



Planning and Coordination Council Quarterly Meeting Minutes (DRAFT)
March 21, 2019 – 2 p.m.
University of Virginia
Zehmer Hall Conference Center Auditorium

PACC Members in Attendance: Jeff Richardson, Diantha McKeel, Liz Palmer, Heather Hill, Nikuyah Walker, Kaki Dimock for Mike Murphy, Jennifer (J.J.) Davis, and Colette Sheehy.

Others in Attendance: Alice Raucher, Pace Lochte, Tim Rose, Megan Lowe, Chris Engel, Roger Johnson, Chip Boyles, Louis Nelson, Carolyn Dillard, Rebecca White, Community Members, and Members of the Media.

1. Call to Order:

J.J. Davis, University of Virginia Executive Vice President and Chief Operating Officer, called the meeting to order at 2:05 p.m.

Welcome by Ms. Davis with introductions made around the table. She emphasized the importance UVA sees in collaborating with the City and County in the years ahead. She mentioned the recent Community Working Group Report, which identified very important areas on which to focus – notably jobs, wages, affordable housing, youth and education, and healthcare. She further stated that President Jim Ryan announced a living wage for the UVA workforce effective January 1, 2020.

2. Approval of May 17, 2018 and September 20, 2018 Minutes

Ms. Davis made a motion to approve the May 17 and September 20, 2018 minutes as written; the motion was seconded and unanimously approved by a voice call vote.

3. University Hotel and Conference Center

Presenter: J.J. Davis, Executive Vice President and Chief Operating Officer, University of Virginia

Highlights:

- Discussed Ivy-Emmet Corridor within Grounds – a 14-acre parcel which is pivotal for connectivity within UVA Grounds.
- Demolition of the Cavalier Inn and the Villa restaurant (relocated) occurred over the winter and site work has leveled the parcel and grass is growing – a huge accomplishment.
- Many strategic uses have been envisioned and will be considered in the coming months. We envision the following: Academic, student life, arts, hospitality, community amenities/services, and potential retail and restaurants – the slide shows a variety of

potential uses and related site considerations identified in several studies that we have undertaken in preparation to develop this corridor. In particular, we have studied in depth the academic, the specialty and the hospitality uses.

- Today we will give you an update on the hospitality space, specifically focusing on the hotel and conference space, which is the first proposed development.
- By way of background, in 2016 the Board of Visitors approved the Ivy Corridor landscape framework plan. In 2017 the recommendations of the Hospitality Task Force included a hotel and conference center to replace the Cavalier Inn. In fall 2018, the Emmet Ivy Task Force appointed by President Ryan endorsed the development of a new University Hotel and Conference Center on the Ivy Corridor.
- Earlier this month our Board of Visitors approved a project that includes a 220,000 GSF hotel with 225 guest rooms and 25,000 SF of conference center space.
- We are in the process of working through a financing plan and hopefully by June will have the financing plan complete and start on the design. We are happy to come back by summer or fall with more detail around timing and schedules.
- Colette Sheehy and Alice Raucher spoke briefly about the survey which indicated there is a great need for conference space. There are lots of groups that need space for academic, regional and national conferences – many of our faculty members who might chair these groups would now have a way to bring their conferences to Grounds.

4. Convention Center Report

**Presenters: Chris Engel, City of Charlottesville Director of Economic Development
Roger Johnson, County of Albemarle Director of Economic Development**

- Background – both Chris and Roger sit on the Charlottesville Albemarle Convention and Visitors Bureau Board. The board engaged Johnson Consulting to conduct the study which started in late 2017. The final report was issued in December 2018. Johnson Consulting was chosen through a competitive RFP process. Also of note is that 18 to 20 years ago a similar study was done by the board to assess the market for such a facility and what you will see today is an update. UVA was one of the stakeholders interviewed in the study.
- The study looked at market demographics to include population trends (30/60/90 mile drive times), unemployment rates (ours lower than state and US average), major employers, venues available to hold events, list of inventory of hotels/numbers of rooms and hotel occupancy trends over three years. They looked at metrics on occupancy of the hotel rooms using a metric called the star report, which is a common analysis of hotel metrics across the country. Since this was done in June/July of last year there have been additional rooms added to the inventory, making about 4,000 hotel rooms in the market at the moment. It shows over the past three years the actual trends. The market in Charlottesville has been strong for the last 8 to 10 years.
- Occupancy rates November to March are significantly down. They are not leveled here in our community and that's important when we get to our consultant's

recommendations and the value of building a convention center and leveling out those occupancy rates for our community and businesses.

- Regional facilities in terms of SF of largest space and total leasable space – John Paul Jones Arena has a huge amount of square footage but is not incredibly useful for some of the events for which we would like to see the convention center used. More traditional event centers are the Boar’s Head, the Omni, and the Doubletree by Hilton. The Boar’s Head has 5800 SF and the Omni Hotel 5400 SF -- that pretty much limits the size of the convention you can have because they are the largest of all the spaces available.
- Most opportunity for events is in venues around 5000 SF. The outlier is the JPJ Arena, which is much larger and is used for the purpose and types of events for which it was built. If we had facilities larger than 5000 SF – more like 25,000- 30,000 SF- we could attract larger and better events.
- National Comparable Venues with similar projects: Bayfront Convention Center, Erie, PA and Columbia Metropolitan Convention Center, Columbia, SC.

Key Findings: Roger Johnson .

- The consultant looked at several different options and noted that there are existing locations in our community that a visitors bureau and convention center could reside if the community so chose. Existing locations include the County Administration Site, Fashion Square Mall/Albemarle Square Retail, UVA Research Park, Hilton Doubletree Area, and the old K-mart Site.
- The consultants said that we should build a 50,000 SF convention and visitors bureau with the following components: multipurpose hall (25,000 SF), a ballroom (15,000 SF), meeting rooms (10,000 SF). If we built something of that nature, we could expect:
Exhibit events in yr. 1 about 30-50; non-exhibit events in yr. 1 about 210-235 for a total of 240-285 events
- J.J. asked a question about whether they envision it being used for sporting events and tournaments. Roger said in terms of his experience in two other locations, which include Greenville and Wilmington North Carolina, it does not include sporting events, it is more entertainment, like concerts and dances, and other types of various entertainment.
- If you took the number of events and projected it into attendance – in year one we would have about 83,000 people visiting our community and in year 10 about 153,000. In year 10 that would result in about 38,000 additional room nights for our hotel owners, as well as ancillary support of restaurants and lounges, travel, etc.

- Proforma Summary: All expenses combined minus revenues – in year one it is about a deficit of- \$822,000 and year ten \$241,000. However, building a convention and visitors meeting space will require a public subsidy to operate.
- Economic impact of building a convention and visitors meeting space of 50,000 SF in our community – revenue coming in of roughly \$47 million a year in year ten. Fiscal impact in tax dollar (sales tax, F&B tax, and hotel tax) return for a public investment on revenue inducing side will bring in roughly \$3.2 million per year in year 10. In summary, a \$240,000 subsidy will bring in revenues through different streams for a positive net impact on the community.
- Based on a 50,000 SF facility, we are probably looking between \$30-50 million for the project.

Next Steps: Roger Johnson

- Chris mentioned that we serve on the Charlottesville Albemarle Convention and Visitors Bureau Board which was the group that initiated this particular study. Elizabeth Cromwell, Chamber President, will lead a subcommittee for that particular board to study this and answer some of the many outstanding questions that have been raised here, and bring back those recommendations to the CACVB Board as well as a path forward for the community. The general idea is that they are going to take the first stab at vetting this for our community and then bringing it back for public consideration.
- J.J. Davis asked that they report back to PACC on the subcommittee’s work.

5. Regional Transportation Partnership

Presenter: Chip Boyles, Executive Director, Thomas Jefferson Planning District (also the Charlottesville Metropolitan Planning Organization or MPO)

Regional Coordination Transit Study:

- The MPO oversees the transportation efforts within the urban area of our region. The Planning District Commission covers the City of Charlottesville and five surrounding counties’, the MPO is the City of Charlottesville and the urban areas of Albemarle County.
- In 2008 our organization completed a Regional Transit Authority Study. We were asked to look at what it would take and would it be feasible for an authority to be created by the General Assembly that would provide transit services for our entire region. It was a very inclusive and comprehensive study that came out recommending over \$100 million in capital improvements and annual operating costs of over \$6 million to run a regional transit system. The General Assembly gave our region the authority and approval to create a regional authority but did not give it any powers to raise money. Without any resources it didn’t go anywhere and since 2009 that effort has been on the shelf.

- In 2016 PACC asked the TJPDC and MPO to again take a look at the study in a more realistic way, from the point of view of providing regional service and comprehensive service and a partnered service (whether it was a regional transit authority or individual transit systems providing that cohesive service). By 2017 we came back with a recommendation for a more passive approach to building both communications and relationships among the different transit providers and the existing systems. In looking at a transitional approach to improve services, memoranda of understanding were adopted in the Fall of 2017 toward these goals. The MOU's created a regional transit partnership – an advisory group that advises all of the region's transit providers of needs, issues and opportunities to create a mechanism to improve relationships between all of these entities at all levels.
- The MPO was recommended and currently staffs the Regional Transit Partnership. Members include Albemarle, Charlottesville, University of Virginia, all of our regional transit providers and local officials. The role of the RTP is to grow those relationships and also create a formal means of sharing information. The study found that the staff of all of the entities work very well together, that financial decisions were more of hand-shake arrangements than formal agreements between partners, and that people would understand and accept relationships better if those formal arrangements were in place.
- Chip discussed accomplishments to date and immediate action items. Some of the key items follow.
 - Website up and running to include monthly ridership reports
 - Work on Budget Reviews for the entities/be fully integrated by FY 2021
 - Facilitate a strategic planning session with John Martin, SIR Institute for Tomorrow
 - Plan a trip to experience a system in another college community
- Another key recommendation is to develop and approve a pathway that moves us forward as a regional system -- whether it's a regional authority or it remains a divided system as we work together to provide a cohesive service to all of the community. Whether one system or several, it still needs to operate as one.

Colette Sheehy, UVA Sr. Vice President for Operations:

- For the benefit of those that are new at the table, I think it would be helpful to call on Becca White, UVA Director of Parking and Transportation, to let everyone know what the University does for transit in cooperation with the other two systems and what is unique for us in moving students between classes all day long.

Becca White, Director of Parking and Transportation, UVA:

- University Transit is really tied to our land use goals and our ability to hold parking demand down and be able to share parking inventories from one use during the day to another use at night and to keep student parking demand down. That's the fundamental mission. We have about 3 ½ million boardings a year (about the same as CAT), in a service area about a quarter of the size of CAT's. Our frequency is

very high – it's very responsive to the students' needs and runs to 2 a.m. in the academic session. It's very nimble and addresses event parking – we are able to take resources and apply them to a football game and other things that come with a university campus.

- Back in 2008 we started a ridership program whereby a UVA ID is scanned on a CAT bus and then UVA became sort of a public provider – note that we have a subsidy for that program that passes to the City
- We want to be a community partner and to balance the transit service options at our peak morning and afternoon hours. (With UTS there is a bus every 7 to 9 minutes, whereas in the CAT service the headways can be 30 to 60 minutes).

6. Adjournment

- J.J. Davis thanked everyone for an exceptionally good meeting. The meeting concluded at 3:22 p.m.