

INTRODUCED: October 6, 2025

AN ORDINANCE No. 2025-233

To authorize a proposed tourism project at 921 Myers Street pursuant to the Virginia Tourism Authority's Tourism Development Financing Program in accordance with state law.

Patrons – Mayor Avula, Vice President Jordan, Ms Roberston, Ms. Jones and Ms. Lynch

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: NOV 10 2025 AT 6 P.M.

WHEREAS, the General Assembly of Virginia has established a Tourism Development Financing Program under the purview of the Virginia Tourism Authority (the "VTA"), which entitles a tourism project of regional significance to receive certain state and local tax revenues as outlined in the Code of Virginia, Title 58.1, Subtitle III, Chapter 38, Article 10 of the Code of Virginia (1950), as amended (the "Act"), for the purpose of covering debt financing to compensate for a shortfall in project funding between the expected development costs of an authorized tourism project of regional significance and the debt and equity capital provided by the developer of the project ("Gap Financing"); and

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: NOV 10 2025 REJECTED: _____ STRICKEN: _____

WHEREAS, the Act requires that a locality establish a tourism zone, establish a tourism plan, authorize a tourism project of regional significance to meet a deficiency identified in such plan, and designate certain local revenues to the project (the “Local Share”) in order for the project to be entitled to public funds in an amount equal to revenues generated by a one and a half percent (1.5%) state sales and use tax on transactions (the “State Share”) taking place on the premises of the project; and

WHEREAS, pursuant to Section 6-597 of the Code of the City of Richmond (2020), as amended, the Council established the Scott’s Addition Tourism Zone (the “Zone”); and

WHEREAS, the Economic Development Authority of the City of Richmond, Virginia (the “EDA”) has presented to the VTA for preliminary approval a tourism plan, a copy of which is attached hereto as Exhibit “A” (the “Plan”); and

WHEREAS, the Council believes that the Plan identifies a deficiency in that Scott’s Addition currently lacks any hotel entities in the luxury category to accommodate both business and tourism related travelers; and

WHEREAS, the developer, 921 Myers, LLC (the “Developer”), has proposed a tourism project of regional significance to meet a deficiency identified in the Plan (the “Project”), and has proposed spending approximately \$109,750,000 to construct a 253-key dual-branded hotel operated by Shamin Hotels, Inc., located at North Arthur Ashe Blvd and Myers Street in the city of Richmond; and

WHEREAS, the Developer has identified a plan of finance for the Project, which includes private debt and equity financing, along with other funds totaling at least 80 percent (80%) of the cost of the Project, leaving Gap Financing of no more than 20 percent (20%), as required by the Act; and

WHEREAS, upon information and belief of the Council, the Project will enhance the City's commercial tax base, increase employment, and fill the void of luxury hotel lodging to support the growing need for tourism and business-related lodging in the Zone; and

WHEREAS, under the Act, upon adoption of this ordinance, the Project will be entitled to receive the State Share and Local Share; and

WHEREAS, the Developer will contribute a one and a half percent (1.5%) additional fee for the purpose of paying the principal and interest on the Gap Financing (the "Access Fee"); and

WHEREAS, the State Share, the Local Share, and the Access Fee together will complete the plan of finance for the Project and provide the desired incentive for the full Project implementation; and

WHEREAS, to meet the requirements of the Act, the City, along with the EDA, will be required to enter into a performance agreement with the Developer;

NOW, THEREFORE,

THE CITY COUNCIL OF RICHMOND HEREBY ORDAINS:

§ 1. That the Plan, a copy of which is attached to this ordinance as Exhibit "A," is hereby adopted.

§ 2. That the Project, as proposed by the Developer for the Zone, is hereby authorized for the purpose of meeting the deficiency identified in the Plan.

§ 3. That, subject to the approval and certification of the State Comptroller of the Commonwealth of Virginia and conditioned upon the execution of a performance agreement between the Developer, the EDA, and the City (the "Performance Agreement"), the Council hereby designates to the Project the Local Share in accordance with the Act. Subject to the

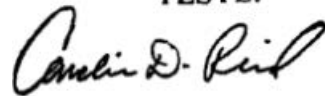
appropriation of such funds, the Council directs those funds to the EDA to be applied to the payment of principal and interest on the qualified Gap Financing for the Project for the duration and purposes set forth in the Act.

§ 4. That, upon remittance of the State Share by the Commonwealth and of the Access Fee by the Developer, as required by the Act, the City shall remit such amounts, together with the Local Share, to the EDA in accordance with the terms of the Performance Agreement.

§ 5. That, in the event that the total amount of the State Share, the Local Share, and the Access Fee exceeds any annual debt service on the Gap Financing, such excess shall be paid to the principal of the loan until the Gap Financing is paid in full.

§ 6. That Chief Administrative Officer is hereby authorized to execute, on behalf of the City, the Performance Agreement and such other documents, all of which must first be approved as to form by the City Attorney, as may be necessary to consummate the undertakings herein and is further authorized and directed to take actions consistent with the intent of this ordinance, without limitation, as required by the Act. The Performance Agreement shall be substantially in the form of the document attached to this ordinance as Exhibit "B."

§ 7. This ordinance shall be in force and effect upon adoption.

A TRUE COPY:
TESTE:

City Clerk

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: September 10, 2025
TO: The Honorable Members of City Council
THROUGH: The Honorable Dr. Danny Avula, Mayor
THROUGH: Odie Donald II, Chief Administrative Officer
THROUGH: Tanikia Jackson, DCAO, Finance and Administration
THROUGH: Letitia Shelton, Director of Finance
THROUGH: Meghan Brown, Director of Budget and Strategic Planning
THROUGH: Sharon L. Ebert, DCAO, Planning & Economic Development
THROUGH: Angie Rodgers, Director of Economic Development
FROM: DJ Mulkey – Sr. Development Manager, Economic Development
RE: 921 Myers St. – Tourism Finance Development Program Project Ordinance

ORD. OR RES. No. _____

PURPOSE: To authorize a proposed tourism project at 921 Myers Street pursuant to the Virginia Tourism Authority’s Tourism Development Financing Program in accordance with State law.

RECOMMENDATION: Adoption of the ordinance.

BACKGROUND: Richmond has a documented market deficiency in hotels, which impacts its ability to attract business and leisure tourists, and the related positive fiscal and economic development benefits. In 2016, pursuant to the enabling authority set forth in Va. Code 58.1-3851 et. seq., City Council adopted Ord. No. 2016-144 to establish tourism zones within certain areas of Richmond to attract tourism-related businesses. Scott’s Addition is one of the City's five tourism zones. Qualifying projects within a tourism zone are eligible to apply for the Commonwealth's

Tourism Development Financing Program (the "TDFP"), which provides gap financing for hospitality projects that address a market deficiency, such as a shortage of hotels.

The developer of a planned dual-branded AC Hotel by Marriott and Residence Inn by Marriott, located at 921 Myers Street (Parcel ID Number N0001481031), approached the City to partner on applying for TDFP. The development will feature approximately 253 rooms, a ballroom, conference space, a pocket park, and a bar and lounge.

The development has a planned capital investment of \$109.8M, which would be classified as a "Tier 2" TDFP project. By statute, TDFP can provide up to 20% of gap financing for a Tier 2 project. The development team is seeking approximately 13% of the project costs from the TDFP and has secured 87% of the total project budget from a combination of debt and equity sources.

Per the performance agreement, the gap financing would be paid through a partnership between the Developer, the City, and the Commonwealth. As a Tier 2 project, every quarter, Richmond and the Commonwealth will each contribute an amount equal to 1.5% of the hotel's quarterly revenue, and the developer will contribute an amount equal to 3% of the hotel's quarterly revenue, until the gap financing is repaid.

Adoption of the ordinance will enable the developer to pursue gap financing in accordance with the TDFP and authorize the CAO to execute a performance agreement between the Developer, the City, and the EDA.

FISCAL IMPACT: The 921 Myers project is projected to generate more than \$60M in net new City tax revenues over the first 20 years following completion.¹

¹ Sources of revenue = incremental real estate tax; local sales tax; meals tax; transient occupancy tax; tourism improvement district fee.

REQUESTED INTRODUCTION DATE: October 6, 2025

CITY COUNCIL PUBLIC HEARING DATE: November 10, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

AFFECTED AGENCIES: City Attorney's Office, Economic Development, Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: Ord. No. 2016-144

ATTACHMENTS:

Tourism Development Plan
Performance Agreement

STAFF: Angie Rodgers, Director of Economic Development; DJ Mulkey, DED; Matt Welch,
DED

TDFP | TOURISM DEVELOPMENT PLAN

Localities that are interested in pursuing the financing will need to submit a Tourism Development Plan which will be reviewed and certified by the Virginia Tourism Corporation (VTC). The Tourism Development Plan submitted can be an existing plan already adopted by a locality, or a plan can be created using VTC's Tourism Development Plan website.

The purpose of the plan is to (1) outline the specific void the proposed project will fill; (2) provide accurate representations of a locality's current tourism product and assets, infrastructure, marketing efforts and visitor profiles; and (3) show the return on investment the proposed project will have to the local tourism economy.

Name	Angie Rodgers	Date	September 12, 2025
Title	Director	Email	angie.rodgers@rva.gov
Organization	Department of Economic Development, City of Richmond, Virginia	Telephone #	804-646- 3792
Tourism Region	Central Virginia		
Locality	City of Richmond		
Project Name	921 Myers Street Marriott AC + Residence Inn Scott's Addition		

SECTION 1 PROPOSED DEFICIENCY

1-A What deficiency exists in your local tourism economy?

Over the last decade, the Scott's Addition neighborhood in Richmond, VA has experienced significant revitalization driven by substantial investments in redevelopment projects. The once industrial hub is now a lively hotspot of breweries, restaurants, small businesses, and multi-family mixed-use developments. Bound by Broad Street to the south, Interstate 195 to the west, railroad tracks to the north, and N. Arthur Ashe Boulevard to the east, the Scott's Addition Historic District is a walkable and vibrant neighborhood in the heart of Richmond.

Both locals and visitors are attracted to the burgeoning brewery scene in Scott's Addition, recently named Richmond's "craft beer capital" by CNN. The neighborhood, aptly dubbed the "Brewing District of Richmond" by Virginia Tourism, is home to nine alcohol producers. These establishments have become popular gathering places for friend groups, visiting guests, families, and workplace outings. Similarly, a restaurant scene bursting with casual cafes and upscale dining establishments caters to diverse tastes, preferences, and audiences.

In just 10 years, Scott's Addition has also emerged as a vibrant residential community. The neighborhood has added over 2,500 multi-family residential units, some of which are stylish lofts within converted historic buildings. The surge of residential development has ushered in young professionals and creatives seeking a vibrant urban lifestyle to this part of town.

The Scott's Addition neighborhood is proximally adjacent to the Museum District and the Fan District, both of which contain distinct tourist attractions including the Virginia Museum of Fine Arts, the Virginia Museum of History and Culture, Monument Avenue, and Virginia Commonwealth University. Additionally, there are two major attractions under construction nearby in the Diamond District. In the summer of 2024, the Richmond Flying Squirrels broke ground on a 9,000-seat stadium, which is a part of the larger Diamond District redevelopment initiative. VCU has also started construction on its Athletic Village, the future home to VCU's outdoor track facilities, tennis center, soccer stadium, and indoor field house.

Despite these positive and ongoing developments, Scott's Addition lacks a hotel to accommodate the growing number of visitors drawn to the neighborhood and surrounding Museum District, Fan District, Diamond District, and Carytown neighborhoods. This deficiency in lodging options presents several challenges for the local tourism market:

1. **Accommodation shortage** – Without a hotel, visitors are limited in their options for overnight stays. This can deter potential tourists who prefer the convenience and amenities offered by traditional hotels.
2. **Loss of tourism revenue** – Visitors who are unable to find suitable accommodation within Scott's Addition may choose to stay in neighboring areas instead. As a result, the City of Richmond misses out on potential tourism revenue from lodging, as well as ancillary spending on dining, shopping, and entertainment.
3. **Inconvenience for tourists** – For tourists interested in exploring Scott's Addition's breweries, restaurants, and cultural attractions, the lack of nearby lodging options can be inconvenient and detract from the overall experience. They may have to commute from other areas, limiting their time and willingness to fully engage with the neighborhood.
4. **Potential for limited growth** – The absence of a hotel may hinder the neighborhood's ability to fully capitalize on its revitalization efforts and reach its tourism potential. A hotel could attract larger events, conferences, and tour groups, stimulating further economic growth and investment in the area. An upscale hotel which caters to business travelers would also support and attract corporate headquarters to the Scott's Addition area.
5. **Lack of meeting space** – Not only does Scott's Addition lack lodging options, the neighborhood also lacks adequate meeting space for large events. With ample meeting and event space, the proposed Marriott will attract different types of visitors, including group events, conferences, business meetings, families, friend groups, and sports teams. Visitors will benefit from the amenities offered by the authentic neighborhood steps from the hotel. Historically, the area has not enjoyed the perks of contemporary amenities desired in today's economy.
6. **Richmond Region Tourism (RRT) TID addition** – The city of Richmond initiated the first Tourism Improvement District (TID) in the Commonwealth. Participating hotels in the City of Richmond, Ashland, Hanover County and Colonial Heights collect visitors' fees dedicated to increasing tourism marketing and capital improvements in the RRT area. Adding this property will contribute to this innovative and much-needed investment in regional tourism.

In summary, while Scott's Addition has experienced a remarkable transformation, the absence of lodging within and around the bustling neighborhood represents a significant deficiency in the local tourism market. Addressing this gap could unlock further opportunities for growth and solidify the neighborhood's position as a premier destination within the region.

1-B Provide the data supporting the deficiency in your Locality's comprehensive community plans and project-related market studies

In the last decade, both Richmond Region Tourism and the City of Richmond have invested heavily in local tourism development, particularly in Scott's Addition. In 2018, Richmond Region Tourism (RRT) created its first Tourism Master Plan in an effort to not only attract more visitors to Richmond, but also improve the quality of the visitor experience.

By 2030, the Richmond Region is expected to welcome more than 9 million visitors, the majority of whom are family-oriented travelers, experience enthusiasts, and sophisticated travelers who wish to immerse themselves in culture and experience Richmond as locals do. The Tourism Master Plan indicates there is work to be done to appeal to each of these audiences; however, the proposed Marriott hotel in the walkable, amenity-rich Scott's Addition neighborhood will serve this growing tourism sector.

In 2023, the City of Richmond initiated the first Tourism Improvement District (TID) in the Commonwealth. Participating hotels in the City of Richmond, Ashland, Hanover County, and Colonial Heights collect visitors fees

dedicated to increasing tourism marketing and capital improvements in the RRT area. The Marriott Project will contribute to the much-needed investment in regional tourism.

In 2016, the Richmond City Council designated Scott's Addition as one of five tourism zones in the City, allowing the opportunity for incentives to drive further development. In the Richmond 300 Master Plan, adopted by City Council in December 2020, Scott's Addition is identified as a Priority Growth Node, where the City is encouraging the most significant growth in population and development over the next 20 years. As part of the vision to create a diverse economy, Richmond 300's framework established developing the tourism sector of the economy as a central goal of the plan. It posits that the City should increase the availability and options for lodging in the city (Objective 12.3) by encouraging the development of hotel rooms in Nodes, like Scott's Addition.

Scott's Addition and the nearby Museum, Fan, and Diamond Districts, located adjacent the Project Site, are considered tourism destinations, yet none have hotel developments. In September 2024, ground was broken for a new stadium and multi-purpose entertainment venue, CarMax Park. The new stadium will be within walking distance of the Marriott Project. The Project Site's location is unique due to its proximity to walkable amenities, myriad tourism attractions, VCU, and the downtown urban core. By virtue of its location off West Broad Street, the Marriott Project is well connected to the system of roadways serving Metro Richmond. The Project is .5 mile from Interstates 195, 95, 64, and only 2.5 miles from downtown Richmond.

1-C Provide the data supporting the deficiency in your Developer's specific market study

- * For the above, please highlight the specific data proving the deficiency
- * The data should include an inventory of similar tourism product and visitor demand indicators
- * If lodging, include number, name, proximity, service level & pricing of existing, local lodging

The Market Study indicates that the Richmond hotel market has demonstrated a high-level of supply-induced demand evidenced by a 28% increase in hotel inventory coinciding with a 29% increase in occupied room nights between 2015 and 2019. The competitive market in Richmond has demonstrated success with the absorption of new hotel inventory, particularly from the 2014 and 2016 openings of two dual-branded hotels in downtown Richmond. The 28% increase in inventory from these rooms helped to generate a proportionate increase in occupied room nights between 2015 and 2019. Post-pandemic demand has steadily improved, growing 3.2% through July 2024. Moreover, the competitive set's RevPAR has grown 6.4% since July 2024.

The nearest existing hotel to Scott's Addition is the Courtyard by Marriott, which is situated across Interstate 195 from Scott's Addition. This inconvenient location poses fundamental psychological and logistical challenges for guests seeking a pedestrian-oriented experience of the Scott's Addition neighborhood. The Marriott Project will effectively function as the only high-quality, large-scale commercial hotel situated within Scott's Addition and the surrounding area.

Under construction is a 73-room boutique hotel located approximately one mile southeast of the subject property near VCU's Monroe Campus. The boutique hotel known as Shenandoah Mansions will be the first hotel in the Fan District and is primed to open in February 2025. The impact of this new hotel on the subject property will be limited by the significant difference in the two projects' profiles. The Marriott Project represents a large-scale hotel operating under two Marriott brands and equipped with extensive meeting space and other public amenities, which cater to a broad range of travelers.

1-D Provide information supporting the Developer's need for State and Local gap financing?

- * Include information citing the specific financial need for TDFP and potential project termination without TDFP

The total project cost is estimated at \$109.7 million. The current capital stack calls for approximately \$ 62.7 million, or 57.1% of the project's costs, to be provided as a first mortgage by United Bank. An additional \$33.1 million of the project's cost, representing 30.1% of the capital stack, will be funded by equity capital provided by the developer, and the remaining \$14.03 million of the project's cost, representing 12.8% of the capital stack will be provided by the Commonwealth of Virginia's TDFP Gap Financing Program.

The developer has, therefore, secured 87.2% of the total project budget from a combination of debt and equity sources, which exceeds the 80% threshold required by Section 58.1-3851.2 of the Code of Virginia.

Due to the quality, scale, and complexity of the project, existing environmental conditions on the site, and the numerous off-site public benefits incorporated into the project, the developer requires assistance in the form of gap financing from the TDFP program.

1-E Briefly describe the overall scope of your project and how it fills your proven deficiency.

The Project is a dual-branded AC by Marriott lifestyle hotel and an all-suite extended stay Residence Inn by Marriott, consisting of 133 hotel rooms and 120 suites. The development will transform a closed Hardee's restaurant site into a 11-story upscale high rise. The addition of approximately 253 hotel rooms in the area will fill a significant deficiency in hotel product in not only Scott's Addition, but also the adjacent Museum and Fan Districts.

In addition to providing much needed hotel product to the area, the Marriott AC + Residence Inn will also include an elegant ballroom and conference space that will attract both corporate and leisure events to Richmond. Today's meeting planners are searching for unique destinations to host meetings, and the growing vibrancy of Scott's Addition bundled with modern meeting space in a new hotel will address this need.

The Project itself will be a destination to travelers. A ground floor restaurant, outdoor dining, a rooftop restaurant and bar with views of Downtown Richmond will activate an otherwise stagnant part of the neighborhood. These project features will provide a rare space for visitors and residents to gather and socialize. The Project's pocket park along Arthur Ashe Boulevard, which will be served by the AC bar and lounge, will serve to activate the pedestrian walkway between Broad Street and the future developments within the Diamond District, including the newly broken ground CarMax Park.

There are also many events that take place in the area, including the Richmond Marathon, the Iron Blossom music festival, and Shamrock the Block. Currently, there are no hotels that support and cater to visitors in this vibrant tourism area.

1-F What is the total capital investment of the development project? The expected capital investment is \$109,830,000.

1-G What is the estimated, total gap financing amount requested for the project? The gap financing is currently estimated to be 12.8% of the project costs, or roughly \$14,030,000; however, the gap financing will not exceed \$20,000,000 or approximately 18.2% of the capital stack, per the terms of the performance agreement.

1-H Will this proposed project fit into an existing Tourism Zone? Yes. Scott's Addition Tourism Zone.

1-I The proposed project will accomplish the following: *jobs, tax revenue, increased visitation

Annual, Total # of Full-time employees * (40 hrs./week)	100
Annual, Total # of Part-time employees * (less than 40 hrs./week)	60
Annual, Total # of <u>hours</u> for Full-time employees * (40 hrs./week)	208,000
Annual, Total # of <u>hours</u> for Part-time employees * (less than 40 hrs./week)	62,400
Projected FTE (Full Time Equivalent) Jobs	130

Projected, annual, <u>local</u> tax revenue from project expected to be (20-year annual average inclusive of: incremental real estate tax; local sales tax; meals tax; transient occupancy tax; tourism improvement district fee)	3,637,720
Projected, annual, <u>state</u> tax revenue from project expected to be (20-year annual average state sales tax)	1,288,643
Projected, annual visitors to the new business (total) are expected to be	167,590
Projected, annual out-of-town visitors (50 miles or more) to the new business	127,990

SECTION 2 PRODUCT ANALYSIS

2-A What attributes best describe your area: (Check each box with your cursor, placing an "X" by all that apply)

Nature / Outdoor Recreation

- ☐ Mountains
- ☒ Scenic Drive
- ☐ State Parks
- ☒ Hiking
- ☐ Camping
- ☐ Caverns
- ☐ Lakes
- ☒ Rivers
- ☐ Beaches
- ☐ Chesapeake Bay
- ☒ Wildlife Watching
- ☐ Motorsports
- ☐ Road cycling
- ☐ Agricultural – Wineries
- ☒ Agricultural – Farmers Markets
- ☐ Agricultural – 'Pick your own'

History, Heritage & Culture

- ☒ Revolutionary
- ☒ Civil War
- ☒ Civil Rights
- ☒ African American / Black American
- ☒ Indigenous Virginian / Virginia Indian
- ☒ Women in Virginia
- ☒ Hispanic, Latino, LatinX
- ☐ Asian Pacific Islander Desi American (APIDA)
- ☒ LGBTQ+
- ☐ European American
- ☐ Other

Epicurean / Experiential

- ☒ Cities / Urban centers
- ☐ Small Towns & Main Street Communities
- ☒ Locally Owned Bistros and Restaurants
- ☒ Virginia Specialties / Southern Cuisine
- ☒ Ethnic foods
- ☐ Resorts-High-end
- ☐ All-Season Resorts / Outdoors (mountains, water)
- ☒ Fine Dining
- ☒ VA Finest / Locally Grown / Farm to Table

Do you offer seasonal or year-round experiences?

- ☐ Seasonal
- ☒ Year-round

Sports / Recreation

- ☒ Boating/Sailing
- ☒ Canoe/Raft/Kayak
- ☒ Fishing-Fresh Water
- ☐ Fishing-Salt Water
- ☒ Golf
- ☐ Horse Racing/Horse Shows
- ☐ Hunting
- ☒ Motor Sports/NASCAR/Indy
- ☒ Biking
- ☐ Road cycling
- ☐ Snow Sports
- ☒ Sports Event College/Professional
- ☒ Sports Tournament – Personal or Family
- ☐ Other

Arts & Culture

- ☒ Museum-Children's
- ☒ Museum-History
- ☒ Museum-Military
- ☒ Museum-Science
- ☒ Museum-Fine Art
- ☒ Historic Homes
- ☒ Creative / Art Districts
- ☒ Colleges/Universities

Entertainment / Amusement

- ☐ Amusement/Theme Parks
- ☒ Festivals-Food
- ☒ Festivals-Heritage
- ☒ Festivals-Music
- ☒ Festivals-Wine
- ☒ Live Performance & concerts
- ☒ Shopping-Antiques
- ☒ Shopping-Arts & Crafts
- ☐ Shopping-Malls
- ☐ Shopping-Outlets
- ☐ Shopping-Wineries

Do you have a peak season?

- ☒ Spring
- ☒ Fall
- ☐ Summer
- ☐ Winter

SECTION 2 PRODUCT ANALYSIS

2-B What are the major lures and drivers that attract tourists to your area?

What are the major attractions, activities and experiences that draw visitors to your area?

1. **Historic significance:** Richmond played a crucial role in American history, particularly during the Civil War. Tourists are drawn to the city's rich historical sites, including the Virginia State Capitol, which was designed by Thomas Jefferson, and the American Civil War Museum, which provides insight into Richmond's role as the capital of the Confederacy.
2. **Cultural attractions:** Richmond boasts a vibrant arts and cultural scene, with numerous museums, galleries, and theaters. The Virginia Museum of Fine Arts is a major draw, featuring an extensive collection of art spanning thousands of years and diverse cultures. Adjacent Museum of History and Culture, Children's Museum and the Science Museum of Virginia are also major draws. Additionally, the city hosts regular events and festivals celebrating music, food, and the performing arts.
3. **Outdoor recreation:** Nature enthusiasts are attracted to Richmond's abundance of outdoor recreational opportunities. The James River Park System offers miles of hiking and biking trails, as well as opportunities for kayaking, whitewater rafting, and fishing. Belle Isle, located in the James River, is a popular spot for picnics, sunbathing, and rock climbing.
4. **Culinary scene:** Richmond has gained recognition for its burgeoning culinary scene, with an array of restaurants, cafes, and food markets showcasing diverse cuisines and local flavors. From Southern comfort food to international fare, visitors can indulge in a variety of dining experiences across the city.
5. **Craft beverage industry:** The craft beverage industry has flourished in Richmond, with a growing number of breweries, cideries, distilleries, and wineries dotting the city's landscape. Tourists are drawn to brewery tours, tasting rooms, and special events that highlight the creativity and craftsmanship of local brewers and distillers.
6. **Shopping and entertainment:** Richmond offers ample opportunities for shopping and entertainment, with bustling shopping districts, eclectic boutiques, and antique shops. Visitors can also enjoy live music, theater performances, and nightlife venues throughout the city.
7. **Sports entertainment:** Located directly adjacent to Scott's Addition, the burgeoning Diamond District is the future home of not only Richmond's new minor league baseball stadium, CarMax Park, but also VCU's new Athletic Village. Players, coaches, families, and spectators will soon be flocking to the area

Overall, the combination of historical significance, cultural attractions, outdoor recreation, culinary delights, craft beverages, and shopping and entertainment options makes Richmond a compelling destination for tourists seeking a diverse and memorable travel experience.

2-C What is your **UNIQUE** factor? What sets you apart from the competition?

Unique by definition:

- The only one; without a like or equal; distinctively characteristic; atypical or unusual

What makes your destination truly different? Is it a particular attraction, historical location, cultural experience, social, ethnic or religious center or a geographical element different from that of a neighboring locale? Or is it a combination of the aforementioned.

Scott's Addition is Richmond's vibrant and rapidly evolving neighborhood known for its unique blend of historic charm and modern energy. Once an industrial hub, the area has transformed into a lively destination filled with breweries, distilleries, restaurants, and creative spaces. The architecture showcases a mix of renovated warehouses and contemporary buildings, contributing to its urban, eclectic atmosphere.

Scott's Addition also features a strong sense of community, with events, murals, and local businesses that celebrate the neighborhood's distinctive character and foster a dynamic, inclusive environment. This development will supply lodging and meeting space not currently offered in this neighborhood.

2-D Who is your major competition?

Is there a particular region, community, attraction or travel experience that is your primary competition?

How many other destinations have similar factors within 5-0 – 100 – 150+ miles?

The Richmond Region competes in the leisure travel market with several nearby cities, each offering distinct attractions that draw visitors for different reasons.

Charleston, SC, and Savannah, GA, are known for their well-preserved historic districts, charming cobblestone streets, and coastal beauty. Both cities emphasize Southern hospitality, antebellum architecture, and a strong culinary scene, making them top choices for travelers seeking a quintessential Southern experience.

Raleigh, NC, and the broader Research Triangle area, combine history with modernity, featuring vibrant arts scenes, top-notch museums, and proximity to universities. This area appeals to visitors looking for a blend of education, culture, and outdoor activities.

Baltimore, MD, and Washington, D.C., are major urban centers with significant cultural, historical, and political attractions. Washington, D.C. stands out with its iconic landmarks like the National Mall, museums, and government buildings, while Baltimore offers a mix of historical sites, a revitalized waterfront, and a strong arts scene.

Richmond distinguishes itself in this competitive landscape by offering a balance of rich history, a burgeoning arts and culinary scene, and outdoor activities. The Region's unique position at the crossroads of American history, along with its vibrant neighborhoods like Scott's Addition, makes it a compelling destination for those seeking a blend of cultural, historical, and modern experiences. Richmond's affordability, central location, and growing reputation as a cultural hub further enhance its appeal in the regional leisure travel market. The City's cultural attractions, dining and drink options, and intriguing neighborhoods have launched it to number 1 on CNN's list of America's Best Towns to Visit in 2024.

SECTION 3 S.W.O.T. ANALYSIS

3-A Gauge your tourism INFRASTRUCTURE (Check each box with your cursor, placing an "X" by all that apply)

How would you rate your **Transportation**?

	Strong	Average	Weak
Interstates	☒	☐	☐
Secondary roads	☒	☐	☐
Signage	☐	☐	☒
Bus travel	☐	☒	☐
Train travel	☒	☐	☐
Air travel	☐	☒	☐
Waterways	☐	☐	☒
Taxi service	☐	☐	☒
Biking paths	☒	☐	☐

How would you rate your **Public Services**?

	Strong	Average	Weak
Police force	☒	☐	☐
Healthcare	☒	☐	☐
Public Utilities	☒	☐	☐
Waste management	☒	☐	☐
Rescue support	☒	☐	☐
Communications	☒	☐	☐
Public parks/recreation	☒	☐	☐

How would you rate your **Environment**?

	Strong	Average	Weak
Air quality	☒	☐	☐
Noise levels	☐	☒	☐
Traffic	☒	☐	☐
Landfills	☒	☐	☐
Wetlands	☒	☐	☐
Public health	☐	☒	☐

3-B Gauge your tourism ECONOMY & BUSINESS COMMUNITY (Check each box with your cursor by all that apply)

How would you rate your **Accommodations**?

	Strong	Average	Weak
B&Bs	☐	☒	☐
Inns	☐	☐	☒
Hotels	☒	☐	☐
Resorts	☐	☐	☒
Rental property	☐	☒	☐
Cottages	☐	☐	☒
Cabins	☐	☐	☒
Campsites	☐	☐	☒

How would you rate your **Attractions**?

	Strong	Average	Weak
Shopping	☐	☒	☐
Dining	☒	☐	☐
Historic	☒	☐	☐
Museums	☒	☐	☐
Wineries	☐	☒	☐
Music festivals	☒	☐	☐
Zoos / animal parks	☐	☒	☐
Art galleries	☒	☐	☐
Nature trails & facilities	☒	☐	☐

How would you rate your **Facilities**?

	Strong	Average	Weak
Universities	☒	☐	☐
Performing arts	☒	☐	☐
Outdoor parks	☒	☒	☐
Convention facilities	☐	☒	☐
Sporting venues	☐	☐	☒
Event spaces	☐	☒	☐

3-C Gauge your LOCAL SOCIAL AND CULTURAL ASSETS (Check each box with your cursor by all that apply)

How would you describe your **Heritage & Culture?**

	Strong	Average	Weak
Multi-cultural diversity	☒	☐	☐
Geography	☒	☐	☐
Architecture	☒	☐	☐
Historical improvements	☒	☐	☐
Language	☒	☐	☐
Material culture	☒	☐	☐
Aesthetics	☒	☐	☐
Religious diversity	☒	☐	☐

How would you rate your **Integrity of the Area?**

	Strong	Average	Weak
Safety	☐	☒	☐
Cleanliness	☐	☒	☐
Friendliness	☒	☐	☐
Stability	☒	☐	☐
Quality of life	☒	☐	☐

How would you rate your **Facilities?**

	Strong	Average	Weak
Visitor friendly	☒	☐	☐
Civic mindedness	☒	☐	☐
Respect for diversity	☒	☐	☐
Political climate	☒	☐	☐
Unity among civic groups	☒	☐	☐
Local sports team support	☒	☐	☐
University/College town	☒	☐	☐

3-D Gauge your TOP 3 Strengths, Weakness, Opportunities and Threats

S.W.O.T. analysis is a process that identifies the strengths, weaknesses, opportunities and threats of an organization. Specifically, SWOT is a basic, straightforward model that assesses what an organization can and cannot do as well as its potential opportunities and threats. The method of SWOT analysis is to take the information from an environmental analysis and separate it into internal (strengths and weaknesses) and external issues (opportunities and threats). Once this is completed, SWOT analysis determines what may assist the organization in accomplishing its objectives, and what obstacles must be overcome or minimized to achieve desired results.

Strength <u>Obvious natural priorities</u> ● Likely to produce greatest ROI (Return On Investment) ● Likely to be quickest and easiest to implement ● Probably justifying immediate action-planning or feasibility study	Weakness <u>Potentially attractive options</u> ● Likely to produce good returns if capability and implementation are viable ● Potentially more exciting and stimulating and rewarding than S/O due to change, challenge, surprise tactics, and benefits from addressing and achieving improvements
Threats <u>Easy to defend and counter</u> ● Only basic awareness, planning, and implementation required to meet these challenges ● Investment in these issues is generally safe and necessary	Opportunity <u>Potentially high risk</u> ● Assessment of risk crucial ● Where risk is low then we must ignore these issues and not be distracted by them ● Where risk is high, we must assess capability gaps and plan to defend/avert in very specific controlled ways

TOP 3 STRENGTHS - Characteristics of community or area that give it an advantage over others

#1 Location. The Richmond Region enjoys a highly convenient location on the East Coast, making it easily accessible for travelers from major metropolitan areas. Situated along the I-95 corridor, the city is within a short drive of Washington, D.C. and NOVA, our largest feeder markets. The Richmond Region is situated within a day's drive of half the U.S. population, easy to access via car, rail or air.

#2 Recent notoriety. CNN named Richmond the #1 town to visit in 2024. The accolade has elevated Richmond's reputation nationally and internationally, leading to increased media attention and solidifying its position as a must-visit destination. In addition, major publications such as Southern Living and many others are recognizing Richmond's dining, beverage and entertainment offerings, many of which are clustered in Scott's Addition.

#3 Vibrant Arts and Culture Scene: Richmond has a thriving arts and cultural scene that includes renowned museums like the Virginia Museum of Fine Arts, a dynamic street art culture, and a diverse array of theaters and galleries. The city is also known for its lively festivals, music, and culinary offerings, particularly in neighborhoods like Scott's Addition, which contribute to a rich, creative atmosphere that appeals to a broad range of visitors.

TOP 3 WEAKNESSES - Characteristics that place your community or area at a disadvantage relative to others

#1 Lack of a large headquarters hotel adjacent to the Greater Richmond Convention Center caused the following in lost business since 2019.

Total # of Events: 181

Total Estimated Room Nights: 307,560

Total Estimated Attendees: 200,652

Total Estimated Economic Impact: \$247,303,822

Hosting those events would have caused compression in the market to drive business to hotels outside of the downtown core.

#2 Outdated perceptions of Richmond as a city defined by its role in the slave trade and the Civil War can negatively impact travelers' opinions of the destination today. These historical associations sometimes overshadow the city's modern identity, leading potential visitors to view Richmond through a narrow and outdated lens. This can deter travelers who are unaware of the city's progress and its vibrant, inclusive community. Despite Richmond's significant efforts to confront its past and promote a more comprehensive narrative that includes its rich cultural diversity and thriving arts scene, lingering misconceptions can still influence visitor decisions and limit the city's appeal as a dynamic and forward-looking destination.

#3 Perception of Safety: Like many urban areas, Richmond has neighborhoods with higher crime rates, and this can sometimes affect the overall perception of safety among potential visitors. While the city has made strides in improving safety and revitalizing various neighborhoods, overcoming these perceptions can be a challenge when competing with destinations that are viewed as safer by tourists.

TOP 3 OPPORTUNITIES - External chances to achieve greater success and profits in your industry

#1 First Virginia destination to form a **Tourism Improvement District (TID)**. The TID provides a sustainable revenue stream that increases Richmond Region Tourism's resources to advertising to increase its visibility by expanding targeted marketing efforts beyond the region, promote and incentivize meetings, conventions and tournaments.

#2 Enhancing Accessibility and Infrastructure: Improving transportation options and infrastructure can make Richmond more accessible and appealing to visitors. Expanding direct flights to Richmond International Airport, enhancing public transportation within the city, and developing more pedestrian-friendly areas can improve the overall visitor experience. Additionally, investing in new hotels, conference centers, and other visitor amenities could attract more conventions, business travelers, and large events, further boosting tourism.

#3 Continue to Promote Culinary and Beverage Tourism: Richmond can continue to capitalize on its strengths by developing niche tourism segments, such as culinary tourism, craft beer and spirits tourism, and heritage tourism. The city's growing food scene, which includes a variety of local restaurants, breweries, and distilleries, can be leveraged to attract food and drink enthusiasts. Already the Richmond Beer Trail and Mimosa Trail are being leveraged this way.

TOP 3 THREATS - External elements in the environment that could cause trouble for business or community

#1 Competition from Nearby Destinations: Richmond competes with well-established and popular nearby cities like Washington, D.C., Raleigh and Charleston, which have strong brand recognition and a steady flow of tourists. These destinations offer similar historical and cultural experiences, often with more extensive marketing budgets and larger attractions, making it challenging for Richmond to stand out.

#2 Economic Downturns and Travel Trends: Economic downturns or shifts in travel trends could pose significant risks to Richmond's tourism industry. For example, a recession could lead to reduced travel spending, impacting the number of visitors to the region. Additionally, if travel trends shift away from mid-sized cities or historical destinations in favor of other types of experiences (e.g., eco-tourism, adventure tourism), Richmond may face challenges in adapting quickly enough to maintain its appeal.

#3 Insufficient Investment in Tourism Infrastructure: Without continued investment in tourism infrastructure, including hotels, transportation, and visitor services, the Richmond Region may struggle to accommodate increasing numbers of tourists or meet rising expectations. Competitors that continually upgrade their facilities may attract visitors who are seeking modern amenities and convenience, potentially drawing them away from Richmond.

4-A Please submit your current or existing marketing plan.

4-A Please submit your current or existing marketing plan.

City of Richmond partners with Richmond Region Tourism for tourism marketing. Submitted documents include the Richmond Region TID Plan, the Richmond Region Business Plan, and the Richmond Region 2030 Strategic Plan. The project will have a positive impact on marketing strategies by filling a gap in hotel rooms needed for nearby tourism assets and by providing additional meeting space to further the region's meeting attraction efforts, including group events, conferences, business meetings, family gatherings, friend groups, and sports teams.

Your marketing plan will have the following results:

Annual Marketing Budget	\$1.69 million for meeting and sports event incentives
* Not including salaries, benefits or fixed costs	
Visitation increased by	111,932 room nights across Richmond Region
Tourist expenditures increased by	\$93.2 million in economic impact
Visitor satisfaction increased by	
Number of partnership participants in your marketing plan	30+

Examples of different types of partners who may contribute and collaborate in some way:

- Chamber of Commerce
 - Main Street Organization
 - Local Community / Culture / History Organization
 - Main Attractions
 - Lodging Organization
- Restaurant Organization
 - Retail Organization
 - Local Parks & Recreation
 - State Parks & Recreation
 - Local and Regional Media

TOURISM DEVELOPMENT FINANCE PROGRAM PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (the “Agreement”) is made and entered into this _____ day of _____, 2025, but effective the Commencement Date, by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (“City”), **921 MYERS LLC**, a Virginia limited liability company (“Company”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (“Authority”).

RECITALS

- A. Company plans to develop at 921 Myers Street, Richmond, Virginia an AC by Marriott lifestyle hotel and an all-suite Residence Inn by Marriott extended-stay hotel with approximately 253 rooms in aggregate, together with a conference space; a ground floor restaurant with pedestrian friendly outdoor dining along a pocket park; and a rooftop restaurant and bar with views of downtown and Scott’s Addition (the “Project”).
- B. The Project will promote tourism, economic development and industry, and will develop trade in the city, thereby benefitting the city’s inhabitants through the increase of their commerce and the promotion of their safety, health, welfare, convenience, and prosperity, including, but not limited to, the creation of new employment opportunities.
- C. Virginia Code Section 58.1-3851.2 (the “Code Section”) provides a mechanism by which a “tourism project of regional significance” such as the Project shall be entitled to certain sales and use tax revenues and shall use such tax revenues and an access fee to pay for “gap financing” as that term is defined in the Code Section (hereafter, the “Gap Financing”).
- D. Company plans to use D.A. Davidson & Co., Inc. as the source of its Gap Financing.
- E. The City has taken the following steps as required by the Code Section and as necessary in order for the Project to receive the state and local sales and use tax revenues authorized therein:
 - 1. Established the Scott’s Addition Tourism Zone by City Code Sec. 6-597, in which Tourism Zone the Project is located; and
 - 2. By Ordinance No. 2025-, adopted ,  (the “Project Ordinance”), adopted a tourism development plan with respect to the Project (the “Tourism Development Plan”) and endorsed the Project in order to address a deficiency identified in the Tourism Development Plan.

- F. As required by the Code Section, the Company has secured funding for the Project which includes private debt and/or equity financing totaling at least 80% of the cost of the Project, leaving a financing gap of no more than 20%.
- G. The City and the Authority have offered, and the Company has accepted, the incentives set forth in this Agreement in exchange for the performance promised within and required by this Agreement.
- H. The Company has agreed to pay the access fee required by the Code Section (the “Statutory Access Fee”), and additional access fee (the “Additional Access Fee”), each as hereafter further described, to be used, along with the tax entitlement revenues described in the Code Section, to service the Gap Financing.
- I. The City is authorized by Virginia Code Section 15.2-953 and other laws, and Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia, and other laws, to perform the respective activities contemplated in this Agreement.
- J. The development of the Project and the stimulation of the additional tax revenue and economic activity created by the Project constitute valid public purposes for the expenditure of public funds.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

1. Term of Agreement. The term of this Agreement shall run concurrently with the term of the Gap Financing obtained in connection with the Project (the “Term”) and shall end at the earliest of such date as the Gap Financing is: (i) paid in full at the expiration of the Term; (ii) repaid in full prior to the expiration of the Term; (iii) refinanced with replacement financing by agreement of the parties; or (iv) otherwise paid in full at any time. Notwithstanding the foregoing and expressly subject to the requirements of the Code Section, the Term of this Agreement shall in no event exceed twenty (20) years beyond the date of the issuance of the Certificate of Occupancy and the commencement of hotel operations. The City agrees to notify the Commonwealth Comptroller and the Commonwealth Tax Commissioner when the Gap Financing debt is retired and the Project is no longer eligible to receive the tax entitlement revenues and charge the access fee to repay such Gap Financing.
2. New Capital Investment. As required by the Code Section, the Project shall represent a new capital investment of at least \$100,000,000 by or on behalf of the Company in a tourism facility that supports increased hotel occupancy, new job creation, an increase in

the number of out-of-state visitors to the Commonwealth and other factors of significant fiscal and economic impact.

3. Gap Financing. The Company estimates that Gap Financing in an amount not to exceed \$20,000,000, representing not more than 20% of the cost of the Project, will be necessary to complete the Project. The parties agree that the Gap Financing shall be repaid by the Public Contribution, the Statutory Access Fee and Additional Access Fee, each as hereafter further described. In accordance with the Code Section, during the Term, the City, subject to annual appropriation, shall pay to the Authority quarterly (i) payments in an amount equal to the gross revenues generated by a one and one-half percent (1.5%) local sales and use tax on transactions occurring on the premises of the Project during each calendar quarter (the "Locality Contribution"), (ii) payments from the Commonwealth remitted on a quarterly basis to the City in an amount equal to the gross revenues generated by a one and one-half percent (1.5%) state sales and use tax on transactions occurring on the premises of the Project (the "Commonwealth Contribution" and, together with the Locality Contribution, the "Public Contribution") and (iii) payments from the Company remitted on a quarterly basis to the City in an amount equal to the gross revenues generated by a hypothetical one and one-half percent (1.5%) sales and use tax on transactions occurring on the premises of the Project (the "Statutory Access Fee"). During the Term, the Authority, at the direction of the City and the Company, shall remit the Public Contribution and the Statutory Access Fee on a quarterly basis to the lender providing the Gap Financing (or such lender's trustee or other designee) in order to pay principal and interest on the Gap Financing. In addition, during the Term, the Company shall impose, collect and remit to such lender, trustee or other designee on a quarterly basis an additional access fee in an amount equal to the gross revenues generated by a hypothetical up to one and one-half percent (1.5%) additional sales and use tax on transactions occurring on the premises of the Project (the "Additional Access Fee") in order to pay principal and interest on the Gap Financing. The parties acknowledge and agree that the Additional Access Fee is imposed by Company and does not affect in any way the Locality Contribution, the Commonwealth Contribution or the Statutory Access Fee described in this Agreement. None of the Commonwealth, the City, any other political subdivision of the Commonwealth or the Authority will have any duties, obligations, or responsibilities with respect to the collection, transfer, or any other aspect of the Additional Access Fee.
4. Statutory Access Fee. As provided in the Code Section, the Company will remit to the City for transmittal to the Authority the Statutory Access Fee on a quarterly basis. The calculation of the Statutory Access Fee will be provided to Company by the City upon receipt of the quarterly report of entitled sales tax revenues from the Commonwealth described in the Code Section. The City will forward the report to the Company, and the Company will remit the Statutory Access Fee to the City as soon as practical but not later than 30 days following receipt of the report. The City will forward the Statutory Access Fee to the Authority as provided in the Code Section concurrently with the Public Contribution; provided, however, that the City will not remit the Public Contribution until

the Statutory Access Fee has been received by the City from Company. Notwithstanding anything to the contrary stated herein, subject to the Code Section, the parties acknowledge and agree that the Statutory Access Fee will remain in place until the Gap Financing has been repaid in full.

5. Performance Incentive Payment. The Public Contribution and the Statutory Access Fee shall hereafter be referred to as the “Performance Incentive Payment.” The Performance Incentive Payment shall be paid by the Authority directly to the financial institution from which Company acquires its Gap Financing, or its trustee, designee, assignee or successor. The Authority shall in no event pay the Performance Incentive Payment directly to the Company. The Company shall ensure that the Performance Incentive Payment is used solely to pay principal, interest, fees and expenses due on the Gap Financing as provided in this Agreement and the Code Section and not directed to pay any other debt service, fees or charges of any kind. The Performance Incentive Payment will be subject to all restrictions and limitations set forth in the Code Section.
6. Incentive Management Fee. Additionally, the Company shall pay annually an amount equal 1% of the Statutory Access Fee for the previous four quarters, or such amount as the parties may mutually agree. The Company shall remit payment no later than March 31 of each year of the Term.
7. Non-Recourse to the Authority, the City and the Commonwealth. As provided by the Code Section, the Gap Financing is payable solely from the Public Contribution, the Statutory Access Fee and the Additional Access Fee, and there is no recourse for the Gap Financing against the Authority, the City, the Commonwealth, or any other political subdivision of the Commonwealth. Nothing in this Agreement will be construed create any privity of contract between the Company’s Gap Financing Lender and any of the Authority, the City, the Commonwealth, or any other political subdivision of the Commonwealth.
8. Subject to Appropriation. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board of Directors approval and annual appropriation by the City Council and the Commonwealth, as applicable. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City’s or the Authority’s total liability under this Agreement exceed the total amount of funds appropriated by the City Council and the Commonwealth for the payments hereunder for the performance of this Agreement. The undertakings by the City and the Authority to make payments under this Agreement constitute neither a debt of the City or the Authority within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of either the City or the Authority beyond any fiscal year for which the City Council and the Commonwealth have appropriated moneys for purposes

of this Agreement. Any failure to appropriate by the City Council or the Commonwealth will not constitute a default under this Agreement.

9. Project Information Reporting. The Company shall provide such information as may be reasonably required or needed to assist in obtaining certification by the Commonwealth Comptroller (“Comptroller”) or any other appropriate officer of the Commonwealth or the City for entitlement to the tax revenues described in the Code Section. The Company shall file with the Authority an annual report no later than March 31 of each year (“Performance Report”), which Performance Report will contain documentation sufficient to establish compliance with all criteria of the Code Section and the Agreement. The Performance Report must be in form and substance as reasonably required by the Authority, the City, and the Commonwealth. The Authority will submit an annual certification of the Company’s performance under this Agreement to the Comptroller. The Authority will have the right to audit (the “Audit”) books and records, and any and all documents and other materials which support or inform those books and records, in whatever form they may be kept, whether written, electronic, or other, specifically pertaining to gross sales figures of the Project, as relevant to the Code Section and the Agreement and kept by or under the control of the Company, its employees, agents, assigns, successors, affiliates, contractors, and subcontractors. Any Audit will be at the expense of the Company and will be conducted after reasonable advance written notice to Company. The Company shall maintain all books and records, together with such supporting or underlying documents and materials, related to this Agreement and Company’s compliance with and performance under this Agreement, for the duration of the Term and for at least five years following the Term, including any and all renewals or extensions of such Term. This Section 9 will not be construed to limit, revoke, or abridge any other rights, powers or obligations relating to any audit rights which the Authority, the City or the Commonwealth may have under applicable federal, state or local laws, rules, regulations or agreements, whether those rights, powers or obligations are express or implied.
10. Default; Right to Cure. In the event of any default by the Company under this Agreement, the Authority or the City shall provide written notice of default and the Company will have a period of thirty (30) days from receipt of such notice to cure the default; provided, however, that if a non-monetary default cannot be cured within such thirty (30) day period and the Company in good faith and with due diligence has commenced efforts to cure within such thirty (30) day period, then the Authority in its reasonable discretion may extend the cure period for an additional period not to exceed sixty (60) days in order to permit the Company to continue to cure such default, provided further that the total time period to cure the default will not exceed ninety (90) days. If the default is not cured within such period, then the Authority or the City shall notify the Commonwealth Comptroller, and either the Authority or the City may thereafter terminate this Agreement and avail itself of any other remedies available at law or in equity; provided, however, that upon any termination of this Agreement, any Performance Incentive Payment earned to the date of termination will be provided in accordance with this Agreement.

11. Community Benefits.

11.1 **Generally.** The Company acknowledges and agrees that the performance by the Company of the requirements of this Section 11 (the “Community Benefits”) constitutes an important, material and substantial inducement to City and the Authority to enter into this Agreement.

11.2 **Assurances and Indemnity.** The Company acknowledges that it is voluntarily agreeing to provide the Community Benefits. The Company warrants that it, or its agents or contractors, will independently analyze the legal basis for its, or their, selected means and methods of performance and implementation of each Community Benefit to ensure that it, or they, do not engage in any conduct inconsistent with local, state or federal law in such means and methods of performance and implementation. The Company shall indemnify, hold harmless, and defend City and the Authority from and against any claims and liabilities arising out of, caused by, or resulting from the performance and implementation of the Community Benefits by the Company, its agents, or its contractors. The Company shall release the City and the Authority, their officers, employees, agents and volunteers from and against any and all losses, liabilities, claims, damages, costs, and expenses (including, but not limited to, court costs and attorneys’ fees) that the Company may suffer, pay, or incur caused by, resulting from or arising out of the performance and implementation of the Community Benefits. This Section 11.2 will survive expiration or earlier termination of this Agreement.

11.3 **Minority Business Enterprise and Emerging Small Business Participation.**

(a) **Goal.** The Company agrees to diligently work towards the following goal: where capacity, capability and competitive pricing among minority business enterprises and emerging small businesses exist, 30% of all expenditures for construction costs of the Project that will be paid to third-party subcontractors unaffiliated with the Company will be spent with minority business enterprises and emerging small businesses that perform commercially useful functions with regard to the prosecution and completion of the Project. The terms “minority business enterprise” and “emerging small business” have the meanings ascribed to them in Chapter 21 of the City Code. The Company shall include this goal in its contracts with all assignees, contractors and subcontractors who will be providing any substantial portion of the Project.

(b) **Reporting.** To enable the City to measure the achievements of the Company and its assignees, contractors, and subcontractors with regard to the participation goals set forth above, during the period prior to completion of Project construction, the Company shall submit a report upon request detailing all expenditures with minority business enterprises and emerging small businesses, showing, at a minimum, (i) the name of the business, (ii) an itemization of what the business provided, (iii) the amount paid for each item, (iv) the total amount of spending to date with minority

business enterprises and emerging small businesses and (v) the percentage of total expenditures for the Project spent with minority business enterprises and emerging small businesses. If the City chooses, the Company shall submit these reports on forms prescribed by the City. The City will use these reports in evaluating the good faith minority business enterprise and emerging small business participation efforts, as defined in Section 21-4 of the City Code, of the Company and its assignees, contractors, and subcontractors that compete for City contracts.

- 11.4 **Jobs and Training.** The Company shall work in good faith to create training and outreach programs within the city to identify opportunities to secure the job skills needed for both the construction and post-construction phases of the Project, and to employ individuals having such job skills. All opportunities for employment in connection with the development and operations of the Project shall be communicated to the City's Office of Community Wealth Building to coordinate recruitment efforts with such office.
- 11.5 **To the extent permitted by law, and regardless of the existence of a Labor Agreement, Company will require its construction contractors and subcontractors to pay each laborer, worker, and mechanic employed on the project a minimum of \$20 per hour; provided, however, that in such cases where the applicable prevailing wage rate for the city of Richmond as determined by the U.S. Secretary of Labor under the provisions of the Davis-Bacon Act, 40 U.S.C. § 276 et seq. is less than \$20 per hour, the minimum rate paid by Company must meet or exceed such applicable prevailing wage rate.**
- 11.6 **Conference Facilities.** Pursuant to a license agreement designed to such purpose, the Company will waive facility rental costs (but not and food, beverage or audio-visual services costs) for the Authority or the City for the use of the Project's conference facilities for economic development and civic programming for up to five days annually for the duration of the Term.
12. Miscellaneous Provisions.
- 12.1 **Assignment by the Company.** The Company may not assign this Agreement without the prior written consent of the City and the Authority, which consent will not be unreasonably withheld, conditioned, or delayed but which must be considered in conjunction with the Commonwealth as provider of the Commonwealth Contribution.
- 12.2 **Captions.** This Agreement includes the captions, headings and titles appearing herein for convenience only, and such captions, headings and titles do not affect the construal, interpretation or meaning of this Agreement or in any way define, limit, extend or describe the scope or intent of any provisions of this Agreement.
- 12.3 **Entire Agreement.** This Agreement, including any Exhibits attached hereto, contains the entire understanding between and among the parties and supersedes any prior

understandings and written or oral agreements between or among them respecting such subject matter.

- 12.4 **Governing Law and Forum Choice.** All issues and questions concerning the construction, enforcement, interpretation and validity of this Agreement, or the rights and obligations of the City, the Authority or the Company in connection with this Agreement, shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. Any and all disputes, claims and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. Each party shall be responsible for its own attorneys' fees in the event of any litigation or other proceeding arising from this Agreement.
- 12.5 **Modifications.** This Agreement may be amended, modified and supplemented only by the written consent of the City, the Authority and the Company preceded by all formalities required as prerequisites to the signature by each party of this Agreement.
- 12.6 **No Agency, Joint Venture, or Other Relationship.** Neither the execution of this Agreement nor the performance of any act or acts pursuant to the provisions of this Agreement shall be deemed to have the effect of creating among the City, the Authority, and the Company, or any of them, any relationship of principal and agent, partnership, or relationship other than the relationship established by this Agreement.
- 12.7 **No Individual Liability.** No director, officer, employee or agent of the City, the Authority, or the Company shall be personally liable to another party hereto or any successor in interest in the event of any default or breach under this Agreement or on any obligation incurred under the terms of this Agreement.
- 12.8 **No Third-Party Beneficiaries.** Notwithstanding any other provision of this Agreement, the City, the Authority, and the Company hereby agree that: (i) no individual or entity shall be considered, deemed or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, and the Company; (iii) no individual or entity shall obtain any right to make any claim against the City, the Authority, and the Company under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity. For purposes of this Section 12.8, the phrase "individual or entity" means any individual or entity, including, but not limited to, individuals, contractors, subcontractors, vendors, subvendors, assignees, licensors and sublicensors, regardless of whether such individual or entity is named in this Agreement.
- 12.9 **No Waiver.** The failure of the City, the Authority, or the Company to insist upon the strict performance of any provision of this Agreement shall not be deemed to be a waiver of the right to insist upon the strict performance of such provision or of any other provision of

this Agreement at any time. The waiver of any breach of this Agreement shall not constitute a waiver of a subsequent breach.

12.10 **Severability.** Each clause, paragraph and provision of this Agreement is entirely independent and severable from every other clause, paragraph and provision. If any judicial authority or state or federal regulatory agency or authority determines that any portion of this Agreement is invalid or unenforceable or unlawful, such determination will affect only the specific portion determined to be invalid or unenforceable or unlawful and will not affect any other portion of this Agreement which will remain and continue in full force and effect. In all other respects, all provisions of this Agreement will be interpreted in a manner which favors their validity and enforceability and which gives effect to the substantive intent of the parties.

12.11 **Notices.** All notices, offers, consents or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if delivered personally, by messenger, by recognized overnight courier service or by registered or certified U.S. mail with return receipt requested, and addressed to the address of the intended recipient at the following addresses:

To the City:

Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street, Suite 201
Richmond, Virginia 23219

with a copy to:

City Attorney
City of Richmond, Virginia
900 East Broad Street, Suite 400
Richmond, Virginia 23219

To the Authority:

Economic Development Authority of the City of Richmond, Virginia
1500 East Main Street, Suite 400
Richmond, Virginia 23219
Attention: Chairman

with copies to:

Economic Development Authority of
the City of Richmond, Virginia
1500 East Main Street, Suite 400

Richmond, Virginia 23219
Attention: Executive Director

and

City Attorney
City of Richmond, Virginia
900 East Broad Street, Suite 400
Richmond, Virginia 23219

To the Company:

921 Myers LLC
c/o Shamin Hotels
1001 Boulders Parkway
Richmond, Virginia 23225
Attn: Neil Amin, CEO

Each party may change any of its address information given above by giving notice in writing stating its new address to the other parties.

12.12 Interpretation

(b) In this Agreement:

- (i) headings are for convenience only and do not affect interpretation;
- (ii) unless otherwise stated, a reference to any agreement, instrument or other document is to that agreement, instrument or other document as amended or supplemented from time to time;
- (iii) a reference to this Agreement or any other agreement includes all exhibits, schedules, forms, appendices, addenda, attachments or other documents attached to or otherwise expressly incorporated in this Agreement or any other agreement (as applicable);
- (iv) reference to an Article, Section, subsection, clause, Exhibit, schedule, form or appendix is to the Article, Section, subsection, clause, Exhibit, schedule, form or appendix in or attached to this Agreement, unless expressly provided otherwise;
- (v) a reference to a Person includes a Person's permitted successors and assigns;

- (vi) a reference to a singular word includes the plural and vice versa (as the context may require);
 - (vii) the words “including,” “includes” and “include” mean “including, without limitation,” “includes, without limitation” and “include, without limitation,” respectively;
 - (viii) an obligation to do something “promptly” means an obligation to do so as soon as the circumstances permit, avoiding any delay; and
 - (ix) in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” mean “to and including.”
- (c) This Agreement is not to be interpreted or construed against the interests of a party merely because that party proposed this Agreement or some provision of it or because that party relies on a provision of this Agreement to protect itself.
- (d) The parties acknowledge and agree that:
- (i) each party is an experienced and sophisticated party and has been given the opportunity to independently review this Agreement with legal counsel;
 - (ii) each party has the requisite experience and sophistication to understand, interpret and agree to the language of the provisions of this Agreement; and
 - (iii) in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement will not be interpreted or construed against the party preparing it.

12.13 Signatures. This Agreement is signed when a party’s signature is delivered by facsimile, email or other electronic medium. These signatures must be treated in all respects as having the same force and effect as original signatures.

12.14 Authorization to Act. The Chief Administrative Officer of the City of Richmond, Virginia or a designee thereof is authorized to act on behalf of the City under this Agreement and the Chairman of the Authority, or a designee thereof is authorized to act on behalf of the Authority under this Agreement.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

CITY OF RICHMOND, VIRGINIA,
a municipal corporation of the
Commonwealth of Virginia

By: _____
Chief Administrative Officer
Date:
Authorized by Ordinance No. _____

Approved as to Form:

By: Bonnie M. Ashley
City Attorney's Office

**ECONMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND, VIRGINIA**, a
political subdivision of the Commonwealth of
Virginia

By: _____
Chairman
Date:

Approved as to Form:

By: _____
General Counsel

921 MYERS LLC, a Virginia limited liability
company

By: _____
Title:
Date: