

CITY COUNCIL OF WAYNESBORO, VIRGINIA



RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE THIRD AMENDMENT TO THE PERFORMANCE AGREEMENT BETWEEN THE CITY OF WAYNESBORO, VIRGINIA, KM HOTELS, LLC, AND THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WAYNESBORO

WHEREAS, the City of Waynesboro, Virginia (the “City”), KM Hotels, LLC (the “Company”), and the Economic Development Authority of the City of Waynesboro (the “EDA”) entered into a Performance Agreement dated November 14, 2016, relating to the Company’s development of a mid-price chain hotel with approximately 90 rooms (the “Project”), and future development on the remaining acreage, on 101, 104, 105, 108, and 109 Chicurel Lane, off Windigrove Drive (the “Property”);

WHEREAS, the Parties entered into a First Amendment to the Performance Agreement on June 28, 2019, extending the rebate period start date to January 1, 2022;

WHEREAS, the Parties entered into a Second Amendment to the Performance Agreement in February, 2020, providing that the Company will construct the public road improvements;

WHEREAS, as a result of the COVID pandemic and resulting supply chain issues, the Company is requesting that the City and EDA extend the rebate period start date to the year following completion of the hotel, but no later than January 1, 2024;

WHEREAS, the Company began construction of the Project as soon as practical after the worst of the pandemic was over and the hospitality industry began to recover. The hotel is under construction with an estimated completion date in the second quarter of 2023;

WHEREAS, the Parties desire to enter a Third Amendment to the Performance Agreement to extend the rebate period start date;

WHEREAS, at the regular scheduled September 12, 2022 meeting, the EDA unanimously approved the amendment; and

WHEREAS, the City, the Company, and the EDA desire to enter the Third Amendment to the Performance Agreement, which is attached as Exhibit 1 hereto.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Waynesboro, Virginia as follows:

1. The City manager is hereby authorized to execute the Third Amendment to the Performance Agreement between the City, KM Hotels, LLC, and the Economic Development Authority of Waynesboro, in substantially such form as attached hereto as Exhibit 1; and

2. The City Manager is hereby authorized to take any other actions that are deemed reasonable and necessary to effectuate the terms of the Third Amendment and/or this Resolution.