TCC hotel development back on track after stalled negotiations

<u>All News Hampton Roads All News Hampton</u> <u>Roads</u> February 7, 2019



An artist rendering of the proposed "Home2 Suites by Hilton" hotel that could be developed on city-owned land near Tidewater Community College (Southside Daily photo/Courtesy of the City of Virginia Beach)

VIRGINIA BEACH — The city is moving forward with a planned hotel development on city-owned land adjacent to Tidewater Community College's Virginia Beach Campus,

after <u>walking away from negotiations</u> with the prospective developer, <u>Harmony Hospitality</u>, in August 2018.

Brooks Johnson, director of development for Harmony, credited an <u>Aug. 20, 2018 article by Southside Daily</u> for restarting the development negotiations between the city and Harmony.

Economic Development Director Taylor Adams briefed City Council Tuesday on the proposed two-phase development at the corner of <u>Princess Anne Road and Community College Place</u>.

The "Princess Anne Corridor" by TCC has no hotel, and city officials have urged for its development, citing the hospital, sportsplex, amphitheater, and municipal center visitors that might be served by it.

"There isn't a hotel there, so yes, there is risk for putting one where there isn't one," Johnson said. "But that's also why we're excited about it."

Related story: <u>Princess Anne Commons hotel at TCC</u> <u>entrance to solicit proposals</u>

The city wants to sell nearly 4 acres to Harmony for the construction of a hotel at \$578,000 per acre, according to Adams's report. The city would make infrastructure improvements, such as running sewage and water lines to

the site, at a public cost of up to \$1.35 million.

City Manager Dave Hansen was not immediately available for comment.

The first phase of the proposed development would include a 110-room "Home2 Suites by Hilton," at a cost of \$10 million for Harmony to build, according to Adams's presentation.

The site plan also includes a "family-friendly chain restaurant" with a drive-thru. Johnson would not disclose which chain restaurant they were negotiating with, only that the chain restaurant proposed the drive-thru component.

"Phase 2" of the development would allow Harmony the option for the development of 2.51 acres, which would be available at the same price per acre, Adams said.

Established in 1993, Harmony Investments, Inc. was founded by Mark F. Garcea and Page S. Johnson II. In January 2007, Harmony Hospitality, Inc. was established to manage the hotel properties of Harmony Investments. Harmony owns seven hotels in Norfolk and Virginia Beach, as well as residential and commercial properties. Harmony is also part owner of the Norfolk Tides and developed and managed the Virginia Beach Sportsplex.

Coming together in 'harmony'

In August 2018, the city abruptly walked away from negotiations with Harmony, but neither Adams nor Hansen acknowledged that during Tuesday's briefing.

During the <u>Aug. 21, 2018 City Council meeting</u>, Mayor Bobby Dyer, who was a councilman at that time, questioned Hansen about why the city walked away from the negotiations with Harmony.

In a phone call Wednesday, <u>Dyer</u> said after that City Council session, he brokered a meeting with Hansen and Harmony executives at City Hall to "iron out any discrepancies" regarding the hotel development. As a result, negotiations got back on track.

"I want things to be open and transparent in this city," Dyer said, when discussing why he decided to get involved in the deal. "We want to change the city to a culture of yes. Getting a hotel or even a couple hotels in that area is essential to economic development in that area."

A public hearing is scheduled for Feb 19, with a vote on the ordinance to sell the city-owned land to Harmony scheduled for March 5.

<u>Always be informed. Click here to get the latest news and information delivered to your inbox</u>