

COUNTY OF YORK

MEMORANDUM

DATE: November 25, 2020
TO: York County Board of Supervisors
FROM: Neil A. Morgan, County Administrator
SUBJECT: Duke of York Hotel



Last Friday I had a meeting with Matt Bowry, and Mario Buffa, to discuss their plans for acquiring, renovating, and operating the Duke of York Hotel. They have the property under contract, and the closing is scheduled for early January. I have attached an executive summary of the acquisition, and future plans for the hotel provided by Mr. Bowry that includes his background information.

As you are aware the hotel has become dated, and has not been aggressively marketed for many years. The prospective new owners seem to have a well measured, and effective plan for upgrading, and promoting the property. We will work closely with them to assist with improving this important asset in historic Yorktown.

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Attachment:

- Duke of York Acquisition, Executive Summary

Duke of York Hotel

Yorktown, VA

Property Overview

The Hotel consists of three buildings containing 57 rooms and a fourth building that houses the laundry facility and an apartment all located at 508 Water Street, Yorktown, VA 23690. The Hotel is currently operating at approximately 35% annual occupancy with an average daily rate of approximately \$125 generating approximately \$910,000 in revenue per year.

The Hotel is the only accommodation located on the waterfront of the York River in the historic village of Yorktown. The Hotel is adjacent to the Yorktown Battlefield Colonial National Historical Park and is conveniently positioned at the terminus of the Colonial National Historical Parkway that links Yorktown to Williamsburg and Jamestown. This parkway provides efficient and traffic reduced access to Busch Gardens Williamsburg and Water Country USA.

Executive Summary

1. Acquiring an underperforming asset with tremendous upside potential
2. An unmatched location on Yorktown Beach
3. Effectively zero competition in the market
4. Significant opportunity to increase rates and occupancy
5. Renovating the common areas and increasing the curb appeal
6. Potential to add a rooftop bar/restaurant

Executive Plan

The Company will implement an extensive common area renovation program immediately upon acquisition. This program will include modernizing the appearance of the lobby, hallways and elevator and converting the onsite restaurant into a breakfast bar/market, conference room and a fitness center. We will celebrate the reopening of the Hotel when renovations are complete (estimated by the end of March 2021).

The renovated Hotel will provide a traditional beach aesthetic with modern conveniences such as state of the art wireless internet service, in-room streaming TV capabilities, grab and go breakfast options, a market for beer/wine/sundries, onsite workout facility, pool and a conference room. Saturday and Sunday brunch will be offered to our guests at our nearly adjacent sister restaurant, the [Water Street Grille](#) by way of a voucher.

The rollout of a new website and digital marketing plan will enhance customer awareness and pull business from the Williamsburg market. The implementation of our new property management system will provide the necessary tools for our team members to track all aspects of operations from housekeeping to maintenance requests in real time and thus increase guest satisfaction levels.

Further, we will focus on landscaping as well as the movement of the trash dumpster from the front of the property, removal of vending machines from the front of the property, the replacement of existing signage and awnings and the reconditioning of the parking surface. As operating cash flow allows, we will make modest room enhancements. We have budgeted \$500,000 to complete these renovations/enhancements.

All 57 units were modestly updated during the last five-years with new furniture, mattresses, bathrooms, paint and carpet. The Company does not anticipate any significant interior improvements other than paint and carpet as needed.

The Company intends to aggressively market the property to increase occupancy to historical levels of 45% - 50%. The marketing plan will be focused on increasing the Hotel's online presence and quantity of online reservations through a revamped website and search engine optimization strategy. Additionally, in-person sales calls will be conducted by Matt Bowry ("Mr. Bowry") at the Naval Weapons Center Yorktown, Plains All American Pipeline LP (Yorktown Refinery), U.S. Coast Guard Training Center and Virginia Institute of Marine Science to increase awareness of the new ownership/management and property changes and to rekindle the profitable lost relationships.

The current ownership/management has been a family business and has not adopted modern and professional marketing, operational and technological opportunities and strategies. Upon closing, Mr. Bowry will take over as the general manager of the Hotel.

The Principals

Matt Bowry

Mr. Bowry is the founder of M. A. Bowry & Company, the managing member of the Company, and will be responsible for the operations, property and asset management of the Hotel. Prior to founding M. A. Bowry & Company, Mr. Bowry worked for the past 10 years in various areas in the hospitality field ranging from the general manager of a nationally branded hotel to an acquisition consultant for a hotel management firm in Williamsburg to a financial analyst for the CFO of a large hotel operating/development company in Virginia Beach. Mr. Bowry began his career as a real estate investment banker in Baltimore where he was a vice president and participated in transactions in excess of \$2.5 billion.

Mr. Bowry received his BBA in Finance from James Madison University and his MBA from The College of William & Mary. Mr. Bowry was raised in Newport News and currently lives in Yorktown.

Mario Buffa

Mr. Buffa is a life-long resident of Yorktown and has owned and operated multiple businesses during his 40-year career in hospitality. Mr. Buffa grew up in the restaurant business working with his family to successfully own and operate Anna's Pizzas and Joe & Mimma's restaurants throughout the Peninsula and currently is the owner/operator of Seateries Restaurant Group in Yorktown, which consists of Riverwalk Restaurant and Water Street Grille both located on the waterfront in Yorktown just steps away from the Hotel. In addition to independently owned and operated restaurants, Mr. Buffa was a franchisee of two successful Dairy Queen restaurants in Hampton and Newport News from 1998 until sold in 2007, a Bojangles' Famous Chicken 'n Biscuits franchise from 2010 until sold in 2018 and currently an IHOP franchisee since April 2010. Mr. Buffa has managed businesses grossing more than \$10 million a year and employs more 350 team members. Additionally, Mr. Buffa has extensive real estate investment and development experience including multiple retail strip and free standing restaurants located in Yorktown. Mr. Buffa prides himself on being hands on in all of his businesses and will be integrally involved in the oversight of the Hotel.