

## President's Comments: Year Recap

I never imagined anything like the Atlantic Avenue Association would or could ever happen. It's been amazing. And none of it would be possible without our members.

A year ago the Atlantic Avenue Association and the "Activate Atlantic Avenue" initiative were not thoughts in anyone's head. The Dome and the Pier deals were not being discussed publicly. No surveys had been initiated. The oft proposed and shot down notion of parking along Atlantic Ave was dead and seemed impossible. Nobody was talking. We were unto ourselves - not a real community. Looking back, it was a dark time. But there's one thing we all did share - a deep concern for the future of what has been called the doorstep to Virginia Beach for millions of people every year – Atlantic Avenue.

It was August 8 2017 when we gathered at the First Colonial TowneBank boardroom to share about issues, establish priorities and begin to lay the groundwork for forming our Association. City staff also attended our meetings; they listened to us; they helped guide us; and in the fall of 2017, the City took the bold step to hire top flight urban design consultants (EDSA) to come up with ways to make Atlantic Avenue a more attractive place. Since then, the beauty part of it all is many City leaders and numerous City groups - including but not limited to the Resort Advisory Commission (RAC), Strategic Growth (SGA), Advertising Advisory Committee (AAC), Oceanfront Enhancement Committee (OEC), VB Convention and Visitor's Bureau (CVB), VBPD - have participated in every step of this process right along with us. The simple truth is that without the City's support and guidance, we couldn't get past the batter's box. And frankly, their level of support and attention we now see is a 180 degree shift from the past and truly something wonderful to behold. So, here we are - no longer each to himself like a room full for cats. We are becoming a real community ... but it's not just Atlantic Avenue, is it.

It's about the Virginia Beach community coming together. We have cooperated with VBRA and VBHA on various issues such as advocating for the Sports Center, support of Councilman Uhrin's Council Resolution opposing offshore drilling, and jointly drafting a letter to Council opposing the use of the TIP funds to purchase garbage trucks, to which Jimmy Capps came up with a brilliant idea at the recent July 19 VBHA general meeting: Plaster "BOUGHT BY VIRGINIA BEACH TOURISM DOLLARS" on every one of the trucks! It's high time the entire Virginia Beach community embraced tourism and the myriad of benefits it contributes to our excellent lifestyle. AAA has also reached out to almost every corner of the City through personal meetings with Council representatives; we have spoken twice at City Council Formal Sessions; and we have personally met with then-Mayor Sessoms and now-Mayor Jones. Various Council representatives and candidates have attended AAA meetings as well. The Atlantic Avenue area has suddenly become important to the entire city. Our mission and initiative is not just about us, though. It's about making Atlantic Avenue - the front doorstep to Virginia Beach for millions of visitors every year - oftentimes the first and last thing our guests see - an attractive place, not just for tourists, but for our community to embrace, enjoy, speak kindly about, and include in their lifestyles.

Tourism is our city's #1 industry, generating almost \$60M in taxes per year to the General Fund. But this simple truth needs to be better communicated to Virginia Beach residents. As City Manager Hansen said at that recent VBHA meeting, "As tourism goes, so goes Virginia Beach." He also said at this meeting of hoteliers that "it's time to clean up Atlantic Avenue." He then touted more restrooms, more lighting, better entertainment, better attractions, better marketing and better product (I will get back to the "better product" statement.). He also talked about attracting visitors and residents with better amenities. This is a very positive tone, not the dismissive tone of the past that we used to hear about almost anything related to Atlantic Avenue. Lastly, I would be remiss if I didn't tell you that at this meeting the Atlantic Avenue Association was listed along with Virginia Beach Visions, Virginia Beach Chamber of Commerce, VBHA, VBRA, RAC and the Central Business District as groups influencing tourism and the future of our city. Not bad progress!

But there are two huge challenges to achieving our goals: number one is safety and cleanliness; and second are the two major development projects proposed near us. We have met with law enforcement and public safety leadership and will soon meet with Public Works to discuss our Association's "10 Ideas for a Clean, Safe and Vibrant Resort." Of course, this is not at all about trying to tell anyone how to do their job. It's about working with the City and civic groups to come up with ideas we as a community and city can accomplish together to make law enforcement's job a little easier; it's about making the environment cleaner and more active; it's about hopefully making the area a little less conducive to bad behavior. The second challenge is presented to us by the huge developments proposed nearby. The most pressing of the two projects at this time appears to be the Dome project, about which AAA Board of Directors will need to opine in the relatively near future. Two points about this:

First, it's pretty safe to say we all would like to see an attractive new community fishing pier with a restaurant, as well as cool attractions on the Dome site - such as a state of the art music theater, other attractions such as a wave park, as well as residences, offices and parking. These aspects would help the resort get closer to being a year-round area and make the oceanfront a more likely destination for locals and visitors. The huge rub is the magnitude of associated restaurant and retail being proposed. We should all stay tuned for an important consultant's report on additional room nights/visitation vs displacement caused by the Dome development. Secondly, it's critical for us all to recognize that the uncertainty surrounding these two projects makes it very difficult for long term capital investment to happen along Atlantic Avenue - aka "improving the product."

Here's the issue. Investors hate uncertainty. For substantial fresh, new private investment along Atlantic Avenue to occur - aka a bunch of entrepreneurial risk-takers who believe in the future of an area enough to gamble their hard earned money there - we need certainty. We need to KNOW the nature of these projects. Specifically, very real and legitimate concerns about overbuilding need to be assuaged. Until this happens, many will sit on the sidelines.

When I first invested and took on risk at the resort in 1987, I believed in the City's commitment to tourism. Like many of you, I saw that "ground zero" for Virginia Beach tourism was Atlantic Avenue and its unique 3 mile stretch of hotels and small businesses. Sure, rents were and are high, but if there's money left at the end, it can be worth the risk of signing a lease and building out a space. Like many of you, I've personally borrowed and upped the ante many times over. However, despite glowing tourism numbers touted for the entire City and also considering arguably a generally stagnant Atlantic Avenue area micro-economy, the specter of two huge projects with almost 250,000 square feet of proposed restaurant and retail a stone's throw away rightfully gives many investors pause. This is not about being afraid - it's about being smart.

The truth is not one of us is afraid of competition. If we were, we wouldn't be down here. In fact, we small business operators embrace competition more than anybody! We see what's out here. We do our research. We budget. We commit to a lease. We design our facility. We invest in product and personnel. We buy ads. We are employers and producers who take many calculated risks. Afraid? To the contrary, we confidently stick our neck out every season, year after year. So, don't let anyone try to tell you we are "afraid of competition." It's the unforeseen - the unknown that casts a dark shadow and has many of us, as well as outside investors, do what is wise - wait. In the end, first and foremost, for significant private investment to occur along Atlantic Avenue, we need certainty in the future. Nonetheless, we should all be very encouraged by the overall positive direction of things.

A lot has happened in less than a year and much more is sure to come. The best news is that for the first time I can remember, we are all starting to work together. But we need your help. AAA needs your membership - with your participation and your ideas and the ideas of many more outside these doors - we can help move the needle a little at a time to make our resort a vibrant, attractive community to visit, enjoy, work and live.