

ON

A RISING POPULATION IN
NEW KENT COUNTY IS BRINGING
ECONOMIC GROWTH TO THE
'RURAL BEDROOM COMMUNITY,'
ACCOMPANIED BY TENSION
ABOUT ITS FUTURE COURSE

THE

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BY GARY ROBERTSON
PHOTOS BY JAY PAUL

P 69

HORSE RACING AND
WAGERING HAVE
GENERATED MILLIONS
IN TAX DOLLARS
FOR NEW KENT

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FAST

TRACK



When the first group of horses bolted out of their gates on Aug. 8 for the resumption of live thoroughbred racing at Colonial Downs after a five-year absence, the big winner was **New Kent County**.

That's where the races are held, and that's where the big money is flowing, thanks to revenue not just from the racetrack, but from machines allowing wagering on historical horse races at sites throughout the commonwealth.

"It has put us in the spotlight," County Administrator Rodney Hathaway says of the resumption of racing and the new tax revenue, which already exceeded \$2.7 million during the first six months of operation.

Sandwiched between two big metro areas — Richmond and Hampton Roads — it has been easy for New Kent to be overlooked.

"We're a small, rural bedroom community," Hathaway says.

But that description belies the churning growth that has been occurring in New Kent, making the return of racing one more exclamation point.

The Weldon Cooper Center for Public Service at the University of Virginia has identified New Kent County as the second-fastest-growing locality in Virginia between 2010-2018, with a 21.9% population growth rate, second only to Loudoun County, the glowing megastar in Northern Virginia. The U.S. Census put New Kent's 2018 population at an estimated 22,391, and the Cooper Center projects it will rise to more than 28,000 by 2030.

"We've seen more economic development growth in the past two to three years than we've ever seen before," driven by the county's rising population, says Matthew J. Smolnik, New Kent's director of economic development.

When Smolnik and his family moved to New Kent seven years ago — a few years prior to his employment with the county — he says it was the quality of

life that attracted them. "A wonderful public school system, quality master-planned communities, plus rural large acreage lots, three [soon to be four] wineries, four golf courses, three rivers, a thoroughbred horse track and 15 minutes to downtown Richmond in one direction and 15 minutes to Colonial Williamsburg in the other what's not to love about living in New Kent County?"

The surge in population has meant increased demand for services such as schools, public safety and health care. It has also brought newcomers who take an active interest in how the county is run, sometimes putting them at odds with county leaders and longtime residents. At the center of this friction is Texas industrialist John Poindexter, who has acquired thousands of acres in New Kent in recent years. >

BEFORE

BETWEEN URBAN CENTERS

Hathaway, 45, has been employed by the county since 2004, rising from planning manager to economic development director to assistant county administrator and then to the top administrative post in 2012.

But his roots in the county go back much further. He was born in New Kent, and his family has been active there for many generations. In a county where the population is 80% white, Hathaway's rise through the administrative ranks represents a kind of breakthrough.

"I really see it as an honor to be the first African American to serve as county administrator of New Kent County," he says. "It's something I'm proud of."

Since he left home for college in 1992, Hathaway says, the biggest change he's seen has been business and residential growth. He holds a bachelor's in urban studies from Virginia Commonwealth University and a master's in public administration from Old Dominion University.

Moreover, the growth of the rural county of 212 square miles — formed in 1654 — has been nothing short of meteoric for decades. Between 1990 and 2009, the county's population soared by 78.9% — driven by the addition of new residents from larger urban areas, according to population data compiled in 2010.

When Hathaway took a job with the county in 2004, there was only one fire and rescue station manned around the clock, he says. "We were a volunteer staff supported by about six career firefighters. Today, we have five stations that are manned 24/7, and we have 38 career personnel, and we're hiring for about 12 more right now. So we've sort of swapped as far as being a volunteer service supported by a few career professionals. Now we're a career staff supported by a few volunteers."

The county high school relocated to a new building in the 2008-2009 school year, and New Kent hopes to break ground



next spring for a new elementary school to keep up with the growth.

Brian Nichols, New Kent's superintendent of schools, says the county has 3,300 students, an increase of 500 since 2012. "That population is predicted to increase by more than another 500 students by 2024," he says.

The surge in additional students will require the school system to investigate the adequacy of current middle school facilities, while continuing to revitalize existing schools, Nichols adds.

Also expected to open this spring will be the new \$16 million VCU Health Emergency Center at New Kent. It will provide round-the-clock emergency medicine physicians, emergency-trained registered nurses and laboratory services. Plans include 12 treatment rooms and a helipad. County officials say the emergency center will mean that New Kent residents will no longer have to be rushed by ambulance to hospitals in Richmond or Hampton Roads for emergency medical treatment, and response times will also be shorter.

The VCU center will be situated near Exit 205 off Interstate 64 at Bottoms Bridge, an area New Kent has designated for development.

"In 2004, the county had just made a commitment to invest in utilities along Bottoms Bridge, and we're seeing that pay off with the VCU health center," Hathaway says, in addition to a Tractor

Supply Co. rural lifestyle store and other businesses.

Bottoms Bridge is just one of the areas targeted for business and residential development, Smolnik says.

"It is no secret that New Kent County is growing, and I don't foresee it slowing down anytime soon," he says. "We have public water and sewer at our four [Interstate 64] exchanges, along with property that is already zoned for commercial and industrial development."

New Kent's location between the Richmond and Hampton Roads metropolitan areas allows the county to draw on two urban workforce populations and gives residents access to amenities in both regions, Smolnik adds.

COMPETING VISIONS

Managing New Kent's rapid growth effectively is one of the county's biggest challenges, officials say.

"The goal is to maintain our rural character. That's extremely important to us," Hathaway says. "We believe we can do it through smart growth — by strategically identifying those areas of the county where we want to allow the more dense styles of development, with the hope that it will relieve the demand for growth in other areas of the county

Communities such as Patriots Landing are attracting new residents to the county.

that we want to keep as rural.”

Franny Powell of East West Communities, which includes Patriots Landing among its developments, says the upscale neighborhood of more than 360 single-family homes owned by the Patriots Landing Management Co. has prospered in New Kent.

She says a lot of Richmond-area residents have moved into the community near Bottoms Bridge since home sales began in 2006. “The buyers who tend to like Patriots Landing have been families

— young families and a lot of empty nesters — and that surprised us. I would say about 35% young families, about 30% empty nesters. The rest are either singles or couples, and I put the retirees in with the empty nesters,” she says.

Powell adds that county officials have kept true to their promise of preserving the county’s rural character by clustering development near the Interstate 64 exits.

“They know where they want to go, and they have a clear vision of what the future destiny of the county should be,” Powell says.

Not everyone agrees with that assessment, however. In recent months, a political divide has emerged about New Kent’s direction, with

the formation of a group calling itself Partnership for New Kent 2030 (PNK 2030, for short).

A dispute about a proposed combat and tactical training range near Barhamsville — the proposal was eventually withdrawn — was one of the issues that led to the partnership’s formation, but the partnership’s aims subsequently took on other dimensions.

John Poindexter, a Texas-based industrialist and a highly decorated Vietnam War veteran, has been a leader in the partnership, and he’s one of its chief spokesmen. He has purchased about 3,500 acres in the county since 2013, and he has been severe in his criticism of New Kent’s leadership, in one instance calling the county “rudderless.” He says PNK 2030 has only the best interests of New Kent at heart.

“We are apolitical, unaffiliated with any party — a bunch of amateur citizens who desire to see improvements over the years in New Kent,” Poindexter says of the partnership during a telephone interview from his headquarters in Houston. “My goal is to ensure that development in the county does not proceed helter-skelter, as I believe it has so far, for the most part.”

Although the partnership formed a political action committee, Poindexter says the group made no contributions to candidates in November’s local elections.

“The candidates preferred to run without any implication of funding from other than the voters in their districts and no institutional money of that sort,” he says.

Poindexter says his ancestors settled in New Kent in the 1600s, and his property acquisitions have been focused on reacquiring land — and eventually the family homestead — that his ancestors once held. Three old residences, one dating to the 1670s, have been restored to their original appearances and furnished with period pieces. Near the center of his properties, but not purchased by Poin- >



[Top] The VCU Health Emergency Center at New Kent is scheduled to open this spring.

[Bottom] John Poindexter, a Texas-based industrialist, has purchased about 3,500 acres in New Kent since 2013.



dexter at this date, is Criss Cross Plantation, developed in the 1680s by George Poingdestre (a previous spelling of the family name).

Morgan Olson LLC, a delivery van maker that is owned by Poindexter's company, recently announced plans to relocate to a former IKEA plant in the Danville area and possibly hire as many as 700 workers. Poindexter says that the plant initially was slated for James City County, near the New Kent line.

"It would not have been as large, about half the size, but it would have been a very big deal," Poindexter says, adding that the deal eventually stalled because of several factors, including the timeframe for availability of the building being sought.

In any event, Poindexter says he believes that New Kent's future does not lie in the kind of heavy manufacturing that his company specializes in, but rather in tourism, residential development and entertainment.

"Development will be intelligent, landscaped ... out of sight as much as possible," he says, describing his vision of the future.

Poindexter says he cares deeply about the county and wants to have a lasting impact there.

"All my assets, including all my assets in New Kent County, will go into a foundation

for public benefit," he says. "Among the objectives of the foundation is the maintenance of the properties in New

Kent with a goal of being an historical attraction — the houses, the property, future houses, would be operated as a public benefit.

"I have no heirs and do not propose to leave assets to relatives," he says.

PNK 2030 endorsed several candidates for local races in the recent November election.

"We looked good on paper, but there were a few key races where our candidate did not win," Poindexter says in describing the election results.



**IN THE NEXT 10 YEARS...
THERE WILL BE MORE
PEOPLE WHO CAME
HERE THAN WERE BORN
AND RAISED HERE.
IT'S GOING TO CHANGE."**

Joe Dombroski, New Kent Winery

In the critical Board of Supervisors races, "PNK endorsed in three of the supervisors' races [after rescinding one]. One was running unopposed. Their candidate lost the other two races," says Heather Moon, a researcher and writer in New Kent who has been closely following PNK 2030's progress.

Thomas W. Evelyn, an incumbent supervisor who won his fourth term in the November elections, takes a dim view of PNK's efforts in New Kent.

"I think they came in here and pretty much wanted to run the county at the end of the day. That's not going to happen now," Evelyn says of the election's results. "The citizens of the county, I think, are smarter than that, and they elected the officials that they feel like have done a pretty good job with growth and managing the county and been very fiscally responsible, and I think that showed on Election Day."

Joe Dombroski of the family-owned New Kent Winery at Dombroski Vineyards moved to the county in 2014 from western Henrico County and helped form the partnership in 2018 along with his wife, Jo Anna. They have since left the organization, citing differences about its hiring of a political consultant.

But Dombroski, a former supervisory special agent for the U.S. Drug Enforcement Administration, says he still shares many of the group's views, emphasizing that the county desperately needs a land use and smart-growth plan.

Dombroski, who recently lost his bid for a seat on the Board of Supervisors, wants the county to keep its rural character, while still providing amenities and services that newcomers to the county are especially keen on having.

Given current growth trends, he says, "In the next 10 years ... there will be more people who came here than were born and raised here. It's going to change."

He says newcomers and longtime residents all along the political and generational divide need to find a way to work together if New Kent is to have a bright future.

Patricia Paige, the first African American woman to win a seat on the Board of Supervisors, defeated Dombroski to win her second term. A 63-year-old New Kent native, she lives on the same road where she grew up.

She agrees that dialogue is essential. "If we treat each with dignity and respect and truth, I believe that New Kent will grow and it will be the county all of us want it to be," Paige says, "whether you were born and raised here or you moved here." ■

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A lifelong New Kent resident, Patricia Paige defeated challenger Joe Dombroski to win a second term on the Board of Supervisors.



JACKPOT WINNER

Horse racing and related wagering have brought **New Kent** millions in tax dollars

While more people are calling New Kent home, much of the county's revenue comes from visitors. Tourism is by far the county's largest single industry — propelled by wineries, golf courses and horse racing.

"The revival of Colonial Downs is an exciting and important complement to New Kent's already outstanding tourism assets," says Rita McClenny, president and CEO of the Virginia Tourism Corp. McClenny notes that that visitors spent \$36 million in New Kent in 2018, a 6% increase from the previous year, and that was before Colonial Downs reopened.

The golden goose for New Kent County has been the introduction of historical horse racing (HHR) machines, which were approved by the Virginia General Assembly in 2018 after years of opposition to gambling. The machines allow bettors to make wagers on horse races that already have been run, establishing a stream of revenue for the localities where the machines are based.

An economic impact study by Chmura Economics & Analytics of Richmond has projected that if all goes well, including an expansion of race days at Colonial Downs and the spread of historical horse racing machines throughout the state, New Kent and other localities could, by 2022, receive tax revenue totaling about \$15.2 million annually.

New Kent would be the primary beneficiary, and the county also would benefit from meals tax revenue and the sales of goods and services to visitors and to Colonial Downs, where one of the network of Rosie's betting parlors is located.

In early November, the Colonial Downs group announced the six-month total for its operations, beginning April 18, 2019, in New Kent County. As expected, New Kent was the beneficiary of a windfall — \$2,730,165 in tax revenue. Richmond didn't do badly either, with \$738,369 in tax revenue for the city. The state took the biggest share, \$5.9 million. And that didn't include revenues produced by a new Rosie's Gaming Emporium in Hampton, with 700 historical horse racing machines. Recently, voters in Danville indicated in a referendum that they favored historical

More than 1,400 historical horse racing machines were operating in Virginia as of September.

horse racing machines in their area.

"The majority of the tax ... we're receiving is from the historical horse racing machines — half of 1% of the machines at Colonial Downs and a fourth of 1% from machines in other areas, County Administrator Rodney Hathaway says, adding, "Because we're the host community, we're entitled to those revenues, those taxes."

In September, more than 1,400 historical horse racing machines were operating in the state, but under current regulations, the number could be expanded to 3,000 machines if all requirements are met and localities are agreeable. Every additional betting machine means more income for New Kent.

"That revenue is going to go a long way in funding infrastructure costs here in the county," Hathaway says. "Our total budget is \$69 million. That amount of money from one entity — that's huge for us, huge."

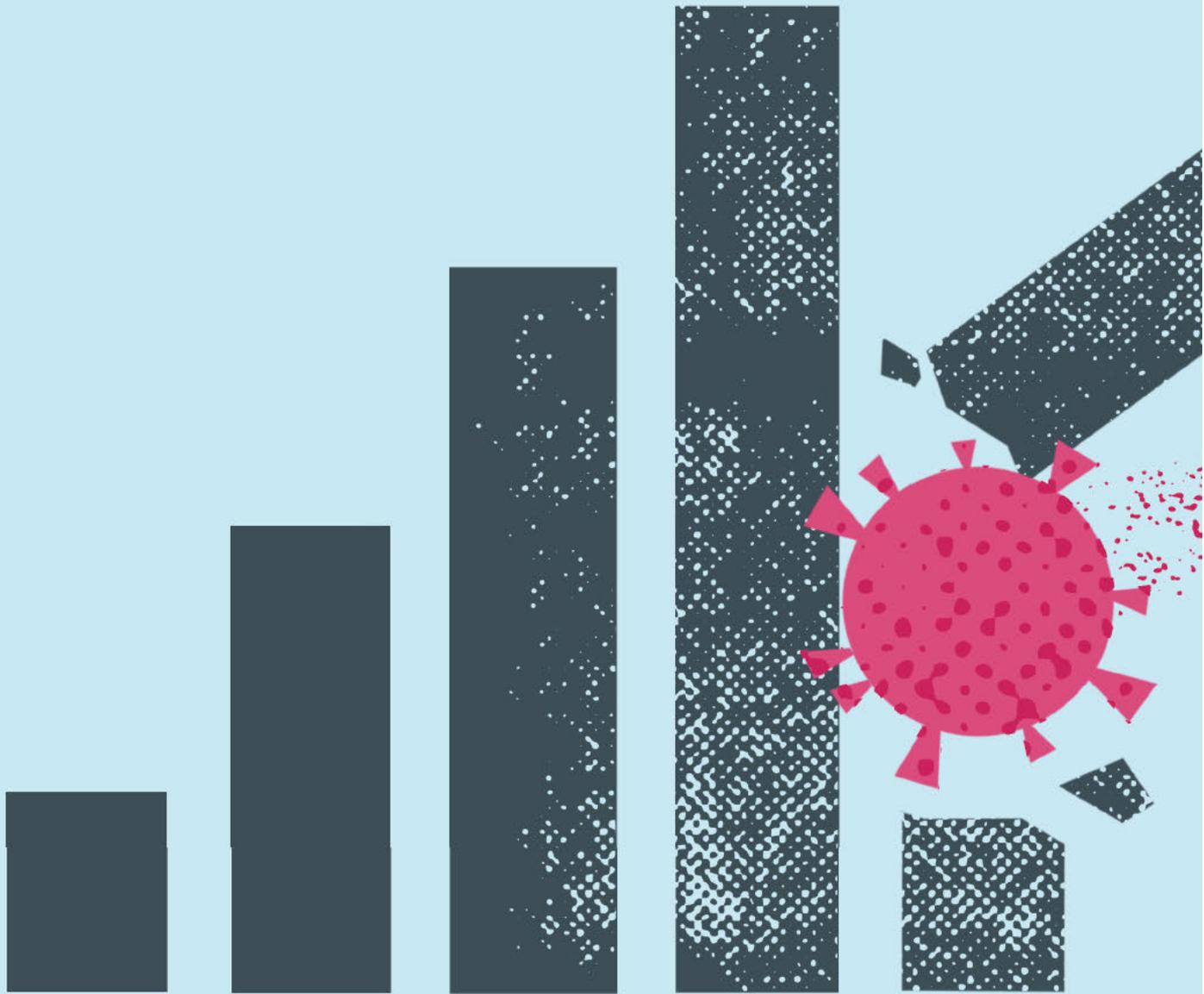


The county manager declined to forecast what New Kent ultimately might harvest from the gaming machines. One uncertainty is what action the General Assembly might take in 2020 regarding casino gambling. Construction of casinos in New Kent or elsewhere could divert revenue from pari-mutuel wagering, as bettors turn their attention from horse racing to gambling tables and slot machines.

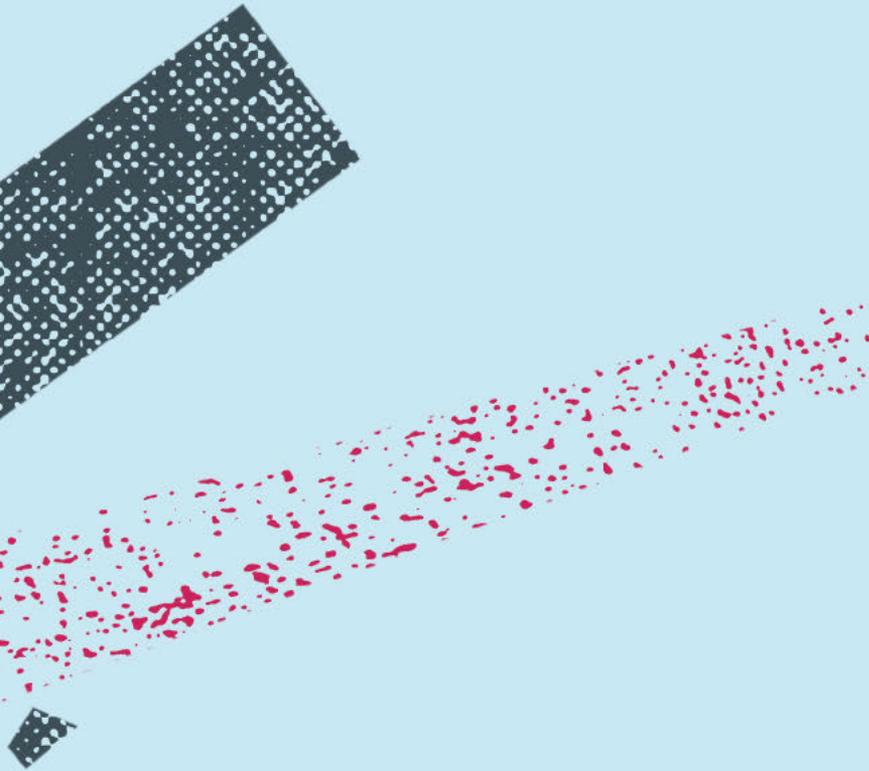
The Pamunkey Indian tribe, which has signaled its desire to build a casino and resort in Virginia, has acquired 600 acres in New Kent near the Bottoms Bridge-Quinton exit, but it has not yet specified what its plans are for the property.

In September, the Norfolk City Council approved an agreement that supports the Pamunkey Tribe's using 14 acres of waterfront adjacent to the Harbor Park baseball stadium for a resort and casino, but there are still many steps ahead before that could become a reality.

Meanwhile, Hathaway says, "there has been no new talk of a casino here." —GR



FALLING



IF YOU'RE THINKING of those who have gone beyond the norm during the coronavirus pandemic, you might consider the oft-overlooked number crunchers, the men and women who labor over local budgets.

Even in the best of times it's hard, exacting work.

Lately, it has been even more difficult, as the pandemic has knocked the bottom out of traditional revenue sources such as meals taxes, hotel and motel occupancy taxes, sales taxes, and personal property taxes.

"My career goes back almost 30 years, and I've never seen drops of revenue like this, and so quickly," says Henrico County Manager John Vithoukaskas.

The region's big three — Henrico County, Chesterfield County and the city of Richmond — have all struggled with revenue projections and budget forecasts as businesses close, unemployment rises, and deaths and hospitalizations from the coronavirus continue.

Henrico County, the region's jobs leader with nearly 190,000 pre-coronavirus jobs at one point, had been on a high in recent years as the economy boomed.

In February, the Bureau of Labor Statistics reported that Henrico's unemployment rate was a mere 2.6%. Over a few months, the percentage of unemployed quadrupled.

Spring ahead to the first week of May, when the Virginia Employment Commission released data showing that initial unemployment claims in Henrico for the May 2 filing week stood at 2,163. Richmond led the region with 2,290 new claims, and Chesterfield ranked second with 2,185.

About 21,000 Henrico residents applied for unemployment in April alone.

"Currently, we are at 10% [unemployment] in the region," Vithoukaskas said in mid-May.

"The concern we have here is when that 10% becomes 12%, when it becomes 14%, or it peaks at something like 16%. Those are not levels you recover from immediately." >

SHORT

By Gary Robertson

Local governments struggle with revenue projections and budget forecasts as unemployment rises, tax revenues fall and uncertainty reigns supreme

'THINGS CAN CHANGE ON A DIME'

Like all localities in the region, Henrico prepared one budget for fiscal year 2021, then scrapped it and put together a new budget in about three weeks as the corrosive effects on business from COVID-19 and gubernatorial mandates to corral the coronavirus took hold.

In submitting a revised budget of \$1.3 billion on May 1, Vitoulkas attached an open letter saying, "Like millions of businesses and families, Henrico is only beginning to understand the severe impact that the COVID-19 crisis will have on our finances."

The revised budget came after trimming nearly \$100 million that included a delay of capital projects, a 5% across-the-board reduction for department operations and holding open all vacant positions, excluding public safety.

The revised budget also lowered projections for a wide range of revenue sources: occupancy taxes down 49%, meals taxes down 32%, sales taxes down 24% and personal property taxes down 7%.

For the first time since the Great Recession a decade ago, the county administration also floated a retirement incentive program for those eligible to leave the county's workforce, to help trim costs.

The county's budget staff, bowing to the unpredictability of revenues, also instituted what Meghan Coates, Henrico's deputy finance director, calls "an 18-month public hearing."

"Because of the strategy we're taking, the board [of supervisors] is actually going to be making quarterly appropriations," she says.

"They're going to be considering the [budget] plan in its entirety every 90 days. It's so we'll be able to pivot, based on feedback and recommendations that continue to come in and alter the way that we manage the next budget.

"COVID-19 has presented a financial situation that literally no one who has ever worked for county government has ever experienced," she adds.

"Typically, a local government recession comes on the real estate front, and you can see that coming, and you have some time to prepare. What we have learned from this particular event is that things can change on a dime."

Coates believes that a lot of localities are making generous assumptions about when the economy will bounce back, but she says data indicate that the economy is slipping into a recession.

"I think the second thing some localities are banking on," she says, "is that help is going to come — either the federal government or the state government is going to come and bail us out at some point. And that is not an assumption that we have made."

In the event everything goes awry, Henrico, like other localities, has a rainy-day fund or some version of a reserve. For Henrico, it is \$281 million.

TOUGH DECISIONS

In Richmond, City Council adopted a \$744 million budget — reduced by \$38.5 million from the original proposal — but some council members, including those who voted for it in a 5-4 split, cited the likelihood that further trimming seemed inevitable.

"We're in uncharted territory, and we have no idea what the actual deficit that we will experience over the course of this year's budget [will be]," said 16-year veteran council member Ellen Robertson, who supported Mayor Levar Stoney's budget proposal.

"We've got a lot of work in front of us on a monthly basis as we look at the actual revenues that come in and the actual tough decisions that we'll have to make down the road when we get some real numbers and know what actual cuts may be necessary," Robertson said during a May 11 council session.

John Wack, Richmond's director of finance, echoes Robertson's uncertainty about what lies ahead, saying that even the forecast for \$38.5 million in lost revenue was only "a mildly educated guess."

"Doing this kind of monthly review is unprecedented," Wack says. "We are still estimating for the current year, but we don't have evidence yet, we don't have trends yet of the revenue we're going to be receiving from a lot of these local tax resources."

Richmond's reduced budget included a 2% pay raise for city employees, \$10 million less in new funding for city schools and a hold on a variety of new positions.

The city has two kinds of general fund reserves that make up its rainy-day funds: the unassigned fund balance and the Budget and Revenue Stabilization Contingency Reserve.

As of June 30, 2019, according to the city's Comprehensive Annual Financial Report, the Budget and Revenue Stabilization Contingency Reserve stood at \$14 million, and the unassigned fund balance was \$111.5 million.

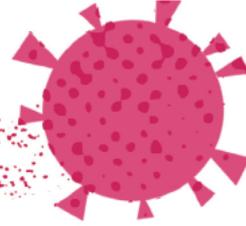
"In order to fill a projected budget gap in the current fiscal year ending June 30, we are planning to use less than half of the Budget and Revenue Stabilization Contingency Reserve and leave the unassigned fund balance untouched," Wack says. "The initial planned use was \$6.2 million."

He adds that there are no plans to use rainy-day funds in the upcoming fiscal year, according to the fiscal year 2021 budget adopted by City Council.

CUTS AND MORE CUTS

In Chesterfield County, the region's most populous jurisdiction with 352,000 residents, the fiscal year 2021 budget had a 24-hour shelf life, says Matt Harris, Chesterfield's deputy county administrator for finance and administration. "We proposed a budget on March 11," he says. "The governor's state of emergency announcement came the following day."

In response, Chesterfield budget makers cut \$50 million to reduce the budget to \$723.6 million, \$10 million less than the current budget for the fiscal year that winds down June 30.



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*RICHMOND CITY COUNCIL MEMBER
ELLEN ROBERTSON*

In late May, the Board of Supervisors snipped the budget again by nearly \$2 million, bringing it to \$721.8 million, but it could be amended even further, if necessary.

The county furloughed 500 part-time and full-time positions the first week of April, noting that 10% of the positions were already vacant. In the most recent round of cuts, savings were realized with a policy not to fill vacant positions. Harris says if projections turn out to be less than expected, "we can pause" and go slower.

He notes that the county also has a \$70 million rainy-day fund for emergencies.

Hanover County Administrator Cecil "Rhu" Harris, who is retiring this year, said the pandemic forced him and his staff to cut the county's fiscal year 2021 budget by 4%, or \$10 million, over a month's time.

The revised \$266.7 million budget preserved jobs but eliminated a proposed pay hike and instituted a hiring freeze, among other steps.

"It's in such an incredibly tightened time frame from any of the other recessions or downturns or anything that we've had to work through over my career," Harris says.

"We're all trying to ask what the effect will be in our current spending and in our next year's spending."

In anticipation of even greater declines in revenue, Harris has included \$2.1 million in new projects in the budget but put them on hold until Jan. 1, 2021.

THE FUTURE OF WORK

Although many county and city facilities, from parks to libraries, were closed or operated with reduced service or access during the early days of the pandemic, officials are hopeful all of that will be a distant memory once the COVID-19

outbreak is conquered.

Officials across the region characterized the reopening of services as coming in slow waves, with measures being closely monitored and subject to revisions in step with guidance from the governor and the state health department.

Like many big companies and small businesses, local governments — as well as state officials — have leaned on telecommuting to keep services intact, and that might profoundly affect the future of work.

"Right now, we're processing permits faster than we ever have, believe it or not, remotely," says Henrico's Vithoulkas. Going forward "there is going to be a greater emphasis on teleworking and technology," the county manager says.

He says discussions he's been having with senior staffers have included an exploration of whether a local government needs a huge inventory of office buildings to function.

"There may not be a need to spend \$20 [million] to \$25 million on a building, if we can use [telework] technology" he says.

Cari Tretina, Henrico's chief of staff, adds that about 90% of county employees whose jobs are appropriate for telework have been working remotely during the pandemic.

Harris of Chesterfield says that, excluding school and public safety personnel, "at least 80%" of Chesterfield employees are teleworking at least partially.

Jim Nolan, press secretary to Richmond's mayor, said "the overwhelming majority" of the city's essential workforce have been at their regular posts, citing police and sanitation workers among them, while others are telecommuting during the pandemic.

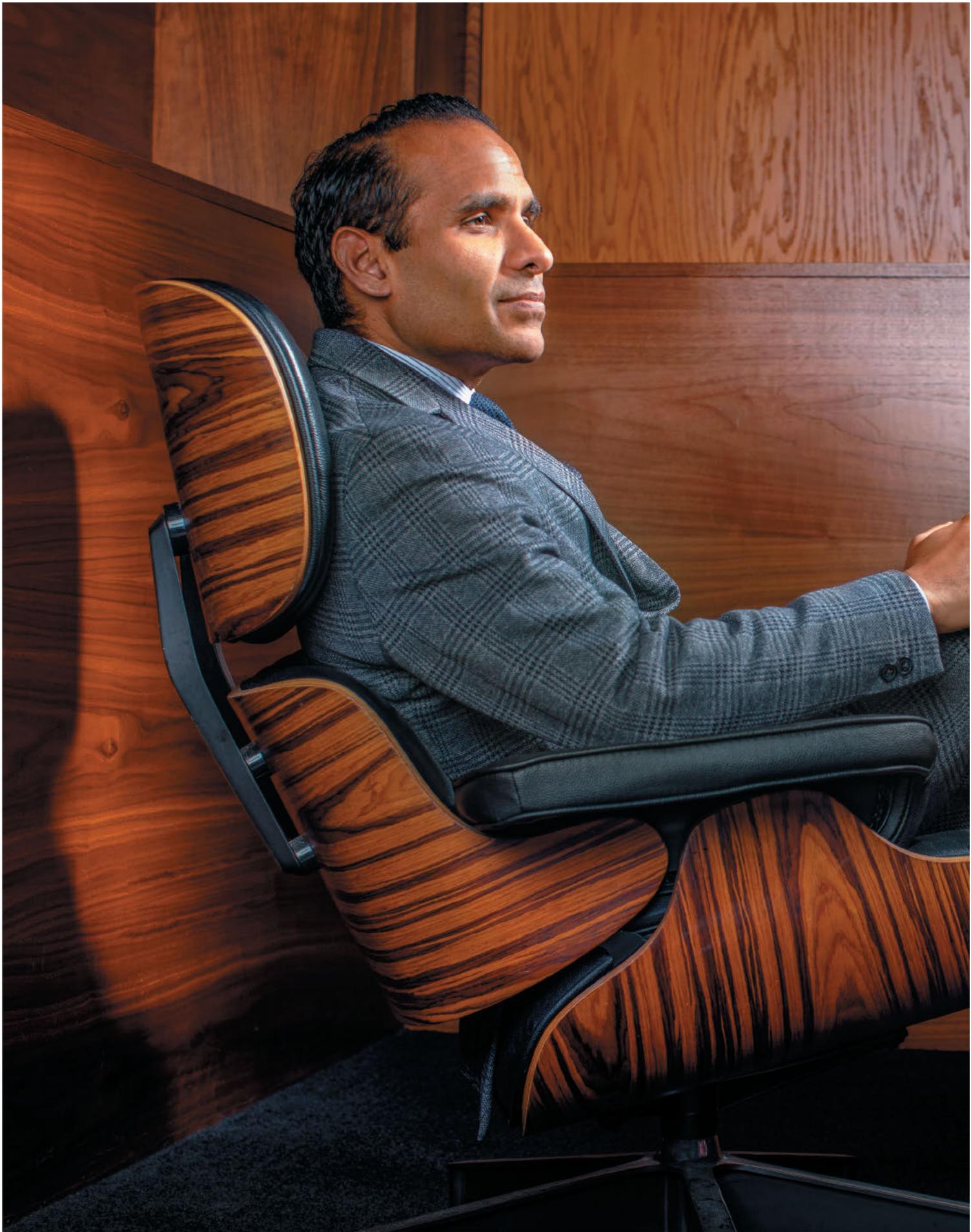
Anne Waring, a spokesperson for the state's Department of Human Resource Management, says that reports from state agencies indicate that many have anywhere from 60% to 80% of their employees teleworking.

"Telework has helped employees and their families manage child care and school closures, as well as allowed the commonwealth to balance the needs employees have to care for their families or elders," Waring says. "Our teleworking and scheduling flexibilities for the workforce have enabled Virginia to deliver core citizen services during this challenging time."

Robert Taylor, executive director of the Kornblau Real Estate Program at the VCU School of Business and an expert on commercial real estate, forecasts "a big societal change" in the way people do their work and says a lot of proposals are being floated.

Among them are a possible push into more telecommuting, creating more space between workers in existing buildings as a precautionary step, or a hybrid approach where employees would share workspaces with other colleagues on an alternating schedule, with some working at home and some coming into the office.

"I'm like many people [who wonder,] gosh, what is going to happen?" Taylor says. ■



A photograph of a person sitting on a chair in a room with wood-paneled walls. The person is wearing a dark, patterned suit jacket and dark shoes. Their hands are resting on their knees. The background is a dark wood paneling with a vertical seam. The overall mood is professional and contemplative.

AT YOUR SERVICE

Shamin Hotels CEO **NEIL AMIN**
finds satisfaction in taking care
of his family, his business and
the community at large

*STORY BY GARY ROBERTSON
PHOTOS BY ZAID HAMID*

A bright red string hangs loosely around Neil Amin's right wrist. Earlier this year, he traveled to India for a cousin's wedding — "In India, 'cousin' is the same as 'brother,'" he says — and Amin, as the eldest cousin on his mother's side, was there to offer greetings and best wishes.

The red string had been blessed by a priest as part of the wedding ritual.

"I wear it until it falls off, and why not?" Amin asks. "It was blessed by a priest for a wonderful occasion."

The red string tells you a lot about Amin, because it symbolizes the strong ties he has to family, both in the U.S. and in India, where his parents grew up before emigrating several decades ago and where his father built a primary school in his native village, Sejakuva, for local children.

Amin, 41, is CEO of Shamin Hotels, one of the largest family-operated hotel chains in the U.S., with 61 properties in six states — 38 in this region alone.

Shamin Hotels has in excess of 8,000 rooms and has operated under the banner of the Hilton, Marriott, Hyatt and Starwood brands.

Since early spring, Amin has faced perhaps his biggest challenge, as the coronavirus pandemic hobbled the travel and hospitality industry, from airlines and hotels to restaurants and theaters.

The company employed more than 3,000 people before sharp declines in booking prompted furloughs as business travel ground to a stop. In late March, Shamin established an associates relief fund with an initial \$100,000 donation. The fund will help the company's associates with food and other necessities and will also provide immediate cash assistance to those who need it.

"Although this is a very difficult time period for Shamin Hotels, we feel it's important to act quickly and broadly to



assist our associates," Amin stated in an announcement about the fund. "We want them to know that we are in this together, and we will come out of this together."

By mid-April, in an online teleconference about the state of the hospitality industry, Amin shared that Shamin's occupancy rates had dropped to about 10% and that three of its seven hotels at Richmond International Airport had temporarily closed.

Yet, despite the unprecedented challenges his company faces, Amin is optimistic about the future.

"We want to be the first ones to come back and bring people back and to ensure that our teams and our people have the tools they need to open these hotels back up to a high occupancy level," he says.

MEASURED GROWTH

Recently, Shamin Hotels has announced projects in all three of the Richmond region's major localities:

In the city of Richmond, Shamin has a new headquarters at the recently purchased Richmond Times-Dispatch building on Franklin Street and a boutique Moxy Hotel at Fifth and Franklin streets.

In Chesterfield County, a \$125 million investment by Shamin includes a 200-room upscale hotel at Stonebridge, a mixed-used development that replaced the former Cloverleaf Mall on Chippenham Parkway and a 180-room dual-branded hotel property in Chester.

In Henrico County, Shamin will operate a hotel at the reimagined Virginia Center Commons mall, where Henrico is



Left: Neil Amin at the Embassy Suites on West Broad Street; below: The Shamin Hotels-owned Hilton in Short Pump



COURTESY NEIL AMIN

planning a \$50 million arena in a private-public partnership.

“We have no plans to cancel any of those projects at this time,” says Amin, who has faced adversity before.

“I joined [Shamin Hotels] in 2002, but I became CEO in 2008, and we had this recession,” he says, “so a lot of my experience and training was dealing with the recession.

“That’s really ingrained my thinking. I remember those experiences dealing with those issues.”

The last recession provided a growth opportunity for Shamin Hotels that it would not have had otherwise, Amin says.

“Before 2009, before that large crash, hotel values would go up consistently over a longer period of time,” he says. “We hadn’t had a major crash, so owners would typically hold onto hotels. They would not really sell. After that crash, people realized that values could go to zero.

“A lot of people, unfortunately, were hurt by that downturn, so that really created more of a transactional market. We were able to find hotels to buy. So before that, we built most of our hotels. Really, after that is when we started finding opportunities to buy.”

Amin says Shamin could have doubled the number of hotels it has by using private equity to finance acquisitions and construction, going for the “home run.”

But he’s not interested in a home run. The company, he says, will continue to grow at a measured pace, depending on the economy and the market. And it will largely finance its own growth.

“If we can’t, we don’t do the transaction,” Amin says.

Meanwhile, he has talked with various lenders, establishing lines of credit to prepare for what might be a prolonged downturn in the travel industry.

“We’re very fortunate to be able to tap those resources during this period,” he says.

A HOTEL HOME

Amin’s father, P.C. Amin, and his uncle B.N. Shah started the business in the 1970s. The company’s name, Shamin, is >

a combination of the names of its founders, Shah and Amin.

Members of both families still work in the business, and Amin's wife, Amishi, who has a mathematics degree from Imperial College London and a background in investment banking, is a vice president.

Amin's father says "Neil was shy" as a young man, meeting Amishi on a recommendation from a family friend in London, who thought his granddaughter and Amin shared common interests, both professionally and culturally.

They carried on a quiet long-distance courtship by phone for months before finally meeting in person, when they immediately connected.

"She was third-generation Indian but pretty much same culture," P.C. Amin says.

After graduating from high school, Neil Amin entered the University of Pennsylvania, earning a Bachelor of Science degree in economics from the university's Wharton School, graduating summa cum laude and adding an MBA in finance from the same institution, as part of an accelerated five-year program.

But his education in the hotel industry happened well before any type of academic preparation.

He grew up in one of his family's hotels in Chesterfield County and lived there until he was 12. The hotel's front

desk clerk was also his babysitter.

"She was working while taking care of me, and I believe she was taking care of her family as well, and I saw that firsthand," Amin says. "And I saw how hard people worked.

"I would visit the laundry room. People would bring their lunch there and talk, and we had a laundry attendant there. Her name was Betty. She had been with us over 25 years," he says. "She did



A photo of P.C. Amin (center) with his family, taken when he was leaving India to attend graduate school in the United States.

not change locations. She stayed at that location. And she became a friend of mine and a friend of our family's."

Amin's routine is to rise every day at 5 a.m. and hit the treadmill for a long run. He got interested in running when he attended the Governor's School in Richmond, when it shared space with Thomas Jefferson High School.

"We did sports with Thomas Jefferson

[kids]. So it was not like I was around people who looked exactly like me or had the same socio-economic status, and I think that's important," Amin says, referencing the larger pool of people from different backgrounds he met when he began attending school in the city.

In 2001, the Governor's School moved to what is now the campus of the Maggie L. Walker Governor's School for Government and International Studies. Amin suffered a teenage crisis when he failed to make the tennis team — his father is an avid tennis player — after losing in a sudden-death playoff for the last spot on the team.

It was his first big failure, and he says he learned from it.

"It taught me the importance of being able to pick yourself back up after a huge loss," he says. He turned to running track, and that's when fate opened a door for further learning, about people and about life.

James G. Holdren Jr., Maggie Walker's legendary track coach, captured Amin's attention and admiration. Though Holdren has won national coach of the year in two sports, with a list of All-American runners and national record holders to his credit, it was the way he embraced all participants, not just his top athletes, that stuck with Amin.

"I had no experience, but he welcomed

ORIGIN STORY

SHAMIN HOTELS began when Neil Amin's father, P.C., emigrated to the U.S. from India in 1970, looking for opportunity.

He was from a middle-class farming family — his father later became a teacher and eventually a social worker — and he, his three sisters and his parents lived in a 500-square-foot house, rolling up their beds in the morning to begin each day.

He earned a civil engineering degree in India and, as a top student,



was able to get loans and scholarships that enabled him to earn a master's degree in civil engineering at the University of Utah.

After graduation, he borrowed \$200 and bought a 21-day bus ticket, sleeping on the bus at night and looking for jobs during the day. He rode from city to city, but no job offers were forthcoming.

With one day left on his bus ticket, he arrived in Richmond with \$20 in his pocket. He saw a notice about a job opening at the Virginia Depart-

ment of Transportation and rushed to apply.

"I think they felt sorry for me," Amin says, because he told a VDOT administrator that he needed a job immediately, "any kind of job," because he had spent nearly all of his money for his bus ticket.

He was hired on the spot as a technician at \$3.69 an hour, while VDOT officials verified his credentials as a civil engineer and reviewed his academic record.

"A month later, they made me an engineer after they saw I could do the job," Amin says with a chuckle.

He took a room for \$2 a day at

Shamin Hotels owns hotels all over the country, including the Hilton Virginia Beach Oceanfront hotel.

me with open arms, and not just me but everybody,” Amin recalls. “And he made sure that even the slowest guy on the team had a specific training program to make them better and to show progress. ... My father and Coach Holdren, you see how much they care about helping people, and it’s infectious.”

Amin, class of 1996 at Maggie Walker, is an involved alumnus. In 2018, he and his wife made the largest donation in the history of the school, giving \$100,000 to create a new speaker series and to improve the school’s robotics program.

FULLFILLING A VISION

When Amin went to India for his cousin’s wedding last winter, he also took along his children, 5 and 7 years old. He wanted them to see the small rural village where his family is from, and the daily struggle people have just getting food and water.

He also wanted to show them the impoverished conditions in which some people live and work.

“We saw some kids selling on the street barefoot, very poor kids,” he says. “I wanted to show them that those kids didn’t even have shoes, and they were out there working with their parents. I showed them this is what people have to do.

“You’re fortunate you don’t have to do this,” Amin told his children.

When he enrolled at the Wharton



School, Amin thought he was heading for a career in finance. He went to work for Goldman Sachs, the multinational investment and financial services firm on Wall Street in New York, immediately after graduation.

For three months, he worked in fixed income, currency and commodities. Then for a year he was an associate in high-technology investment banking before he returned to Richmond to work for the family business.

So why did he give up the glitter of Wall Street to return home to run a hotel business?

“I went to college in 1996,” Amin says, “and at that point, we had maybe four or five hotels. To me it was more like a single-person or husband-and-wife operation — it wasn’t like Shamin Hotels today.

“And then when I got out, we had

maybe eight hotels, and it was starting to become a company,” Amin says. “My parents worked so hard to go from zero to 10 hotels, and they were continuing to work hard to turn over the baton. So I felt a sense of duty to help them continue to see their vision fulfilled. That’s the honest truth.”

Since then, the hotel chain has grown sixfold.

Shamin Hotels began its long and prosperous relationship with Chesterfield County in the early 1980s, when the newly developing company purchased its second hotel, a then financially troubled motel lodge at the Walthall exit (exit 58) off Interstate 95.

Amin’s mother made sandwiches for hotel guests who came off the interstate, usually on their way south toward Florida. The sandwiches were served >

the YMCA shelter for men until he had enough money to move into a small apartment.

In the late ’70s, while still working at VDOT, Amin says his vision for his future changed.

“I met someone in Fredericksburg who had a 20-room hotel,” he says. “I was really impressed with his success, the way people respected him, and I made my decision that this is what I wanted to do.”

He used money he had earned at VDOT to invest in a bankrupt 104-room hotel in Lumberton, North Carolina, with his brother-in-law, B.N. Shah, who had been working for

a drug manufacturer in Connecticut.

After a rocky start, the hotel began earning money — lots of money. “It became a gold mine for us,” Amin says.

He then returned to the Richmond region, acquiring another hotel in financial distress at the Walthall exit off Interstate 95 in Chesterfield County. He was married by then, and he and his wife, Purnima, moved into the hotel with their only child, then 1-year-old Neil. It was 1979.

“I thought life could not be any bigger, and probably that is still true,” Amin says wistfully.

He said he worked briefly for Duke



Energy, 1980-81, before deciding to go into the hotel business full time.

Amin says his family, including son Neil, has never been obsessive about making money. “I don’t worship money,” he says. “I don’t feel fear of losing the money or everything that I

have. My value is the happiness in being able to do something constructive.”

In 2009, the Chesterfield County Board of Supervisors recognized Amin for his business accomplishments and civic contributions, citing among other things his underwriting of the construction of the non-profit The Cultural Center of India, Virginia (CCIVA) in Chester, which has been used by the public schools as well as community organizations.

At age 74, the Shamin Hotels co-founder still reports to work every day. —GR

LETTERS OF SUPPORT

Neil Amin says he has been humbled by the expressions of support he has received from his employees during the coronavirus crisis. Here's a sampling of what associates have written:



These are difficult and uncertain times. I know your mind is troubled and your heart heavy. Wishing you peace in your heart and mind today and always. Thinking of you and wanted to let you know that I am here to support you. Take whatever decision is needed to take care of this company. Cut my salary, reduce hours/days or furlough my position. Whatever you must do, do it.

I don't know why bad things happen to good people, I don't know all you are feeling right now and I don't know exactly the right words to say. I do know that you are cared about by so many people, I do know that you are stronger than you know and I surely do know that I am here for you no matter what.

At the end of the day, all you need is strength and hope. Hope that this too shall pass and everything will get better, and strength to keep positive until it does.

Tough times do not last but tough companies do. We are one tough company; that I do know.



Good morning
After five days of coughing chills and self-quarantine, I am finally feeling better.

I want you to know that though my job has ended, my leadership has not. We are all in this together, and I continue to be here for my team.

Even though I am not on payroll, I am continuing to work to keep my team and colleagues cohesive so when we return we can get right back up.

If you need anything at all, I am here to help.



Good afternoon Neil,

I wanted to take a minute to let you know that I know how difficult it is for you to see the layoffs. I have been with Shamin Hotels for 12 years, and we are more than family.

Our thoughts and prayers are with you, and if there is anything I can volunteer to do at any of the hotels, I will be more than happy to jump right in.

Thank you for your leadership and may this phase pass soon.

without charge, as part of the service.

At the time, Chesterfield was rapidly growing toward a population of 150,000. Today, it's climbing toward 350,000 people.

Shamin has been along for the ride, especially benefiting from the area's sports tourism, which has become a nearly \$50 million industry for the county.

John Watt, tourism project manager in Chesterfield County's department of economic development, paints the picture: "Given they have a preponderance of properties, nearly a dozen in Chesterfield County, Shamin Hotels has been really, really important to the economic vitality of our region," he says.

"Their hotels are scattered from the edge of 295 in Meadowville all the way over to Brandermill and provide a wide assortment of choices for the traveling public, for our business travelers who are coming into the community and, for the past 10 years or so, the explosion the region has seen in sports tourism," Watt says. "We couldn't do it without the number of rooms that the Shamin properties provide, both here in Chesterfield and also the city and Henrico."

"WE WANT [OUR ASSOCIATES] TO KNOW THAT WE ARE IN THIS TOGETHER, AND WE WILL COME OUT OF THIS TOGETHER."
NEIL AMIN, CEO OF SHAMIN HOTELS

A CULTURE OF SERVICE

For many years, Amin served on the board and as chairman of the finance committee for Richmond's Better Housing Coalition.

Amin says he was drawn to that service initially by concern that some of the associates who worked at his hotels might not be able to find affordable housing.

"I got to know the associates at the hotels, so I see when people are lacking the basic needs — shelter, health care, education, food," Amin says. "Those are the things I'm focused on, and those are my passion, to ensure that not only Shamin associates but the entire community has those basic needs. So I've tried to align myself with those types of organizations."

Shamin Hotels created a scholarship for the children of the company's associates named after Purnima Amin (right), Neil Amin's mother.

Greta Harris, BHC president and CEO, praised Amin's service and commitment, as well as his business acumen. Amin rotated off the coalition's board last year.

"He was a savvy businessman who understood the connection between successful employment and quality affordable housing in close proximity to jobs," Harris says.

"The folks who are taking care of our children, the folks who are helping us take care of our parents, the folks who are serving great

food and drinks and who are cleaning hotels and things like that, all of those folks need quality housing at an affordable price," Harris says. "Not every business necessarily sees it that way."

Amin has earned accolades for his contributions to the community — tourism development, affordable housing and the like — and for his business savvy.

But he says he is uncomfortable with the attention and shifts the credit to his parents for the work they have done to give the company a sound foundation.

He says his mother, Purnima Amin, is often overlooked for her contributions, which he says have been inestimable.

"She's really the glue that keeps this company together," he says. "She's that motherly figure, the caretaker. If someone has a need, they come to her. She's very easy to talk to, and that's created this culture."

Despite Shamin Hotels' success, Amin says his family business — and his family — have tried largely to eschew the outward trappings of success.

"You'll see that my father nor I don't have an assistant," Amin says. "We don't live an extravagant lifestyle. My father still lives in the same house that I grew up in. I lived in a hotel until I was 12, and then he built this house [in 1991], and I moved in there. He lives in that same house today.

"We came from nothing, and we were always happy. When we lived in the motel room, we were happy. We never felt that we were missing out or anything, and that's how we still feel today.

"We're just happy spending time with friends and family, taking care of our communities and taking care of our associates," Amin says. "That's what brings us happiness, rather than changing our lifestyle." ■



COURTESY NEIL AMIN