

MINUTES  
VIRGINIA BEACH DEVELOPMENT AUTHORITY  
July 19, 2011

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

ADVISORS PRESENT:     Michelle Chapleau, Business Development Manager  
                                 Betty Clark, Assistant to Director of Economic Development  
                                 David Couch, Business Development Manager  
                                 Marc Davis, Media & Communications  
                                 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  
                                 Sean Murphy, VBDA Accountant  
                                 Tammy Owens, SWAM Business Manager  
                                 Patti Phillips, Finance Director  
                                 Jim Ricketts, Director of Convention & Visitors Bureau  
                                 Randy Royal, Kimley-Horn, Inc.  
                                 Tony Russo, Project Development Manager  
                                 Jerry Stewart, Workforce Development Coordinator  
                                 Alex Stiles, City Attorney's Office  
                                 Mark Wawner, Project Development 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 June 21, 2011.

MOTION: Shewling Moy Wong  
SECOND: Dan H. Brockwell  
APPROVED: 8-0

## **REVIEW OF FINANCIAL POSITION**

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

### Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$6,163,667, cash receipts for the month were \$98,225, and cash disbursements for the month were \$101,967 for a net decrease in cash of \$3,742. The end of month cash balance in the operating account was \$6,159,925.

- Received \$18,871 in IRB fees;
- Received \$38,000 for July lease income from BQI;
- Received \$3,517 interest income on CDs and bank accounts;
- Received \$35,997 reimbursement for VBN and Amphitheater capital maintenance;
- Received \$1,840 for Business Appreciation Charity Golf Tournament
- Disbursed \$49,017 to City for its portion of BQI lease and May VBN rent;
- Disbursed \$3,980 for Amphitheater lawn drainage;
- Disbursed \$24,495 to VBN for Business Appreciation Charity Golf Tournament;

### Monthly Cash Flows – EDIP Account

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

- Received \$82,787 reimbursement from SGA fund;
- Received \$4,298 in interest income;
- Disbursed \$14,000 in APZ-1 EDIP grants – reimbursement being processed;

This report is hereby incorporated into these minutes.

## **TOWN CENTER**

3. Mark Wawner reported the following regarding Town Center:
- Installed new mid-block pedestrian crosswalk in front of Armada Hoffler tower. Handicap ramp and stripping are forthcoming to enhance safety.
  - Yard House filed encroachment agreement for installation of 15,000 gallon grease trap within the right-of-way. City Council approval required;
  - Town Center Schedule of Events for July and August provided to the Authority;
  - Sandler Center season series brochure provided to the Authority.
4. Approved resolution approving the lease of property located at 110 S. Independence Boulevard (former Circuit City building) to Priority Auto Group, Inc. The board interviewed four potential tenants and determined Priority was the best fit. The Planning Commission unanimously approved the conditional use permit, with minor modifications, at its July 13 meeting. The VBDA granted a right of entry to Priority in order to allow for building modification work to begin immediately. The Temporary Lease Term Sheet is hereby incorporated into these minutes.

Regarding the recent vandalism on this building, staff is working with the insurance provider in conjunction with Priority in order to cap Authority's exposure.

MOTION: Dan H. Brockwell  
SECOND: Elizabeth A. Twohy  
APPROVED: 8-0

## **INDUSTRIAL PARKS**

5. Approved resolution to award the VBDA's Engineering Services Contract for the period August 1, 2011 through July 31, 2014 to Kimley-Horn, Inc. The RFP committee consisted of Don Jellig, Prescott Sherrod, Warren Harris, Mark Wawner and Cynthia Whitbred-Spanoulis. The VBDA received eight responses, and Kimley-Horn was one of four firms short-listed to be interviewed. Staff noted the company presented the strongest experience in line with the city's needs and vision.

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

## **ECONOMIC DEVELOPMENT INVESTMENT PROGRAM**

6. Approved resolution granting \$40,000.00 in Economic Development Investment Program, Part A, funds to Allied Technology Group upon modification to the resolution on page 2 paragraph (b) from "...\$2,000 of EDIP funds..." "to ...\$3,000 of EDIP funds..." The company experienced a fire in March 2008 at its Columbus Street location. A commitment was made to assist them to secure another suitable location within the city and retain 165 full time jobs with an average annual wage of \$52,000 excluding benefits. It was noted this company received the Small Business of the Year award. Mrs. Chapleau's PowerPoint is hereby incorporated into these minutes.

MOTION: Prescott Sherrod  
SECOND: Dan H. Brockwell  
APPROVED: 8-0

7. Approved resolution granting \$150,000.00 in Economic Development Investment Program, Part A, funds to Urology of Virginia, PLLC. Dr. Michael Fabrizio and Dr. Gregg Eure attended the meeting on behalf of the company.
  - Physicians previously part of Sentara Medical Group
  - Purchased building for \$4 million; \$5.7 million improvements; \$1.8 million FFE
  - One of 50 sites in the United States authorized to utilize new chemotherapeutic infusion treatment
  - Currently 30 employees – 87 physicians and medical professionals to be added; average annual salary \$68,000

MOTION: Jerrold L. Miller  
SECOND: Shewling Moy Wong  
APPROVED: 8-0

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

## **ADMINISTRATIVE INFORMATION**

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

Regarding Prescott Sherrod's recent appointment to City Council, John Richardson noted how he and the other members are sorry to see him leave the Authority. Mr. Sherrod said he is honored to be chosen by City Council and he learned a great deal during his VBDA tenure.

Regarding Workforce Development, Prescott Sherrod noted it was a pleasure working alongside Mrs. Twohy and Jerry Stewart visiting existing target industry businesses. He believes this is a key component to showing our interest in the companies located in the city and remaining here.

Regarding the annual report, the Draft has been sent to the printer.

Regarding Deputy Secretary of Commerce and Trade Jimmy Rhee's visit in June, Shewling Moy Wong reported Deputy Rhee was impressed with the city and gained knowledge of the area he can market when he takes international trips. He was given the VIP tour of the Aquarium, went to the top of The Westin, and had dinner with Jim Ricketts. Deputy Rhee plans to follow-up with Warren Harris in the near future.

9. Director's Report
  - a. Scott Hall provided the monthly broad overview of the current Economic Development Marketing Activity Report. He noted Deputy Secretary Rhee is brokering a visit between our department and Fairfax County's Economic Development Department
    - Project Types
      - Expansions
      - New
    - Project Origins
      - International
      - National
      - Local
    - Project Sectors
      - Other
      - Industrial
      - Office
    - Existing Business Calls
      - SWaM
      - Non-SWaM
    - Highlights

In light of the economic challenges, FY 2010-2011 was a success. Mr. Hall's PowerPoint report is hereby incorporated into these minutes.

The planning stage for the Rosemont SGA has come full circle. City Council is scheduled to approve the Rosemont SGA Plan in August. Linwood Branch served as the Authority's liaison.

Work on the Lynnhaven SGA is scheduled to begin soon.

Preparations are underway for the Mayor to travel to Germany in October. A personal invitation has been extended to visit the embassy and the ambassador's residence in Berlin.

The Mayor believes calling on existing businesses has value and has participated in several Workforce Development visits.

Scott Hall made a trip to Poland along with a delegation from the region. Participated in seminars and several individual meetings. The delegation was well received and there are credible opportunities. He is scheduled to return to Poland in September to attend a trade show.

David Couch was the lead on the ADS Warrior Expo East.

Warren Harris and Michelle Chapleau hosted a tour of Virginia Beach and Oceana with the American Defense Communities Conference.

Cynthia Spanoulis is with HREDA in Chicago visiting site consultants.

InMotion is holding an open house on July 25 from 10:00 a.m. to 2:00 p.m. The company president will be in town.

Linwood Branch reported he was approached by retired Chief of Police Jacocks regarding a law enforcement memorial on 38<sup>th</sup> Street. This memorial will stand 18 feet and will be of high quality and will honor all law enforcement officers who have lost lives. Foundation members are retired personnel and, if interested in assisting this cause, please contact him.

## **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:

Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Va. Code § 2.2-3711(A)(30). **(Oceanfront)**

MOTION: Dan H. Brockwell

SECOND: Prescott Sherrod

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: C. Maxwell Bartholomew, Jr.  
SECOND: Elizabeth A. Twohy  
APPROVED: 8-0

There being no further business, the meeting was adjourned.

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John W. Richardson, Chair