



TOWN COUNCIL

Work Session

Town Hall

September 12, 2013

5:30 p.m.

At 5:30 p.m., Mayor Dora Sullivan, having established a quorum, called to order the Town Council Work Session. In addition to Mayor Sullivan, present were Vice Mayor Bannon, Councilmen Bennett and Sullivan and Councilwoman Natali. Councilman Godwin and Wendell were not in attendance. Also present were Town Manager Heather Arcos, Town Clerk Libby Hume, Ms. Joan Prescott and Mr. Hank Mayer representing ESVA Festivals and Tall Ships at Cape Charles, and Mr. Eyre Baldwin and Ms. Gloria Bradley representing South Port Investors. There were three members of the public in attendance.

Mayor Sullivan announced that the order of business for this evening would be to hear presentations regarding Tall Ships at Cape Charles and the South Port Investors' project.

A. *Tall Ships at Cape Charles*

Ms. Joan Prescott stated that she wanted to give an update on the Tall Ships at Cape Charles Festival that was held June 14 – 16, 2013. Ms. Prescott reported the following: i) The festival covered three days and included three tall ships which offered day sails and deck tours; ii) The Citizens for Central Park also held their Pirate & Wenches Festival on Saturday, which included costume re-enactors and pirates; iii) There were seven food vendors and 29 other vendors participating in the event; iv) There were nine bands and musicians; v) a helicopter offered sightseeing tours; vi) At least 7K to 8K people attended the festival by head and wrist-band counts. 200 day sails were sold and 3K purchased tickets for deck tours; vii) Reports had been received from the B&Bs in Town and in the area, the motels in the area up to Exmore stated that they were sold out for the festival weekend. The campgrounds reported that they were almost full; and viii) Visitor surveys were conducted. Positive feedback was received and many stated that they would return to Cape Charles. The results of the surveys were compiled into a spreadsheet and copies were provided to the Town Council for their review.

Ms. Prescott continued to state that although the revenue numbers were still being worked on, the Transient Occupancy Tax revenue in June 2013 was \$7,136 vs. \$6,441 in 2012 and the Meals Tax revenue in June 2013 was \$28,837 vs. \$27,689 in 2012. The Town Harbor was full and with each event, more people discover Cape Charles and the Harbor. The Harbor revenue from June 13 to 17, 2013 from transient boaters was \$8,093. The transient boater revenue in June 2012 was \$17,574 for the entire month.

Mr. Hank Mayer reviewed a graph showing Transient and Meal Tax Revenues, not including the Harbor, for 2011, 2012 and 2013. Each year, during the summer months, the revenue increased significantly and the graph showed the seasonality in revenue. Mr. Mayer also reviewed a report of Cape Charles Tourism Related Revenues for fiscal years 2012 – 2014 which also showed a significant increase from 2012.

Mayor Sullivan asked whether the Pirates & Wenches Festival would coincide with the Tall Ships at Cape Charles Festival next year. Councilwoman Natali stated that, as President of the Citizens of Cape Charles, the festival would be planned again and recently a letter was received from Arts Enter Cape Charles regarding additional events and activities to be planned during the Tall Ships Festival. The organizations would be working together to coordinate activities throughout the weekend.

Mr. George Proto, President of the Cape Charles Business Association (CCBA), stated that an all member CCBA meeting was held last night and several of the business owners raved about Cape Charles over the summer stating that it was "on fire." The businesses did very well during the Tall Ships Festival and no negative comments were heard from anyone. Mr. Proto commended everyone involved on an outstanding job.

Ms. Prescott stated that it was a quality festival with quality marketing with the business acumen to carry out the plans. The Tall Ships operating budget for 2013 was \$57,406. The Executive Director, Dave Steward, did an outstanding job working out an algorithm so ESVA Festivals was able to recover money from the sale of day sails and deck tours. \$45K plus in-kind services for security and EMS services was received from Northampton County and \$1K plus in-kind services was received from the Town of Cape Charles. Ms. Prescott commended the entire staff of the Town for all their work on the festival. Marketing and in-kind services were received from the Chesapeake Bay Bridge Tunnel and Bay Coast Railroad provided the venue enabling access from the Harbor to the Town. \$2,350 was received in sponsorships, which was disappointing, but with the economy and the lack of staff to market the sponsorship opportunities, was a good amount. Revenue was also derived from the sales of t-shirts, beer, etc.

Ms. Prescott went on to review an investment opportunity for the Town. ESVA Festivals had an opportunity to apply for a grant through the Virginia Tourism Corporation Marketing Leverage Program for an award up to \$10K toward the Tall Ships 2014 festival marketing expenses, which run about \$20K based on the past two years' experience. To be considered for the grant, a tourism financial partnership of a minimum of three entities must be created. In addition to the ESVA Festivals as the non-profit lead, they would like to include the Town of Cape Charles as the host venue together with Northampton County. The grant application would be strengthened with the inclusion of other financial partners such as the CCBA, Our Town Cape Charles and the Northampton County Chamber of Commerce. The application could not be submitted without the Town's support. Ms. Prescott requested that the Town Council consider partnering with ESVA Festivals and provide an investment of \$1K in the Tall Ships at Cape Charles Festival for 2014. This was a huge opportunity to pull everyone together as a community. The application deadline was October 22, 2013 and they would not be able to apply without the Town's support.

Mr. Mayer stated that up to \$10K, there was a one to one match. Up to \$50K, the match increased to two to one.

Councilwoman Natali stated that the Town received notice of a grant award through the Boating Infrastructure Grant to market the Harbor. Town Manager Heather Arcos stated that the Town would be receiving \$10K to market the Harbor in magazines, brochures, etc. In the past, Harbor Master Smitty Dize had included advertisements for the Clam Slam and Tall Ships Festivals. The Town could possibly work with ESVA Festivals on a marketing piece for the Harbor/Tall Ships Festival and use some of the money from this grant.

Mayor Sullivan stated that she felt this investment would be beneficial to the Town and its businesses. Vice Mayor Bannon agreed that it was a good investment and that each year, the festivals and events brought in more and more people to the Town. Vice Mayor Bannon went on to state that with the addition of the South Port piece at the Harbor, it was exciting to see what could happen. Ms. Prescott agreed that the more amenities offered to bring boats into the Harbor, the better things would be.

B. *South Port Investors Presentation*

Mr. Eyre Baldwin stated that he would give an introductory presentation tonight but the Council would learn more about the project at the development tour on September 19, 2013. Mr. Baldwin continued by reviewing their plans and showing the following exhibits: i) Harbor Access Road Exhibit. This project was now in the design phase. Sinclair and South Port had agreed to give up the necessary land to construct this road; ii) Utility Exhibit. Mr. Baldwin pointed out the location of a heliport pad which could be used by businesses and for emergency use; iii) Harbor and Terminal Exhibit which showed the area of the Gallagher property; and iv) Index Exhibit which showed the overall plans for the Harbor area. There were some exciting opportunities for the Town to provide barge and railroad access to transport products up the shore to New York City, etc. Cape Charles was approximately five hours from New York City and we did not have the traffic issues like Hampton Roads.

Mr. Baldwin stated that the information would be presented to everyone on September 19th in more detail and reiterated Ms. Prescott's statement that everyone needed to pull together to work in conjunction with each other to get things accomplished.

Councilwoman Natali asked whether there could be enough players, once this project was completed, to leverage for deepening the harbor. Mr. Baldwin stated that the maintenance dredging was scheduled for next year but several entities had expressed their interest in using the Cape Charles Harbor.

Mr. Baldwin mentioned that this information would also be available online at www.ccyachtcenter.com and www.easternshoreland.com. Mr. Baldwin also informed Council that the U.S. Super Yacht Association had recently awarded them with certification and they were the only super yacht center in the mid-Atlantic region.

Heather Arcos reminded Council to RSVP their attendance at the development tour on September 19th.

Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to adjourn the Town Council Work Session. The motion was approved by unanimous consent.

Mayor Sullivan

Town Clerk