



**TOWN OF BOWLING GREEN  
ECONOMIC DEVELOPMENT AUTHORITY MEETING**

**A G E N D A**

**Tuesday, October 16, 2018  
6:30 PM**

**CALL TO ORDER AND QUORUM ESTABLISHED:**

**NEW BUSINESS:**

1. Approval of Minutes
2. Legal Services Invoice

**UNFINISHED BUSINESS:**

3. Hotel RFP

**ADJOURNMENT**

**TOWN OF BOWLING GREEN  
ECONOMIC DEVELOPMENT AUTHORITY MEETING**

**MINUTES**

**Tuesday, September 18, 2018  
6:30 PM**

**CALL TO ORDER AND QUORUM ESTABLISHED:**

Roll Call

PRESENT

- Board Member T. Hardy Dunnington
- Board Member Glenn McDearmon
- Board Member John Lane
- Board Member David Storke

ABSENT

- Chairman John Sieg
- Board Member Tyler Gibson

**UNFINISHED BUSINESS:**

1. Approval of August 21, 2018 Minutes  
Motion made by Board Member McDearmon, Seconded by Board Member Dunnington.

Voting Yea: Board Member Dunnington, Board Member McDearmon, Board Member Lane, Board Member Storke

**NEW BUSINESS:**

2. EDA Telephonic Participation Policy  
Motion made by Board Member McDearmon, Seconded by Board Member Storke.  
Voting Yea: Board Member Dunnington, Board Member McDearmon, Board Member Lane, Board Member Storke
3. AP Hill Liaison  
David Stork briefed the Authority on a recent meeting he had with Fort AP Hill staff.
4. Route 301 Development Opportunities  
Glen McDearmon and David Storke briefed the Authority that a development group would like to meet with them in closed session on September 20, 2018.

**ADJOURNMENT**

Motion made by Board Member McDearmon, Seconded by Board Member Storke to continue the meeting to 10:00 am September 20, 2018 at Town Hall.

Voting Yea: Board Member Dunnington, Board Member McDearmon, Board Member Lane, Board Member Storke

**TOWN OF BOWLING GREEN  
ECONOMIC DEVELOPMENT AUTHORITY MEETING**

**MINUTES**

**Thursday, September 20, 2018  
10:00 AM**

**CALL TO ORDER AND QUORUM ESTABLISHED:**

Motion to Convene Closed Meeting

In accordance with Section 2.2-3711(A)(6) of the Code of Virginia, I move that the EDA convene in Close Meeting to discuss a prospective business development in the 301 Bowling Green Corridor.

Motion made by Board Member McDearmon, Seconded by Board Member Lane.  
Voting Yea: Board Member Dunnington, Board Member McDearmon, Board Member Lane, Board Member Storke

2. Compliance Certification

The Bowling Green EDA this the 20th day of September, 2018, hereby certifies that, to the best of each member’s knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the Bowling Green EDA.

Voting Yea: Board Member Dunnington, Board Member McDearmon, Board Member Lane, Board Member Storke

**ADJOURNMENT**

I move the EDA adjourn its September 20, 2018.

Motion made by Board Member McDearmon, Seconded by Board Member Dunnington.  
Voting Yea: Board Member Dunnington, Board Member McDearmon, Board Member Lane, Board Member Storke

Town of Bowling Green Economic Development Authority  
Attn: John Sieg  
Chairman  
P. O. Box 468  
Bowling Green, VA 22427

Client Number: 071063

## Notice

Our contact information has changed. Please make sure you are using the Toll Free Contact number listed on our Remittance Page 844-848-6535 or 804-420-6305.

## WILLIAMS MULLEN

NORTH CAROLINA • SOUTH CAROLINA • VIRGINIA • WASHINGTON, D.C.

Town of Bowling Green Economic Development Authority  
 Attn: John Sieg  
 Chairman  
 P. O. Box 468  
 Bowling Green, VA 22427

SEPTEMBER 21, 2018  
 071063.0002  
 A. C. GRAHAM JR.  
 INVOICE NO. 1054569

Regarding: HOTEL DEVELOPMENT ISSUES

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 BILLING SUMMARY THROUGH August 31, 2018

Fees For Professional Services	\$5,494.00
Expenses and Advances	\$78.59
CURRENT BILLING	<u>\$5,572.59</u>
Previous Balance Due	\$0.00
<b>TOTAL BALANCE DUE</b>	<b><u>\$5,572.59</u></b>

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To ensure proper credit, please return remittance page or refer to invoice number when payment is made.

**Invoices are payable upon receipt.** Please make checks payable to: **Williams Mullen.**

*If you have questions regarding payments or need copies of invoices, please contact Client Account Services at 844.848.6535.*

**PLEASE REMIT TO OUR DEPOSIT ACCOUNT OR PAYMENT MAY BE MADE BY WIRE**

WILLIAMS MULLEN  
 P. O. BOX 800  
 RICHMOND, VA 23218-0800

SUNTRUST BANK  
 ABA #: 061000104 / SWIFT: SNTRUS3A  
 ACCOUNT #: 201145499

*Williams Mullen Clark & Dobbins, P.C. TIN 54-1246519*

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TOWN OF BOWLING GREEN ECONOMIC DEVELOPMENT  
AUTHORITY  
Client: 071063  
Matter: 0002

SEPTEMBER 21, 2018  
Invoice No: 1054569

## FOR PROFESSIONAL SERVICES RENDERED

### ITEMIZED SERVICES BILL

DATE	TKPR	DESCRIPTION	HOURS	RATE	AMOUNT
08/01/18	JSF	Teleconference with Jackson-Lewis principal C. Jackson regarding the letter of default and potential opportunity to cure.	0.30	\$335.00	\$100.50
08/03/18	ACG	Read agreements involved in hotel development transaction; email to Mitch Miller, counsel for Jackson-Lewis.	1.40	\$575.00	\$805.00
08/07/18	ACG	Call from Mitchell Miller, counsel for Jackson Lewis.	0.20	\$575.00	\$115.00
08/08/18	ACG	Call to Mitch Miller; summarized points made by Mitch to share with Bowling Green officials.	0.70	\$575.00	\$402.50
08/09/18	ACG	Email to J. Seig about a call or meeting with EDA Board; telephone call with John Seig about my call from M. Miller; read Development Agreement; recorded notes of M. Miller call.	1.40	\$575.00	\$805.00
08/09/18	JRN	Research Craig T. Jackson, Jackson-Lewis Development Group, Mitch Miller and Miller Law Group.	0.80	\$230.00	\$184.00
08/10/18	ACG	Email with John Seig about my call with Mitch Miller and an EDA Board meeting on 8/13/2018; email to J. Fineman about bonding company receiving the notice of claim; prepared for EDA Board meeting;	2.20	\$575.00	\$1,265.00

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SEPTEMBER 21, 2018  
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DATE	TKPR	DESCRIPTION	HOURS	RATE	AMOUNT
		numerous emails with M. Miller about Franchise Agreement; brief review of Franchise Agreement; sent same to J. Seig.			
08/13/18	ACG	Preparation for EDA Board meeting; emails and phone call from Mitch Miller about Franchise Agreement and my request for name of guarantors; attended EDA Board meeting in Bowling Green and travel.	3.00	\$575.00	\$1,725.00
08/13/18	JRN	Additional research on Craig Jackson, Cendroc7, Ltd.; conference with S. Graham regarding findings.	0.40	\$230.00	\$92.00
<b>TOTAL FOR SERVICES</b>					<b>\$5,494.00</b>



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TOWN OF BOWLING GREEN ECONOMIC DEVELOPMENT  
AUTHORITY  
Client: 071063  
Matter: 0002

SEPTEMBER 21, 2018  
Invoice No: 1054569

### TIMEKEEPER RECAP

NAME	RATE	HOURS	VALUE
A. C. GRAHAM JR.	\$575.00	8.90	\$5,117.50
J. S. FEINMAN	\$335.00	0.30	\$100.50
J. R. NICHOLS	\$230.00	1.20	\$276.00

### DISBURSEMENTS

DESCRIPTION	AMOUNT
Courier Service 07/31/2018	\$25.29
Courier Service 08/15/2018	\$26.65
Courier Service 08/15/2018	\$26.65
<b>TOTAL DISBURSEMENTS</b>	<b>\$78.59</b>
<b>TOTAL THIS STATEMENT</b>	<b>\$5,572.59</b>

**THE ECONOMIC DEVELOPMENT AUTHORITY  
OF THE TOWN OF BOWLING GREEN  
U.S HIGHWAY 301 HOTEL PROJECT**

The Economic Development Authority of the Town of Bowling Green Virginia (the EDA) is seeking a Developer or Development Team to construct and operate a hotel on a parcel of land currently owned by the Authority on the eastern edge of the Town of Bowling Green, adjoining U.S. Highway 301 (Route 301) and a short distance from the U.S. Army’s Fort A.P. Hill. While a hotel at this location is expected to capture some lodging demand from the growing Route 301 traffic and other attractions in the area, the primary purpose for development of the hotel will be to accommodate the large number of transient personnel participating in the many and varied training programs conducted at the Fort

**Location** The parcel offered for development is approximately 4.5 acres in size located on the north side of U.S. Highway 301 as indicated on the [map/aerial view \(find something like Fig 1-1 in HVS Study\)](#) attached as Attachment I and specifically identified as parcel 1 on page 2 of the subdivision plat attached as Attachment II ([the parcel map done by Webb](#)). The parcel was subdivided out of an approximately 39 acre parcel, all currently undeveloped and zoned for commercial development, that was part of an annexation of property on both sides of Route 301 that extended the Town limits out to Fort A.P. Hill in 1996.

In 2013, the Town invested \$3.7 million to extend water and sewer service to the annexed property within the Route 301 corridor and will provide those utilities to this parcel. Electric service will be provided by Dominion Virginia Power ([or is it REC?](#)) and fiber optic capacity is readily available.

As indicated, the entire area is currently undeveloped and the construction of improvements to and access to the site from Route 301 will be required as part of the hotel development project. ([too obvious to need mentioning?](#))

The Authority also owns the 1 acre property indicated as parcel 2 on page 2 of Attachment II and wishes to see that developed for a sit-down restaurant use. At this time, the focus of the Authority’s Board is on the development of the hotel and that is what this solicitation is intended to achieve. If, however, a proposing developer has interest in building the restaurant as well or could facilitate contacts with other parties who had interest in doing so, the Board would be receptive to a proposal encompassing both.

**Fort A.P. Hill Lodging Demand** Fort A.P. Hill is rather unique as a military installation in that, other than a small command staff, there are no uniformed active duty personnel assigned to, operating or living at the base. The Fort covers a total of almost 120 square miles and is operated and maintained almost exclusively as a training center with some 28,000 acres of ranges for live fire weapons training and 42,000 acres of maneuver areas for training in military tactics and operations. It is home to facilities for specialized training in areas such as explosive ordinance use, detection and disposal; electronic warfare; and combat tactics in an urban environment. Training is provided to personnel from all branches of the military as well as from other governmental agencies responsible for law enforcement and security, such as Secret Service and Immigration and Customs Enforcement, who require competency in weapons and/or military-style tactics. The base is the only one of its kind on the east coast and has been immune to closure as a result of military budget reductions. In fact, it has been the focus in the last few years of over \$100 million of new capital investment to add to, expand and enhance the training facilities available at the post.

The Fort operates year round and personnel participating in training activities rotate through the Fort for periods of anywhere from a few days to several weeks. Approximately 45,000 individuals participate in training at the Fort in a given year, the majority of which are housed on-base in barracks or field housing. An estimated 10% of those personnel, however, amounting to approximately 40,000 bed nights a year, require housing of a quality that cannot be provided at the Fort and must use lodging options off the base and are reimbursed for their expenses of doing so – for federal employees a standard rate of \$94 per night. With only a handful of transient accommodations available in the Town of Bowling Green, most are traveling many miles to hotels and motels closer to the Interstate 95 corridor, primarily to a small group of hotels on the southern edge of the City of Fredericksburg, some 20 miles from the Fort. It is this essentially guaranteed lodging demand that a quality hotel located less than a mile from the front gate of the Fort is expected to capture.

**Other Demand Components** As indicated, Fort A.P. Hill is anticipated to provide the majority of bed nights for a new hotel at the proposed location, but other sources of demand are present.

Current traffic volume on Route 301 and its growth will be a factor as the new hotel will be the only quality lodging option for at least 10 miles in either direction and will be easily visible and accessible from the highway. Route 301 provides a major alternative to Interstate 95 for access to Washington DC and points north and the Virginia Department of Transportation has begun promoting its use due to a number of planned massive construction projects on the Interstate that will restrict traffic flow there over the next several years.

In addition, the Maryland Department of Transportation is spearheading a project to replace the Harry W. Nice Memorial Bridge, carrying Route 301 over the Potomac River between Virginia and Maryland. Expected to be completed in 2023, the replacement of the 75 year old, narrow 2 lane bridge will relieve a major bottleneck in the Route 301 corridor, improve/increase traffic flow, and further enhance Route 301 as an alternative for access to Washington, DC, Baltimore and other areas farther north.

Leisure attractions in the area are also anticipated to add lodging demand. Kings Dominion Theme Park in Doswell, The Meadow Event Park – home of the Virginia State Fair in the fall and numerous other events throughout the year, and the Virginia Sports Complex – a multi-sport training and tournament venue in western Caroline County are all located within 15 miles of the proposed location and easily accessible by major roads.

**Hotel Expectations** Don't know how demanding we can get here – how much do we tell them what we want versus let them tell us what they will do/provide – what I have here has been taken mostly from the final recommendations section of the 2014 draft HVS study

To meet the anticipated demand and provide the quality of lodging required, a hotel of approximately 100 rooms and in the upper mid-scale or upscale select-service classification is expected. The EDA would prefer, but will not require that the hotel be franchised. As many of the personnel participating in training at the Fort will require housing for more than a week and some for several weeks, room size and amenities should be designed with that in mind.

A low profile structure for the hotel of no more than three stories would be appropriate given the rural character of the surrounding area and the aerial military activity nearby.

Recreational and other amenities to accommodate long term stay users of the hotel should be considered and strong wi-fi service for the entire facility will be an absolute must. Some food and beverage service would be appropriate though, as previously indicated, restaurant uses are expected to locate in the vicinity and restaurants are available nearby in Bowling Green. It is to be noted that federal employees traveling for training, in addition to being reimbursed for lodging as indicated above, also are reimbursed for meals and incidental expenses and currently the rate is set at \$55 per day. Some conference/meeting space and facilities would be appropriate as there are limited options for this on-base and in Bowling Green.

What else do we want/need?

**Project incentives/Advantages** As its contribution to the hotel development, the EDA is prepared to transfer clear title to the 4.5 acre parcel of property it currently owns to the selected developer without any payment or compensation subject only to the terms and conditions of the Development Agreement to be negotiated. The potential for reversion of the property to the EDA in the event the selected developer fails to successfully and timely complete the Development Agreement will be a condition of the Agreement. The EDA will not permit any liens on the property during the term of the Development Agreement other than construction and financing liens. The EDA has an appraisal report dated as of August 2016 that estimates a value for the parcel of \$440,000. The 1 acre parcel planned for restaurant development will be offered on the same terms and was appraised at a value of ????? .

In addition, the owner of the larger commercially zoned property from which the proposed parcel was subdivided have clearly indicated their willingness to negotiate an additional agreement with the EDA’s selected developer to assist the hotel development. Such an agreement would be outside the developer’s relationship with the EDA and may cover matters such as access to the parcel and/or compatible development. The EDA and Town would be happy to facilitate such discussions if needed.

It is especially noteworthy that the parcel proposed for development lies within an area that was designated earlier this year as a Qualified Opportunity Zone (QOZ) by the IRS for favorable treatment of capital gains for federal income tax purposes. The QOZ program was added by the tax reduction legislation approved by Congress late last year; it permits investors to defer capital gains earned on other investments if those returns are re-invested in a QOZ project and, under certain conditions, to avoid capital gains on a QOZ investment. The entire 301 corridor east of Bowling Green, including the proposed parcel, and a large portion of the downtown area are in a census tract have been declared to be a QOZ and investments in this proposed hotel project would be eligible for this very advantageous capital gains tax treatment.

What else can we mention here?

**Selection Process and Timing** The Board of Directors of the Economic Development Authority is prepared to move rapidly and expeditiously forward on this hotel project. This is not a formal Request for Proposal (RFP) process and informal expressions of interest may be made immediately to any member of the Board who will communicate it to the other Directors. Requests for additional information from the EDA or Town staff will be responded to as promptly as possible and may be shared with other potential developers. Information to inform/support their proposal, such as professional market studies, may be obtained by potential developers from other sources and if shared with the EDA will not be distributed to others.

Within 30 days potential developers will be expected to provide a plan for development of the hotel including:

- A full description of the proposed hotel including size, amenities, preliminary layout and schematic design
- A detailed market description and analysis communicating the development team's understanding of the market for the project and supporting the proposed hotel's size, classification and amenities
- If the hotel is to be franchised, identification of the planned franchise brand
- Identification of the owner and operator of the hotel
- Identification of all members of the development team, designation of who will lead the team, resumes indicating their experience in hotel projects of the proposed type and identification of all persons who will own a 20% or greater stake in the project
- Identification of the developer's preferred architect and contractor and resumes documenting their experience in producing hotels of the type proposed
- A financing plan for the project including identification of the planned lender for the construction and permanent financing and who will provide the financial guarantees for the project
- A project schedule

If the Board of Directors has more than one prospective developer, a preferred developer will be chosen based on the quality and comprehensiveness of the plans submitted and negotiations to complete a detailed Development Agreement securing the successful and timely completion of the project will be initiated. Execution of that Agreement is expected within another 30 to 45 days and initiation of the project can begin immediately thereafter. The ultimate completion and opening of the hotel is expected within 24 months.

### **Contacts/Information**