



The Historic Virginian: Hotel Restoration

Blair Godsey and George Stanley of Virginian Hotel, LLC and the developers of Cliffs Edge Lofts, Midpoint Apartments and Imperial Tobacco Lofts in downtown Lynchburg, plan to purchase the Virginian building at 712 Church Street and restore the downtown Lynchburg property into a historic, luxury, branded destination hotel.

- ❖ The total cost of the restoration project is \$25,000,000.
- ❖ Funding in the amount of \$5.0 million in "gap financing" is requested from the Lynchburg Economic Development Authority (LEDA), which Lynchburg City Council approved in concept on February 10, 2015. The developers anticipate using Historic Preservation Tax Credits as a component of the financing package.
- ❖ Of the \$5.0 million gap financing, a \$2.0 million loan from the Lynchburg Economic Development Authority and a \$3.0 million conduit loan from a private bank through the LEDA will provide the gap funding required to complete the project.
- ❖ Payments on the \$5.0 million loan will come from tax revenues generated by the hotel over a period not to exceed 17 ½ years. If tax revenues don't generate enough to fully amortize the loan over the term, the developer will make up any difference. The Economic Development Authority will maintain a lien on the property as security.
- ❖ Estimated revenues from all taxes generated by the property (real estate, business license, personal property, meals, sales and lodging taxes) are projected to be from \$300,000 to \$700,000 annually.
- ❖ The proposed performance agreement guarantees a minimum of \$100,000 a year to the City of Lynchburg.
- ❖ In spring of 2015 when construction begins, 7th Street and 8th Street between Main and Church will become two-way streets, pending weather suitable for traffic striping.
- ❖ The City of Lynchburg is evaluating the return of two-way traffic on Main and Church Streets before the opening of the Virginian Hotel.
- ❖ The Virginian Hotel is scheduled to open in 2017 after major restoration efforts, and will have 115 rooms, a conference center with meeting rooms, a restaurant and two retail spaces.
- ❖ The project proposes a minimum of 80 new full time and part time positions.
- ❖ The increase in foot traffic around The Virginian Hotel will benefit other downtown shops and restaurants. The conference space will fill a void that currently exists for mid-size conferences and will be a destination for visitors, strengthening tourism in the City of Lynchburg.