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PORTSMOUTH

LEGISLATOR NEARS DEAL FOR NEW HOTEL DEVELOPMENT

*Investors won't seek
bonds from council*

By Dave Forster
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PORTSMOUTH

State Sen. Louise Lucas and five partners are close to securing a deal to build a Marriott hotel near Interstate 264 and Victory Boulevard, she said.

Lucas, D-Portsmouth, tried but failed in 2008 and early 2009 to get approval for a



State Sen. Louise Lucas has a new proposal for a hotel near Portsmouth's Victory Crossing Business Park. Unlike a previous plan, this one relies on private funding.

larger, more expensive project that would have included a conference center. The City Council voted down her request to use up to \$38 million in low-cost, tax-exempt bonds to help her finance that project.

This time, the project will not need council approval because it won't use bonds, Lucas said. She and her

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the plan

Louise Lucas proposes a 120-bed Marriott hotel near Victory and Cavalier boulevards. She said she expects a commitment from Marriott soon and could close on the land purchase in March.

HOTEL | *Development in area to have retail, residences*

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partners will put up more than 50 percent of the cost, which Lucas estimated could range between \$10 million and \$14 million. The rest would be financed by a bank, Lucas said.

The project would be one of the first to rise out of the Victory Crossing Business Park, an area of about 100 acres around the new Tidewater Community College campus. City leaders hope the area will flourish into a new hub of economic activity.

The group won't be seeking bonds, but the project could benefit from other incentives designated for the business park. For example, the area is in an enterprise zone, a state program that allows for local incentives such as tax exemptions, fee rebates and investment grants to spur development in distressed areas.

Lucas identified her partners as her two daughters, Lisa Lucas-Burke and Theresa Lucas-Lamb; attorney Verbena Askew; former public schools librarian Eunice McMillan; and Beblon Parks, a regional manager for the Virginia Education

Association.

Parks stressed that her commitment was a private venture unrelated to her role with the VEA. The project is a risk for the investors, but one they believe is worth taking, she said.

"We're not independently wealthy folks," she said.

A call to a Marriott spokeswoman Tuesday morning was not returned. A company official has visited the site of the proposed hotel twice, Lucas said.

Lucas said she expects a letter of commitment soon from the company. She plans to close on the land with owner Bob Williams after the legislative session ends in March. Construction could begin within a year or 18 months of an agreement, Lucas said.

While still largely raw land, the business park saw its profile rise dramatically this month when classes opened at the new \$65 million TCC campus. For her part, Lucas envisions a 120-bed TownePlace Suites at Victory and Cavalier boulevards, with an eye toward a second hotel in the future.

"It's going to bloom," Lucas said of the area.

■ "We're not independently wealthy folks."

Beblon Parks, a regional manager for the Virginia Education Association, about the project being a risk for investors. But it's one they believe is worth taking, she said.

Williams, the Victory Crossing developer, said Monday that he is about 60 days from closing on a deal with a Virginia Beach builder to develop 135 apartments on about 5 acres near the college. Plans for that project include a second phase for 69 additional apartments, Williams said.

Other parcels at Victory have drawn interest from potential buyers, with tentative plans for an office building and a standalone food court anchored by four fast-food chains, Williams said.

Crews are still laying the groundwork at Victory Crossing for the office, retail and residential buildings expected to be located there. The infrastructure is about 60 percent done – about three months behind schedule because of one of the wettest years on record, Williams said.

**Dave Forster, (757) 446-2627,
dave.forster@pilotonline.com**