



TOURISM DEVELOPMENT FINANCING PROGRAM



2016

- A development financing program which compensates for a financial shortfall for tourism development projects
- Three partners – a Locality, a Developer and the Commonwealth – contribute to 'gap financing' debt service
- The developer owns all debt exclusively, while the locality and state only contribute quarterly payments

Tier 1 | < \$100 million project

*primary lending secured by Developer

70%

30%

*partners split gap lending equally

Developer

Local EDA

State

1% of project's quarterly revenue is contributed by each partner until the Developer's 'Gap Loan' is paid in full

Tier 2 | \$100 + million project

*primary lending secured by Developer

80%

20%

*partners split gap lending equally

Developer

Local EDA

State

1.5% of project's quarterly revenue is contributed by each partner until the Developer's 'Gap Loan' is paid in full

TOURISM DEVELOPMENT

- Crucial VTC development asset
- Supports product development
- Filling community tourism voids

STATE CONTRIBUTION

- Developer owns all of the debt
- Solely from new project income
- 1% of future quarterly revenue
- Locality + Developer agree to match

TOURISM DEFICIENCY

- Locality is the applicant
- Locality Identifies deficiency (void)
- EDA + Local Gov't + Local Tourism
- All commit to funding

TDFP Project	Gap Funding % Used	Capital Investment	New Jobs	Total State Contribution (Principal only)	Region
Hyatt Place Hotel – Fredericksburg	7.7 %	\$ 14.9 m	28	\$ 383,447 (17 yrs.)	Northern VA
City Center at Oyster Point – Newport News	19.5 %	\$ 22.0 m	300	\$ 1,431,118 (10 yrs.)	Coastal VA
Cavalier Hotel & Beach Resort – Virginia Beach	12.3 %	\$ 145.4 m	550	\$ 5,960,159 (20 yrs.)	Coastal VA
The MAIN Hilton Hotel – Norfolk	9.0 %	\$ 77.5 m	250	\$ 2,325,000 (20 yrs.)	Coastal VA
Totals		\$ 259.8 m	1,128	\$ 10,099,724	
<i>Upcoming applicants</i>					
Hotel Project A	30.0 %	\$ 20.0 m	108	\$ 2,000,000	Central VA
Hotel Project B	7.0 %	\$ 13.0 m	70	\$ 303,333	Central VA
Totals		\$ 33.0 m	178	\$ 2,303,333	

State Contribution

\$ 10.1 million

New Capital Investment

\$ 259.8 million

New Jobs

1,128