

PROPOSED

Hotel Madison and  
The Shenandoah Valley  
Conference Center

City Council Meeting

October 14, 2014

# History of the Project

April 2012	Received unsolicited PPEA for a <b>205-room hotel and a 21,000 sq ft. conference center</b> from dPM Partners. Project accepted at “conceptual phase” in September. Proceeded to “detailed phase” in Jan. 2013. No competing proposals received.
Spring 2013	JMU received and accepted an unsolicited PPEA for a Hotel & Conf Center to be constructed at corner of Main and MLK Way. No competing proposals received.
Fall 2013	City and Foundation begin drafting agreement that would allow Foundation to pay for Conference Center and City to reimburse through a grant program
June 2014	City and Foundation could not establish acceptable terms; negotiations ceased
Aug. 2014	Communication was reestablished among project partners
Sept. 2014	Tentative agreement is reached and request is made for a public hearing

# Roles of Project Partners

JMU	Provide the land for the project and build a 1,000-vehicle parking deck
dPM Partners	Pay to construct the Hotel
JMU Foundation	Pay to construct the Conference Center
dPM Partners will operate and manage both facilities	
City	Implement an economic development program to provide annual grants to JMU Foundation which will be used to reimburse the Foundation for its cost in constructing the Conference Center
The annual grant amount is based only upon the revenues generated by the Hotel and Conference Center during each fiscal year	

# Estimated Costs for the Project

- Hotel: \$30 million;
- Conference Center: \$10 million; and
- Parking Deck: \$15-16 million

# Anticipated Incremental Increase in Tax Revenues

Category of Taxes	Projected Tax Receipts (Year 1 of Operations)	Projected Tax Receipts (Year 10 of Operations)
Lodging (Rooms)	\$ 379,363	\$ 582,490
Meals (Food & Beverage)	210,600	291,013
Business License	18,625	27,526
Real Estate	221,297	288,744
Personal Property	81,408	24,422
Personal Property (Computers)	11,236	225
<b>TOTAL:</b>	<b>\$922,529</b>	<b>\$1,214,420</b>

# Ancillary Benefits

- Job Creation: 60 FTE positions to operate the facilities
- Construction: 80-100 workers employed during 18 month construction
- Hosting meetings and events in Harrisonburg that previously could not be accommodated
- Increased retail sales and restaurant purchases by visitors attending these events

# Ancillary Benefits, contd.

- Development is located on JMU-owned property
- Parking needs for this project will be accommodated on site
- Synergies with JMU
- Synergies with other local businesses
- Continued revitalization downtown

# Project Schedule

Public hearing

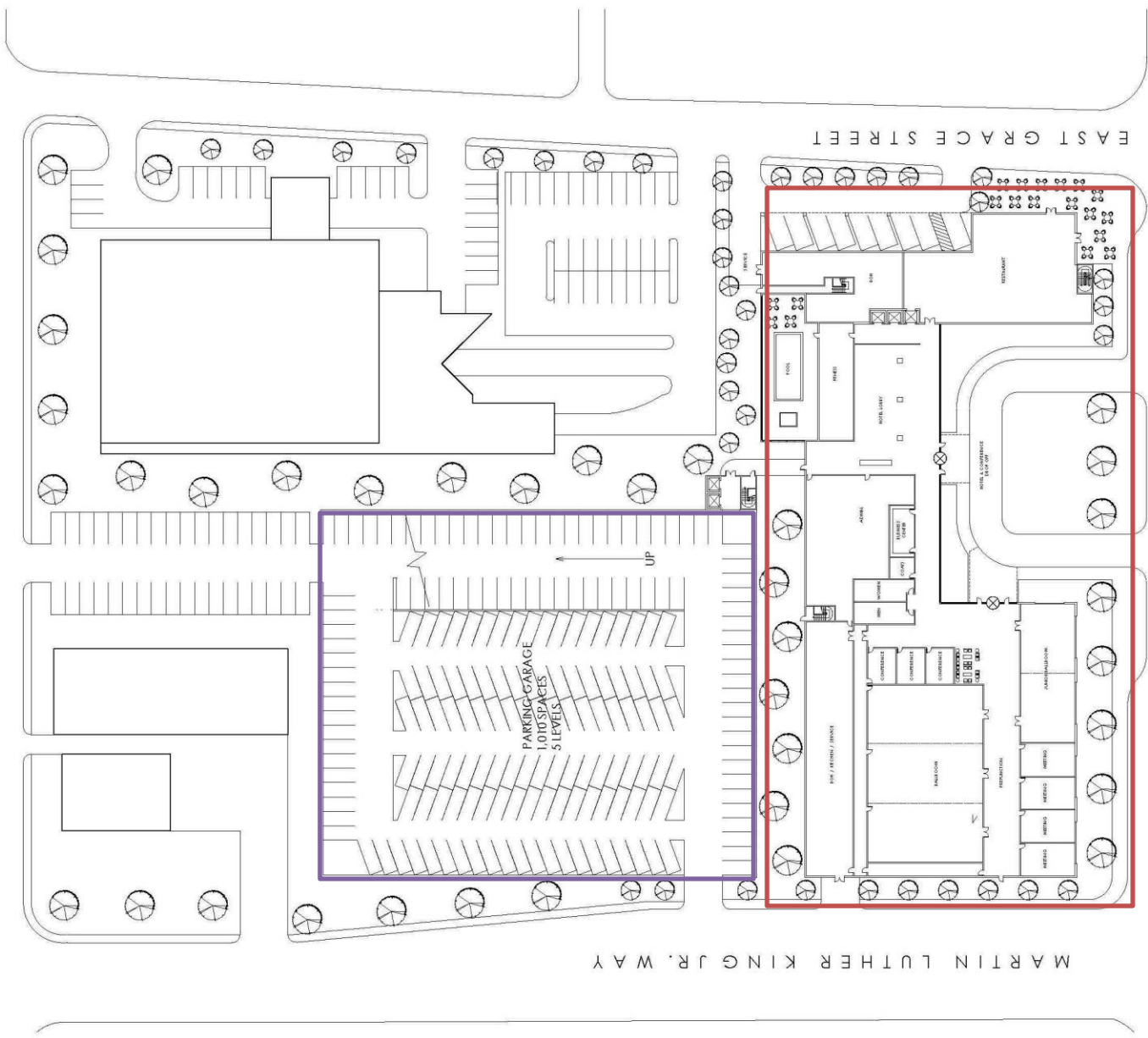
Partners execute agreement

Council vote; if approved, the following commences:

- Equity and loan closings; tax credit closings (next Spring)
- Architect commences construction drawings
- Complete construction drawings
- Bid and award building construction
- Commence building construction (18 months to complete)
- Complete building system testing /inspections; pre-opening activities
- Hotel opening (earliest – late Fall 2016)



SOUTH MASON STREET



SOUTH MAIN STREET



# Hotel View



**HOTEL MADISON  
&  
THE SHENANDOAH VALLEY CONFERENCE CENTER**

HARRISONBURG, VA



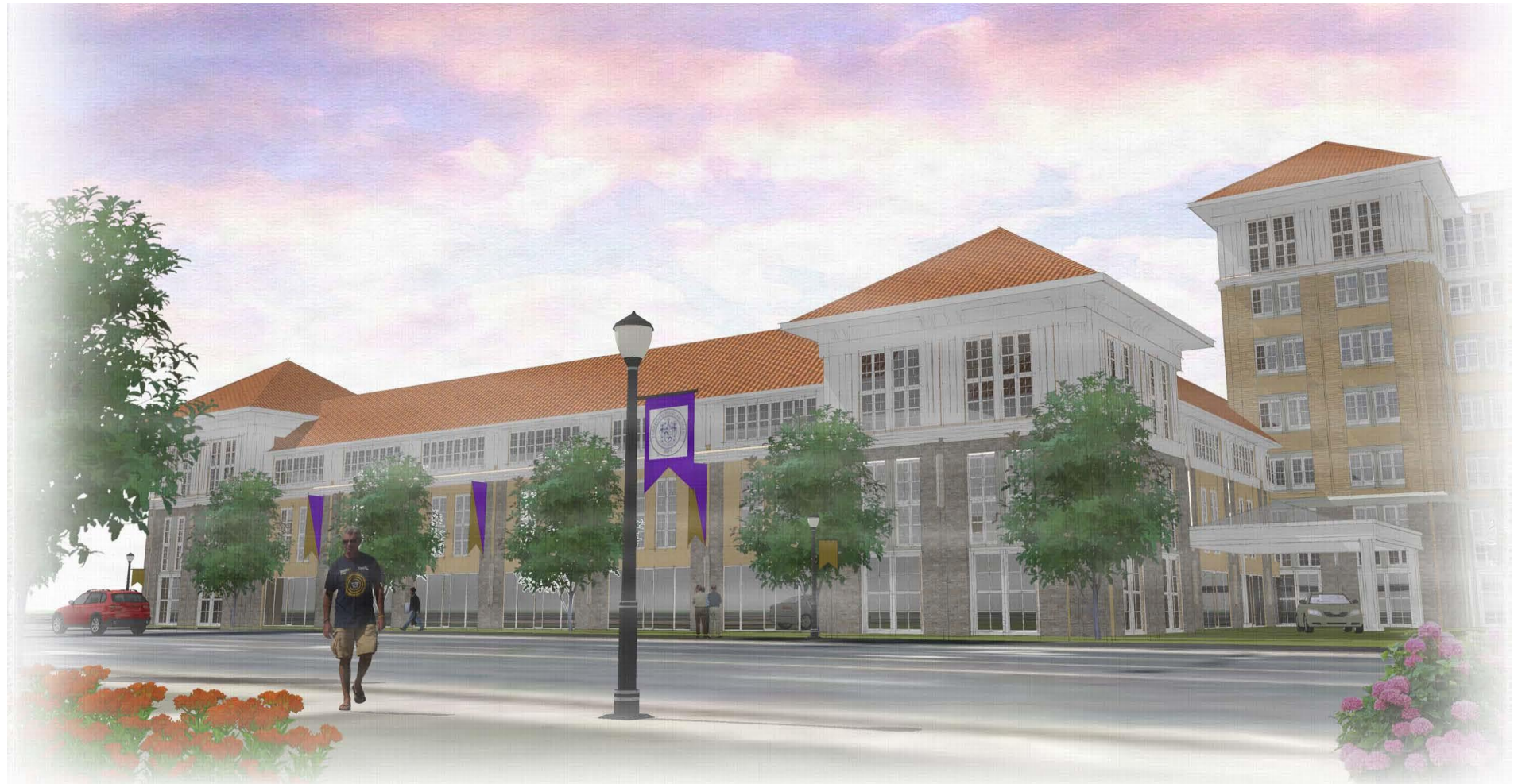
# Conference Center View



**HOTEL MADISON  
&  
THE SHENANDOAH VALLEY CONFERENCE CENTER**  
HARRISONBURG, VA



# Questions?



**HOTEL MADISON  
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THE SHENANDOAH VALLEY CONFERENCE CENTER**  
HARRISONBURG, VA

