



Legislation Text

File #: 23-0098, **Version:** 1

Resolution to Amend the Fiscal Year 2023 Council Approved Budget to Accept and Appropriate the ARPA Tourism Recovery Grant in the amount of \$320,000 awarded by the Virginia Tourism Corporation

COVID-19 has had a continued and devastating impact on Virginia's tourism and hospitality industry. As the Commonwealth works to restore tourism economic impact, Virginia Tourism Corporation offered ARPA Tourism Recovery funds to spur economic activity and travel. Hampton was awarded \$320,000.

Purpose

Virginia Tourism Corporation, the recipient of \$50-million in ARPA funds, extended funds to municipalities throughout Virginia to spur economic activity and travel. Funds were allocated across all 133 Virginia counties and independent cities based on the relative share of each locality to total state tax revenue attributable to tourism in 2019. Hampton was awarded \$320,000 based on the City's tourism economic impact in 2019.

Discussion:

Hampton, Virginia is the geographic center of the Coastal Virginia/Hampton Roads region. Interstates 64 and 664 converge at the region's center, 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 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 connects the campus to Air Power Park, Newmarket Creek, Coliseum Lake, Bluebird Gap Farm and the Power Plant, a shopping and entertainment venue featuring Bass Pro Shops Outdoor World and Rosie's Gaming. All of these features and attributes combine to create a picturesque setting, but one that is non-cohesive and unbranded.

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. Furthermore, 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 alone would justify construction of an additional 300-500 guest rooms on the campus.

This grant will be used to address this challenge and the critical demand for business-class hotel rooms and visitor amenities through branding the campus and marketing to spur hotel, corporate, and amenity development. This program will result in increased visitation and tourism economic impact for Hampton and Virginia.

Impact:

The City has been awarded \$320,000 in ARPA Tourism Recovery funds by the Virginia Tourism Corporation. No local cash or in-kind match is required. Grant funds must be committed and expended by June 2024.

Recommendation:

Approve.

WHEREAS, the Commonwealth of Virginia - Virginia Tourism Corporation, has awarded the City of Hampton the FY 2023 American Rescue Plan Act (ARPA) Tourism Recovery Grant in the amount of \$320,000;

WHEREAS, the FY 2023 American Rescue Plan Act (ARPA) Tourism Recovery Grant does not require a local cash or in-kind match;

WHEREAS, the FY 2023 American Rescue Plan Act (ARPA) Tourism Recovery Grant award will be used by the Hampton Convention & Visitor Bureau to fund a branding and marketing strategy to address critical demand for business class hotel rooms and visitor amenities on the campus that includes Hampton Roads Convention Center, Hampton Coliseum and Hampton Virginia Aquaplex ; and

WHEREAS, the grant award is for the period of February 8, 2023 through June 30, 2024.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hampton, Virginia hereby amends its Fiscal Year 2023 Council Approved Budget to accept and appropriate the FY 2023 American Rescue Plan Act (ARPA) Tourism Recovery Grant award in the amount of \$320,000, from the Commonwealth of Virginia - Virginia Tourism Corporation to the Grants Fund to be spent in accordance with the grant agreement.

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager, or her designee, to take any and all actions necessary to accept and implement this grant award Resolution.