

Conference Center

City Seeks Details On Complex

Council Tells Developers To Provide More Info

By **PRESTON KNIGHT**

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HARRISONBURG — City Council asked the company pitching a downtown hotel and conference center Tuesday night to supply more information that would entice Harrisonburg into partnering in the \$40 million complex.

The panel unanimously requested that dpM Partners of Gaithersburg, Md., return with more details of its concept, including a complete financial feasibility analysis.

“This is about getting more information,” Councilman Kai Degner said.

The project, according to the plan submitted to the city last fall, would require \$9.5 million in public funding. That amount would go toward the construction of an 18,180-square-foot conference center.

Developers would foot the bill on the rest of the \$39.9 million endeavor, including a 205-room hotel and restaurant. They plan for the complex to be in or near downtown, though a location has not been revealed.

When dpM submits additional information, the location must be included.

DpM approached the city unsolicited through the Public-Private Education Facilities and Infrastructure Act, which encourages public-private partnerships on a variety of projects, such as schools and civic centers.

The act requires that municipalities seek competing offers. No additional bids were submitted for the hotel and conference center, which City Manager Kurt Hodgen has hinted might indicate Harrisonburg does not need the development.

But, because further study from the lone bidder costs the city nothing except staff time to review dpM’s information, officials feel they have nothing to lose by at least knowing more.

The information to be submitted includes a map of the proposed location; a strategy for securing all necessary property; total life cycle cost of the project; and the financial feasibility analysis.

DpM will be required to pay a \$ 20,000 deposit, which the city would likely use toward funding its own independent financial study of the plan, if the process goes that far.

Council can reject dpM’s proposal at any time.

Hodgen said about \$10,000 in additional funds would still be needed, and shifted from the Economic Development Department's budget, for the city's independent study.

Councilman Charles Chenault advised dpM to conduct a third-party financial study — and not one “in house” or through a company with close ties to it — so the city could “go further” with the deposit.

“I don't see how we can possibly evaluate this in the best interest of the city without a further detailed study,” he said.

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