

MINUTES  
VIRGINIA BEACH DEVELOPMENT AUTHORITY  
MAY 17, 2011

The Virginia Beach Development Authority held its regular meeting on Tuesday, May 17, 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  
                                 Dan H. Brockwell, Treasurer  
                                 C. Maxwell Bartholomew, Jr., Commissioner  
                                 Linwood O. Branch, Commissioner  
                                 Luke M. Hillier, Commissioner  
                                 Jerrold L. Miller, Commissioner  
                                 Shewling Moy Wong, Commissioner

ADVISORS PRESENT:     Larry Barry, LandMark Design Group  
                                 Ron Berkebile, SGA Office  
                                 Michelle Chappleau, 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  
                                 Louis R. Jones, Vice Mayor  
                                 Sean Murphy, VBDA Accountant  
                                 Tammy Owens, SWAM Business Manager  
                                 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/Cynthia Whitbred-Spanoulis

The Authority convened into session and discussed the following:

**REGULAR MEETING**

1.        Approved minutes of regular meeting held on April 19, 2011.

MOTION: Elizabeth A. Twohy  
SECOND: Dan H. Brockwell  
APPROVED: 9-0

## **REVIEW OF FINANCIAL POSITION**

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

### Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$6,115,738, cash receipts for the month were \$103,616, and cash disbursements for the month were \$80,551 for a net increase in cash of \$23,065. The end of month cash balance in the operating account was \$6,138,803.

- Received \$9,277 in IRB fees;
- Received \$4,009 interest income on CDs and bank accounts;
- Pulled \$34,991 from restricted cash for Human services carpet installation in the Human Services Building (\$33,000), the remainder for charity golf outing;
- Received \$8,162 for Charity Golf Tournament sponsorships;
- Remitted \$24,445 to city for final East Coast Appliance lease payment;
- Disbursed \$14,662 for Charity Golf Tournament.

### Monthly Cash Flows – EDIP Account

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

- Received \$3,741 reimbursement from SGA fund;
- Received \$4,455 in interest income;
- Disbursed \$150,878 in EDIP and APZ grants;
- Disbursed \$19,400 in engineering fees for various projects.

The budget will be presented to the Authority at the next meeting.

This report is hereby incorporated into these minutes.

3. Jim Carroll of the Small Business Development Center of Hampton Roads, Inc. presented the Authority with a brief report on the 'Challenges and Opportunities in a Changing Economy' as follows:

- Who We Are
- What We Do
- Why Use Our Services?
  - Chrisman Survey
    - SBDC clients' sales and employment increased as opposed to non-SBDC businesses decreased
- 2010 Performance
  - Website overhauled – more user friendly
    - Verizon Info Grant – on line library, links to veterans site
    - On Facebook
  - Two part-time counselors hired
- Ongoing/Upcoming Initiatives
  - Jobs Act (ARRA Funding)
    - JFCOM Transition

- Located in Suffolk; however, majority of employees reside in Virginia Beach
    - Working with Governor's Office on re-employment
  - STAMP (Small Town Merchants Program)
    - Retailers and Restaurants
    - One counselor travels state
  - OPSAIL 2012
- Upcoming Challenges
  - Potential Federal Funding Cuts – from \$110 million to \$80 million
  - Verizon Call Center closing – 250 jobs lost
- Funding Streams
  - 2:1 Government match

Mr. Carroll's PowerPoint presentation is hereby incorporated into these minutes.

## **TOWN CENTER**

4. Approved Block 7 façade enhancements in the amount of \$95,000.00 to assist with modifications to the exterior of the Yard House restaurant to be located at the corner of Independence Boulevard and Commerce Street. The restaurant is projected to open fall of 2011. Funding is provided from the Town Center Phase III Infrastructure Account balance.

MOTION: Jerrold L. Miller

SECOND: Linwood O. Branch

APPROVED: 9-0

The PowerPoint presentation, which includes the renderings, is hereby incorporated into these minutes.

5. Mark Wawner reported the following regarding Town Center:
  - Priority Auto Group to go before Planning Commission July 2011; City Council August 2011
  - The May Events Schedule
  - The Fourth Annual Art & Wine tasting event went well.
  - Earth Day event had a large number of attendees
  - The first Friday Art Walk was well attended
  - Beginning June 1 through August 31, Why Not Wednesdays
  - Friday, Saturday, and Sunday movie night with patio entertainment at Ruth Chris.

## **ECONOMIC DEVELOPMENT INVESTMENT PROGRAM**

6. Approved resolution granting \$708,746.00 in Economic Development Investment Program funds to BMZ subject to City Council approval at its May 24, 2011 meeting.

MOTION: Luke M. Hillier

SECOND: Dan H. Brockwell

APPROVED: 9-0

Mrs. Chapleau's PowerPoint presentation covered the following:

- Lease Proposal/APZ-1 EDIP Recommendation – 2656 Lishelle Place
  - Project Description
  - Key Personnel
  - Key Challenges
    - Requires rezoning
  - Strategic benefits for leasing the building
    - Building improvements will be generic and will stay with facility
    - Repositions building as suitable for sale
  - Development Budget
  - Rental Income
  - Perspective Rendering
  - APZ-1 EDIP Recommendation
    - 50% reimbursable by the state
    - Pay for performance
    - City assigned Project Manager to oversee construction
  - Proposed Timeline
    - May 24 – Public Hearing and City Council vote
    - August 1 – Rent Commencement Date

The Authority, OLUCC and City Council were previously briefed in Closed Session on this project. Mrs. Chapleau's PowerPoint presentation is hereby incorporated into these minutes.

7. Approved resolution granting \$15,000.00 in Economic Development Investment Program funds to Arkios BioDevelopment International.

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

Arkios initiated the BioTech at the Beach luncheon series which has doubled since its inception a little over a year ago. The video to promote the luncheon series was shared with the Authority.

Mr. Hall's PowerPoint presentation is hereby incorporated into these minutes.

## **ADMINISTRATIVE INFORMATION**

8. VBDA Priorities
  - a. More than 150 golfers attended the Fourth Annual VBDA Business Appreciation Networking Event on May 13. This event serves a two-fold purpose: It allows the department to recognize businesses, and also does something positive for the community by supporting three local charities.
  - b. VBDA Members Activity Update.

Mrs. Twohy reported a Workforce Development visit to Sentara Medical Group. The company increased the number of employees hired; primarily nurses, and is upbeat and positive.

Regarding the Virginia Small Business Financing Authority bonding fee issue, the localities have offered a 70% to the locality and 30% to the state split. The state has offered an 80% to the state

20% to the locality split. The regional model has been offered for adoption by the state. The localities and the state currently do not have a solution. The City of Norfolk is aggressively pushing for this issue to be resolved. Senator Norment will have legislation presented at the next General Assembly session if a solution has not been established. Concurrent to the negotiations between the state and the localities, the Authority directed staff to approach the bond attorneys pertaining to this dilemma.

## 9. Director's Report

Warren Harris noted the following recent activity:

- Groundbreaking for Lifenet's 42000 sq. ft. facility in Princess Anne Commons.
- Staff toured the new state-of-the-art Sentara Hospital in Princess Anne Commons.
- *Inside Business* named Boo Twohy, Jerry Miller, Prescott Sherrod, and Linwood Branch to its Power List as one of the top 75 people who shape and influence Hampton Roads. Mr. Harris noted this type of recognition reflects the quality of our board.
- *Inside Business* included an insert for the yesoceana.com program.
- The annual HRACRE bus tour is this week. It is focused around opportunities for transit oriented development in Virginia Beach and Norfolk.

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

### a. Project and Prospect Activity Report.

- Project Types
  - Expansions
  - New
- Project Origins
  - International
  - National
  - Local
- Project Sectors
  - Other
  - Industrial
  - Office
- Existing Business Calls – 52 calls this past month **not** including contact made at the Mayor's roundtable and the annual Business Appreciation Week Golf Event.
  - 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.

The liaisons for the review panel for the Authority are Don Jellig and Prescott Sherrod.

## **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). (**APZ**)

MOTION: Prescott Sherrod  
SECOND: C. Maxwell Bartholomew, Jr.  
APPROVED: 9-0

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: C. Maxwell Bartholomew, Jr.  
SECOND: Elizabeth A. Twohy  
APPROVED: 9-0

There being no further business, the meeting was adjourned.

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John W. Richardson, Chair