Roads Convention Center events.

Event planners desire meeting and event facilities with adjacent business-class accommodations, and while the Embassy Suites' 295 rooms meet needs to a small extent, the City's capability to host major conventions is commensurate with those limitations. There are insufficient accommodations both on campus and in the surrounding business district. Event planners representing conventions that require venues the size of the Hampton Roads Convention Center, whose groups demand large blocks of hotel rooms, must contract ten or more properties of varying size and service levels in order to build the necessary room block. Of Hampton's 22 hotels citywide, 10 are 35 years or older and 12 have less than 125 rooms.

While all three venues are most active on Thursday through Sunday, the campus lacks corporate presence whose lodging needs could maintain hotel occupancy and average daily rate on Sunday through Thursday nights. Such corporate presence would justify construction of an additional 300-500 guest rooms on the campus, but without that presence Hampton has struggled with Occupancy, ADR and REVPAR, and maximizing the use of the convention center. Current Occupancy rates have stabilized and are 5% higher than pre-COVID levels, while Average Daily Rate in FY22 has increased 34% over the same months in FY21. For example, the average daily rate for FY22 was \$100.30 (while in FY21 it was \$79.45, FY20 was \$68.40, and FY19 was \$82.49). Higher rates and increased occupancy result in increased lodging tax. While it is exciting to experience ADR growth, Hampton must also see Occupancy growth, which requires new hotel development.

This application for ARPA VTC funding in the amount of \$320,000 addresses this challenge. ARPA grant funding will be utilized for marketing tactics that address the corporate void and the critical demand for business-class hotel rooms, dining establishments and other amenity providers and, through branding and marketing the campus to corporate audiences and developers, will result in increased visitation and tourism economic impact for Hampton and Virginia. By successfully changing the campus landscape, Hampton will be positioned to meet the lodging expectations of meeting and event planners, resulting in exponential increase

in the size of groups/events hosted at our venues. We will consequently see the fulfilled potential of the Hampton Roads Convention Center, Hampton Coliseum and Hampton Virginia Aquaplex as economic generators, attracting visitors from throughout the Mid-Atlantic region to Hampton, resulting in increased lodging, meals, and admission taxes.

Marketing Production - \$270,000

Hampton Convention & Visitor Bureau will issue an RFP to contract a **Marketing/Advertising Agency** specifically for its ARPA advertising and marketing initiatives and deliverables. The agency will lead a campus branding study, develop logo, advertisement creative materials, place media, contract a 360-Tour developer, and develop a campus digital landing page. Agency fees are anticipated to be \$50,000. The RFP will be issued in January, upon award of the ARPA funding. We anticipate an executed contract by March 1, 2023.

Cost: \$50,000

Date: March 2023

Guided by the expertise of the marketing agency, Hampton will conduct a **Campus Branding Study** that results in the campus name and logo. Our allocation for the branding initiative is \$25,000. The study will be the first initiative of the Hampton ARPA program and its resulting brand and logo will be featured prominently in all materials generated to market the campus. The study will be conducted in March – May, 2023. (The brand will be subject to City Council approval, so additional time may be required.)

Cost: \$25,000

Date: March – May 2023

An RFP will be issued to contract photographers for **Still Photography, Drone Photography and Videography** for campus marketing and web site showcase, at an allocation of \$25,000. We will conduct the photography session in April 2023. Specific month/date will be subject to weather and planned events. Among the shots required are interior and exterior venue photography showcasing a variety of events and public activity, including the broader campus. The results will be stimulating scenes that prompt developers to envision their hotel, restaurant or business on the campus.

Cost: \$25,000

Date: April 2023

Branded campus entrance and directional signage will showcase venues, parking, parks, restaurants, and hotels will be produced at a cost of \$50,000. Multiple quotes will be gathered through RFP process in February 2023. Signage will be procured in May/June 2023, once branding is in hand. Signage will improve identification of the campus, help establish a sense of place, and improve campus experiences for visitors.

Cost: \$50,000

Date: May/June 2023

An RFP will be drafted for Development of a Full-Service Hotel. We anticipate hiring a **Professional RFP Writer to draft the RFP** for Hampton at a potential cost of \$20,000. If additional funds are needed Hampton Convention & Visitor Bureau will utilize an alternate funding source to complete the initiative. In addition to serving as a legal document, the resulting RFP will serve as a marketing tool to appeal to developers. It will be marketed through all listed initiatives and, through an established deadline that is still to be determined, will create a timeline for the full-service property to be proposed, designed, and constructed. The RFP will be drafted by May 2023.

Cost: \$20,000

Date: May 2023

Hampton will distribute an RFP in March for a **360-Degree Tour of the Campus**, to include exterior, aerial views and 360-degree tours of the interior of venues Hampton Roads Convention Center, Hampton Coliseum and Hampton Virginia Aquaplex. The Embassy Suites Hampton Convention Center Hotel will separately produce a 360 tour of the hotel property to be combined with the greater campus tour. Cost of the tour is estimated to be \$75,000 and tour will be produced in June – August 2023.

Cost: \$75,000

Date: June – August 2023

Campus Landing Page will be designed, linking to venue, hotel, parks' and other web sites. This landing page will serve as the campus master web site to market campus development opportunities and the 360-degree campus tour. An allocation of \$10,000 will be invested in the landing page, to be developed by June 2023, once branding is in hand.

Cost: \$10,000

Date: June 2023

A full color Trifold 8-1/2" x 11" (folded) **Showcase Brochure** will be designed with campus brand, showcasing venues in a variety of configurations to be utilized in meetings with corporations, and hotel and restaurant developers. We will spend \$10,000 on this essential sales tool, to be designed and printed in July 2023.

Cost: \$10,000

Date: July 2023

Hampton will conduct a **Direct Mailing Campaign** to reach Top 75 prospective event planners, meeting planners, hotel and restaurant developers and corporate targets, showcasing the potential of the site for event and hospitality success, as well as a desirable site for a corporate headquarters. Hampton will allocate \$5,000 for the initiative, including production of materials. Mailing will be conducted in September 2023.

Cost: \$5000

Date: September 2023

Paid Media (All advertising targets beyond a 50-mile radius) - \$45,000

Hampton will target corporate entities to showcase the campus as prime real estate for development as a corporate headquarters, dining establishments and business class hotel with **Digital and Print Advertising** between March 2023 and March 2024 at a budgeted amount of \$40,000. We will strive to capture the interest of developers through print publications, web sites and corporate targeted advertising that will include Virginia Business; Virginia Business Review; AreaDevelopment.com; BusinessFacilities.com; BXJMag.com/BusinessXpansion Journal Expansion Management Site Selection; tradeandindustrydev.com/Trade & Industry Development; UrbanLand.uli.org/Urban Land Institute Magazine; and CoStar.com. All placements will be reserved prior to December 31, 2023.

Cost: \$40,000

Date: March 2023 – March 2024

We will further showcase Hampton to hotel developers with **Advertising** in Lodging Magazine between March 2023 and March 2024 at an allocation of \$5,000, raising awareness of the campus as a regional hub and desirable visitor destination. Placements will be reserved prior to December 31, 2023.

Cost: \$5000

Date: March 2023-March 2024

Public Relations - \$2500

We will publicize the RFP, campus branding, and existing event and visitor opportunities through the combined efforts of the Hampton Convention & Visitor Bureau, Hampton Arts (representing Hampton Coliseum and Hampton Virginia Aquaplex), and Hampton Economic Development. A targeted list of journalists and media influencers will be used for outreach to market the campus venues and development opportunities. Our team will issue a press release announcing ARPA funding and the desired outcomes of the campus branding initiative, which include a full-service hotel developed on the campus, destination restaurants that are unique in Virginia and our region, and to attract corporate entities to the campus to help drive hotel demand.

As the production of each marketing tactic reaches completion, the team will issue press announcements targeted at print and online media outlets, reaching the general public, business audiences, and specialized development targets (through the publications identified for advertising Virginia Business; Virginia Business Review; The Business Voice/InsideNOVA.com; AreaDevelopment.com; as a Featured Location in BusinessFacilities.com; BXJMag.com/BusinessXpansion Journal Expansion Management Site Selection; tradeandindustrydev.com/Trade & Industry Development; UrbanLand.uli.org/Urban Land Institute Magazine; and CoStar.com).

We have allocated \$2500 for optimizing the reach of media and public relations announcements.

This timeline will be followed:

February 2023 - ARPA Funding announcement

March 2023 – Announcement of Marketing Agency for ARPA VTC initiative

March 2023 – Campus Branding Initiative announcement

May 2023 – Campus Brand Announcement

May 2023 – Announcement of RFP for Full Service Hotel

June 2023 –Landing Page

August 2023 – Announcement of 360 Tour of Campus

Cost: \$2500

Date: Releases on dates indicated above

Sales - \$2500

Hampton will demonstrate its interest in developing the campus to corporate audiences and to hotel developers by **listing the campus** at no charge as a developable site on the following web sites, with updates as the RFP for Hotel Development is generated:

- VEDP.org by May 2023
- CoStar.com by May 2023
- HamptonRoadsAlliance.com by May 2023

If additional sites are identified, we will expand our reach, publishing the opportunity in as many as possible.

Cost: No Cost

Date: May 2023

We will conduct an **email, telephone and letter-campaign** to targeted hotel companies and to hotel franchises to share our interest and invite them to tour the site. We have not allocated funds for this process. This will be an ongoing effort that will begin as soon as the Hotel Development RFP can be released.

Cost: No Cost

Date: April 2023 through June 30, 2024

We have budgeted \$2500 for Site Visits and Familiarization tours. This will be an ongoing tactic that will be utilized until we successfully reach our objective to attractive a full-service hotel developer, unique dining and corporate campus presence.

Cost: \$2500

Date: April 2023 through June 30, 2024