

MINUTES
VIRGINIA BEACH DEVELOPMENT AUTHORITY
June 21, 2011

The Virginia Beach Development Authority held its regular meeting on Tuesday, June 21, 2011, at 8:30 a.m. in the large conference room at 222 Central Park Avenue, Suite 1000, Virginia Beach, VA, pursuant to notice given by the Chair.

MEMBERS PRESENT: John W. Richardson, Chair
 Elizabeth A. Twohy, Vice Chair
 Prescott Sherrod, Secretary
 Donald V. Jellig, Assistant Secretary
 Dan H. Brockwell, Treasurer
 C. Maxwell Bartholomew, Jr., Commissioner
 Linwood O. Branch, Commissioner
 Paul V. Michels, Commissioner
 Jerrold L. Miller, Commissioner
 Shewling Moy Wong, Commissioner

ADVISORS PRESENT: Larry Barry, LandMark Design Group
 Michelle Chapleau, Business Development Manager
 David Couch, Business Development Manager
 Scott Hall, Business Development Coordinator
 Warren D. Harris, Director of Economic Development
 Steve Herbert, Deputy City Manager
 Rob Hudome, Project Development Manager
 Lloyd Jackson, Business Development Manager
 Swetha Kumar, Economic Development Intern
 Sean Murphy, VBDA Accountant
 Tammy Owens, SWAM Business Manager
 David Redmond, Planning Commission
 Tony Russo, Project Development Manager
 Alex Stiles, City Attorney's Office
 Mark Wawner, Project Development Coordinator
 Cynthia Whitbred-Spanoulis, Strategy & Performance Coordinator
 Rosemary Wilson, Councilmember

REPORTED BY: Mark Wawner

RECORDED BY: Linda Sheehan/Cynthia Whitbred-Spanoulis

The Authority convened into session and discussed the following:

REGULAR MEETING

1. Review and approval of minutes of regular meeting held on May 17, 2011.

MOTION: Prescott Sherrod
SECOND: Shewling Moy Wong
APPROVED: 9-0

REVIEW OF FINANCIAL POSITION

2. Sean Murphy reviewed the Authority's financial statements for the month of May.

Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$6,138,803, cash receipts for the month were \$51,081, and cash disbursements for the month were \$26,217 for a net increase in cash of \$24,864. The end of month cash balance in the operating account was \$6,163,667.

- Received \$11,007 in IRB fees;
- Received \$4,025 interest income on CDs and bank accounts;
- Received \$21,963 from VBN for three months rent;
- Received \$13,336 for Charity Golf Tournament sponsorships and mulligans;
- Designated \$10,946 of rent received for VBN capital maintenance;

Monthly Cash Flows – EDIP Account

Mr. Murphy reviewed the Reconciliation of Cash to EDIP Status Report for May.

- Received \$659 reimbursement from SGA fund;
- Received \$4,488 in interest income;
- Disbursed \$137,081 in EDIP grants;
- Disbursed \$15,772 in engineering fees for various projects;
- Disbursed \$49,091 for Dome site engineering fees

This report is hereby incorporated into these minutes.

Dan Brockwell arrived during the discussion of this item.

3. Approved Fiscal Year 2012 Annual Operating Budget. The Annual Operating Budget and the accompanying Budget Descriptions are hereby incorporated into these minutes.

MOTION: C. Maxwell Bartholomew, Jr.
SECOND: Linwood Branch
APPROVED: 10-0

4. Approved Fiscal Year 2012 Town Center Special Service District Budget. The assessed value is approximately 1% less than the previous fiscal year. All three residential components experienced a substantial assessment decrease. The Westin Hotel performed well. Bond fees remain stable. Since Block 2 and Block 9 are incurring expenses (maintaining parking lot, watering and irrigation) they are included in the budget. The additional .45 per hundred paid by the tenants supports free parking, entertainment, security and other amenities. The Special Service District Budget and the accompanying Budget Descriptions are hereby incorporated into these minutes. The Authority would like an estimate of the amount of bond fee money being forfeited due to the issue with the Virginia Small Business Financing Authority.

MOTION: Donald V. Jellig
SECOND: Dan H. Brockwell
APPROVED: 10-0

TOWN CENTER

5. Mark Wawner reported the following regarding Town Center:
 - Yard House construction underway. Anticipate opening first half of November.
 - Havana Nights Restaurant established a location at the corner of Market and Commerce Street;
 - Priority Auto Group permit goes before the Planning Commission on July 13, and to City Council in August;
 - Vandalism occurred at the former Circuit City building. The City's Risk Management Department covered the \$1,000 deductible incurred;
 - Y Not Wednesday's at the Sandler Center Plaza is ongoing June 1 through August 30.

6. Approved Block 10 Third Amendment to condominium documents. This amendment allows for the loan to be refinanced at a lower rate, and extends free parking in the Cosmopolitan Apartment building from 2046 to 2051.

MOTION: Jerrold L. Miller
SECOND: C. Maxwell Bartholomew, Jr.
APPROVED: 10-0

INDUSTRIAL PARKS

7. Approved GEICO Purchase Agreement, Corporate Landing Office Park, Parcel MDO-5.
 - Option part of original 30 acre land purchase;
 - \$15,000 deposit, paid annually, will be applied to purchase price;
 - 20% of land sale proceeds to pay down non-interest accruing loan from city;
 - Construction of surface parking lot to begin in the fall;
 - 150 new employees to be hired by year's end;
 - GEICO is the heaviest user of Westin Hotel and Conference Center for training.

Staff recommends approval. The resolution approving the sale and the PowerPoint presenting the project are hereby incorporated into these minutes.

MOTION: Donald V. Jellig
SECOND: Linwood Branch
APPROVED: 10-0

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM

8. Approved resolution granting \$75,000.00 in Economic Development Investment Program funds to Elite Motors. The OLUCC approved this grant at its June 6, 2011 meeting. The company must meet enhanced design criteria for the landscaping and exterior building

materials. Staff to follow-up on dollar value of concessions received. Mrs. Chapleau's PowerPoint presentation is hereby incorporated into these minutes.

MOTION: Donald V. Jellig
SECOND: Dan H. Brockwell
APPROVED: 10-0

9. Approved resolution granting \$30,000.00 in Economic Development Investment Program funds to 215 Gear. The OLUCC approved this grant at its June 6, 2011 meeting. Approval received from NAVFAC since location is impacted by Navy air right easements. Mrs. Chapleau's PowerPoint presentation is hereby incorporated into these minutes.

MOTION: Donald V. Jellig
SECOND: Shewling Moy Wong
APPROVED: 10-0

10. Approved resolution granting \$14,000.00 in Economic Development Investment Program funds to Tidewater Valve & Fitting. The OLUCC approved this grant at its June 6, 2011 meeting. Approval received from NAVFAC since location is impacted by Navy air right easements. Mrs. Chapleau's PowerPoint presentation is hereby incorporated into these minutes.

MOTION: Donald V. Jellig
SECOND: Prescott Sherrod
APPROVED: 10-0

ADMINISTRATIVE INFORMATION

11. VBDA Priorities
 - a. VBDA Members Activity Update.

Prescott Sherrod and Jerry Stewart met with GEICO and Inmotion Hosting within the last month. Workforce Development needs are being met at GEICO. Inmotion Hosting is working with TCC, ECPI and CNU to recruit employees. The Workforce Liaison Report is hereby incorporated into these minutes.

Don Jellig and Prescott Sherrod are working with staff on the engineering services contract. Interviews are scheduled for next week and a recommendation will be brought to the Authority at its next meeting.

The Oceana Land Use Conformity program will finish this fiscal year with a zero balance and numerous transactions to process with the upcoming fiscal year funding.

Linwood Branch is working with staff to finalize Convention Center Hotel details with Armada Hoffler. Anticipate updating Authority at its July meeting in Closed Session.

Shewling Moy Wong said draft of VBDA annual report has been sent to the printer. Presentation to the Authority to occur in September. Mrs. Wong attended her second bio-tech luncheon in June. She also participated in the Hampton Roads Association of Real Estate bus tour.

A copy of an article from Inside Business entitled “State and Localities in Stalemate over Bonds” was provided to the Authority. Elizabeth Twohy said there is nothing new to update the Authority on this matter.

12. Director’s Report

Swetha Kumar was introduced to the Authority. She is majoring in urban studies with an emphasis in economic development. Swetha is interning this summer with this department and the SGA office.

The final public hearing was held recently for the Rosemont SGA.

Shewling Moy Wong is hosting Deputy Secretary of Commerce and Trade Jimmy Rhee.

A special invitation flyer from Luke Hillier for the 2011 ADS Warrior Expo East was provided to the members. This expo is scheduled for July 14 and 15 at the Virginia Beach Convention Center.

Information regarding the Virginia Conference on World Trade was provided to the members. They were advised to contact Linda Sheehan if interested in participating.

The new gateway in the 31 Oceans area opened last month.

Norfolk is hosting the ADC in July. Economic Development is providing an Oceana bus tour opportunity which will also highlight the APZ-1 program.

a. Scott Hall provided the monthly broad overview of the current Economic Development Marketing Activity Report.

- Project Types
 - Expansions
 - New
- Project Origins
 - International
 - National
 - Local
- Project Sectors
 - Other
 - Industrial
 - Office
- Existing Business Calls
 - SWaM
 - Non-SWaM
- Highlights

This PowerPoint report is hereby incorporated into these minutes.

CLOSED SESSION

The Authority moved to recess into a closed session pursuant to the exemptions from open meetings allowed by Section 2.2-3711(A) of the Code of Virginia (1950), as amended, for the following purposes:

1. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community, pursuant to Va. Code § 2.2-3711(A)(5). **(Rose Hall, Kempsville) (ADD ON: Lynnhaven)**

MOTION: Elizabeth A. Twohy
SECOND: Prescott Sherrod
APPROVED: 10-0

The Authority concluded its closed meeting and certified that to the best of each member's knowledge, only public business matters identified above and lawfully exempted from open meeting requirements under the Code of Virginia were heard, discussed or considered in the closed meeting of the Authority.

MOTION: Shewling Moy Wong
SECOND: Donald V. Jellig
APPROVED: 10-0

The Authority voted to amend the Closed Session paragraph to include the Lynnhaven District.

MOTION: Elizabeth A. Twohy
SECOND: Jerrold L. Miller
APPROVED: 10-0

Deputy Secretary of Trade and Commerce Rhee told the Authority he recently returned from a long trade mission in Asia with the Governor. There is a trade imbalance to be addressed and he noted the United States is only 5% of the world's population.

There being no further business, the meeting was adjourned.

John W. Richardson, Chair