

MINUTES
VIRGINIA BEACH DEVELOPMENT AUTHORITY
APRIL 19, 2011

The Virginia Beach Development Authority held its regular meeting on Tuesday, April 19, 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
 Paul V. Michels, Commissioner
 Shewling Moy Wong, Commissioner

ADVISORS PRESENT: Larry Barry, LandMark Design Group
 Michelle Chapleau, Business Development Manager
 Elizabeth Chupik, City Attorney's Office
 Cindy Curtis, Director of Parks & Recreation Department
 Scott Hall, Business Development Coordinator
 Mary Hancock, Media Communications Group
 Warren D. Harris, Director of Economic Development
 Steve Herbert, Deputy City Manager
 Rob Hudome, Project Development Manager
 Louis Jones, Vice Mayor
 Sean Murphy, VBDA Accountant
 David Redmond, Planning Commission
 Tony Russo, Project Development Manager
 Jerry Stewart, Workforce Development Coordinator
 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

The Authority convened into session and discussed the following:

REGULAR MEETING

1. Approved minutes of regular meeting held on March 15, 2011.

MOTION: Prescott Sherrod

SECOND: Dan Brockwell

APPROVED: 6-0

REVIEW OF FINANCIAL POSITION

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

Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$6,136,511, cash receipts for the month were \$59,155, and cash disbursements for the month were \$79,928 for a net decrease in cash of \$20,773. The end of month cash balance in the operating account was \$6,115,738.

- Received \$24,138 in IRB fees;
- Received rent in the amount of \$22,897 from East Coast Appliance (ECA) which includes pro-rata increase;
- Received \$4,270 interest income on CDs and bank accounts;
- Received to date \$7,850 for Charity Golf Outing sponsorships;
- Paid for 2011 Amphitheater concert season box seat fee;
- Remitted \$47,177 to city for former Circuit City building expenses.

Monthly Cash Flows – EDIP Account

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

- Received \$4,763 in interest income;
- Paid \$216,060 in EDIP and APZ grants.

Paul Michels and Max Bartholomew arrived during the discussion of this item.

This report is hereby incorporated into these minutes.

3. Approved one-year extension on Town Center land loan with Wells Fargo Bank to April 30, 2012.

MOTION: Donald V. Jellig

SECOND: Elizabeth A. Twohy

APPROVED: 8-0

4. Following is a synopsis of Tabatha Websters' PowerPoint presentation of the Amphitheater's 2010 tax and revenue summary, and 2011 preview.

- 2010 Show Recap
 - 26 events
 - Actual Attendance of 237,041 for season (includes comps)
- Financial Recap (1996-2010)
 - To date, the City has received over \$17.5 million in 15 seasons
- Community Impact
 - Charitable Donations
 - Local schools, organizations and charities
 - Military Support
 - Provided approximately 8800 tickets benefitting all branches
 - Special incentives
 - Aramark Donations (Concessionaire)

- 17 non-profit groups
 - Navy Groups, Community Groups, Church Groups
 - Total contribution - \$124,014
 - New Name in Title Sponsor
 - Farm Bureau Live at Virginia Beach - Announced February 22, 2011
 - New logo and branding inside venue
 - Announced concerts for 2011 Season
 - 12 to date
 - 2010 Capital Improvements Recap
 - 2011 Capital Improvements
 - Phase I of fixed seats
 - Install lawn drainage system
 - Addition of a grill station
 - Addition of alarm system to artist wing
 - New concessions equipment
 - Future Capital Improvements
 - Replace artist wing trailers
 - Continue seat replacement in phases
 - Continue light pole replacement in phases
 - New asphalt throughout venue plaza and entryways

Ms. Webster's PowerPoint presentation is hereby incorporated into these minutes.

5. Approved application of New Sands Apartments Limited Partnership for a Resolution of Intent for the Issuance by the City of Virginia Beach Development Authority of its Multifamily Housing Revenue Bonds not to exceed \$6,500,000. A public hearing was opened for comment. Billy Harrison, bond counsel for the applicant, addressed the Authority regarding this request. He noted the facility was recently acquired from Beth Shalom, it will remain a low income housing option for seniors, and the standard 1/8 of 1% fee will be paid to the Authority.

MOTION: Donald V. Jellig
 SECOND: Dan Brockwell
 APPROVED: 8-0

6. Mark Wawner provided a Town Center Schedule of Events for the month of April to the Authority members.

7. Staff discussed the RFI results for 110 S. Independence Boulevard. Priority Auto Group plans to sell retail certified used vehicles and establish a full service center. A Conditional Use Permit is required, and City Council indicated support for this use. Some modifications to the building are proposed to accommodate the operation of the business and to include customer amenities. The board directed staff to ensure that adjoining property owners are kept informed regarding this site. Staff recommends the proposed 5-year term lease with five one-year extension options. The PowerPoint presentation associated with this item is hereby incorporated into these minutes.

MOTION: Donald V. Jellig
SECOND: Dan Brockwell
APPROVED: 8-0

8. STIHL, Inc. requested approval of the following:
 - a. Request for approval of a variance to the Oceana West Industrial Park Declaration of Restrictive Covenants for Area 2, to allow a temporary pre-engineered metal storage building, 1,280 sq. ft., Parcel 06
 - b. Request for approval of a variance to the Oceana West Sign Restrictions to allow a Building Sign (1), 99 sq. ft., Parcel 06, 536 Viking Drive (Injection Molding Building)
 - c. Request for approval of a variance to the Oceana West Sign Restrictions to allow a Building Sign (1), 99 sq. ft., Parcel 103, 2525 International Parkway (Finished Goods Warehouse)

Staff recommends approval of all three requests. Signage meets the signage allowance parameters. The PowerPoint presentation associated with this item is hereby incorporated into these minutes.

MOTION: Shewling Moy Wong
SECOND: Prescott Sherrod
APPROVED: 8-0

9. VBDA Priorities
 - a. VBDA Engineering Services Contract.
Prescott Sherrod and Don Jellig are the Authority's liaisons for the Engineering Services Contract.
 - b. VBDA Business Appreciation Networking Event and Reception at VBN May 13.
Attendance capacity has been exceeded.
 - c. VBDA Members Activity Update.

Capacity is exceeded for the Business Appreciation Charity Golf event,.

Warren Harris, Mark Wawner and Scott Hall joined Board Member Paul Michels in Brazil for a marketing mission. Several company representatives, business groups, politicians, and the state attended the numerous events hosted. Also present was the Virginia Port Authority. Media coverage was plentiful and positive. Board member Paul Michels travels to Brazil many times during the course of a year, and he would like to get a delegation in the United States and do same thing they did for us.

Prescott Sherrod also went to Brazil recently. He experienced similar interest by the Brazilians for the United States to get engaged. He referred to an on-line article about the visit.

Regarding OLUCC, the state restored the \$7.5 million portion of the Oceana Land Use Conformity Program, reported Board Member Don Jellig. The Headquarters Hotel committee has not met. Mr. Jellig was unable to attend the MEDAC meeting.

Regarding the Virginia Small Business Financing Authority bond issue, Elizabeth Twohy reported a final resolution between the state and localities has not yet been reached. If an agreement between the state and localities is not reached, Senator Norment indicated he will generate legislation. The

Authority suggested contact be made with the bond attorneys in conjunction with negotiating with the state. An Inside Business article is hereby incorporated into these minutes.

10. Directors Report

The next Mayor's roundtable is scheduled for May 10 at Unisys on Lynnhaven Parkway.

At his annual State of the City, Mayor Sessoms announced the location in Virginia Beach of BMZ U.S. Headquarters. BMZ will import lithium ion battery cells from its manufacturing facilities in Asia and partner with local companies to manufacture plastic housings and wiring components. The News Release for this project is hereby incorporated into these minutes.

An e-mail blast was sent to all Virginia legislators regarding restoring the Oceana Land Use Conformity Program funding to the states' budget

The groundbreaking for LifeNet Health's 42,000 sq. ft. center for regenerative medicine is scheduled for Wednesday, April 20 at 11:00 a.m.

Staff participated in the City's Budget Open House held at the Convention Center.

The monthly broad overview of the current Economic Development Marketing Activity Report was provided by Scott Hall as follows:

- a. Project and Prospect Activity Report.
 - Project Types
 - Expansions
 - New
 - Project Origins
 - International
 - National
 - Local
 - Project Sectors
 - Other
 - Industrial
 - Office
 - Existing Business Calls – 85 calls this past month
 - SWaM
 - Non-SWaM
 - Highlights
 - Hannover Messe Trade Fair – worlds' largest trade show
 - Invest in America Seminar in Paris – 20 french companies
 - Biotech at the Beach – monthly, well attended, growing industry

This PowerPoint report is hereby incorporated into these minutes.

Staff participated in two Envision 2040 Committee meetings and recently provided them with a host of job growth data.

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 or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Va. Code § 2.2-3711(A)(3). **(Princess Anne Commons, Town Center, Corporate Landing)**
2. 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). **(Rosemont District, APZ-1)**

MOTION: Shewling Moy Wong
SECOND: C. Maxwell Bartholomew, Jr.
APPROVED: 8-0

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: Donald V. Jellig
SECOND: Prescott Sherrod
APPROVED: 8-0

There being no further business, the meeting was adjourned.

John W. Richardson, Chair