

MINUTES
VIRGINIA BEACH DEVELOPMENT AUTHORITY
AUGUST 18, 2009

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, August 18, 2009, at 8:32 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: Donald V. Jellig, Chair
Page G. Lea, Vice Chair
Teresa H. Carrington, Secretary
Douglas D. Ellis, Assistant Secretary
Elizabeth A. Twohy, Treasurer
C. Maxwell Bartholomew, Jr., Commissioner
Dan H. Brockwell, Commissioner
Paul V. Michels, Commissioner
Jerrold L. Miller, Commissioner
John W. Richardson, Commissioner
Prescott Sherrod, Commissioner

ADVISORS PRESENT: Greg Anger, VBDA Accountant
Larry Barry, LandMark Design Group
Michelle Chapleau, Business Relocation Specialist
David Couch, Business Development Manager
Carissa Frasca, Media Communications Group
Scott Hall, Business Development Coordinator
Warren D. Harris, Economic Development Department Director
John Hendrickson, Parsons Brinckerhoff
Steve Herbert, Deputy City Manager
Lloyd Jackson, Project Development Manager
Tammy Owens, SWAM Business Manager
Michael Ross, HBA Architecture
Tony Russo, Project Development Manager
Mark Schnauffer, Planning, Transportation Coordinator
Joe Strange, Planning Commission
Jerry Stewart, Workforce Development Coordinator
Alex Stiles, City Attorney's Office
Mark Wawner, Project Development Coordinator
Les Watson, Wolcott Rivers Wheary Basnight & Kelly PC
Cynthia Whitbred-Spanoulis, Strategy & Performance Coordinator
Rosemary Wilson, Councilmember

REPORTED BY: Mark Wawner

RECORDED BY: Linda Sheehan

The Authority convened into session and the following was discussed:

REGULAR MEETING

1. Approved minutes of regular meeting held on July 21, 2009.

MOTION: Teresa H. Carrington
SECOND: Jerrold L. Miller
APPROVED: 11-0

BOND TRANSACTIONS

2. Approved an 18 month extension for the issuance of Residential Care Facility Mortgage Revenue Bonds not to exceed \$15,000,000 approved at the September 16, 2008 City of Virginia Beach Development Authority meeting (Westminster Canterbury Of Hampton Roads, Inc.). This request became necessary due to the current financial climate, and Alex Stiles reported there are no changes to the previously approved terms and conditions. Staff recommends approval.

MOTION: C. Maxwell Bartholomew, Jr.
SECOND: John W. Richardson
APPROVED: 10-0-1

Page Lea abstained because he is a trustee on Westminster Canterbury's Board.

LIGHT RAIL STUDY UPDATE

3. At the request of VBDA Chair Don Jellig, Mark Schnauffer, the city's Transportation Planning Coordinator and liaison with HRT's Light Rail Environmental Impact Study (EIS), briefed the Authority on the upcoming Virginia Beach Transit Extension Study. Mr. Jellig is serving on the steering committee on behalf of the Authority, and has met with the consultants gathering the physical data. Mr. Schnauffer encouraged authority members to attend public meetings to provide input as a citizen and/or Development Authority member. Delceno Miles is leading the public outreach portion of the program, meetings are scheduled for September 9th and 10th, and stakeholder interviews are being conducted concurrently. Rail line purchase negotiations are underway with a projected closing of December 2009. Mr. Schnauffer will provide periodic updates to the Authority in the forthcoming months. The study is anticipated to be completed by July 2010 to present to City Council. His presentation is hereby incorporated into these minutes.

REVIEW OF FINANCIAL POSITION

4. Greg Anger 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 \$5,373,373, cash receipts for the month were \$170,239, and cash disbursements for the month were \$144,957 for a net increase in cash of \$25,282. The end of month cash balance in the operating account was \$5,398,655. Mr. Anger noted the following:

- Received rental payment from Beach Quarters Inn Best Western in the amount of \$38,000 which was transferred to the city as indicated.
- The Amphitheater's annual maintenance appropriation in the amount of \$50,000 was transferred to Restricted Cash.
- A rental payment in the amount of \$47,845 was received from Virginia Beach National. Half of these funds were retained for capital repairs, and half were disbursed to the city.

Monthly Cash Flows – EDIP Account

Mr. Anger reviewed the Reconciliation of Cash to EDIP Status Report for July.

- Received reimbursement in the amount of \$7,458 for expenses related to the SGA program.
- Disbursed second and final EDIP payment to Olympia toward the Convergence parking structure.
- Partial EDIP disbursement to ADS.

This report is hereby incorporated into these minutes.

5. In response to the Authority's request regarding payments and taxes by the Virginia Beach National (VBN) Golf Club, Mr. Anger provided a report for the period of April 1, 2007 through June 30, 2009. He noted VBN is generating a greater amount of revenue than the previous owner and is financially self sufficient. This report is hereby incorporated into these minutes.
6. Approved resolution to assign rights and obligations under the Sub-Sublease agreement, and various agreements relating thereto, for the Junior Golf Academy located at Virginia Beach National Golf Club, from the Hampton Roads Junior Golf Foundation (HRJGF) to the Young Men's Christian Association of South Hampton Roads (YMCA). Les Watson was present representing the HRJGF. It was noted almost immediately upon completion of the golf course, the YMCA and First Tee joined together to operate the program. This action ensures all documentation reflects current reality. All terms contained in the original documentation remain the same. Currently, there are eight sites – from the Eastern Shore to Elizabeth City – and a mobile learning center. Don Jellig noted all financial commitments relative to this venture have been fulfilled.

MOTION: Jerrold L. Miller
SECOND: Douglas D. Ellis
APPROVED: 11-0

TOWN CENTER

7. Regarding Town Center, Mark Wawner reported the purchase of the Circuit City property previously approved by the Authority is scheduled to close this coming Thursday.

STRATEGIC GROWTH AREAS

8. Approved resolution to acquire property at 5858 Burton Station as previously discussed and agreed to at the Authority's July meeting. Alex Stiles noted funding is provided for in the Strategic Growth Area (SGA) Capital Improvements Program (CIP) approved by City Council. Acquisition of this property is critical to implementation of Phase I of the Burton Station plan. It was noted the seller was notified that the city was the purchaser prior to closing.

MOTION: Dan H. Brockwell
SECOND: Paul V. Michels
APPROVED: 11-0

ADMINISTRATIVE INFORMATION

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

Regarding the Convention Center Headquarters Hotel, Page Lea noted a letter was sent to the two final applicants. Responses are expected within 30 days, which will be evaluated shortly thereafter.

Regarding the Pembroke SGA, Boo Twohy reported all input was supportive and positive at the August 12th Planning Commission meeting. A public meeting is scheduled for October 14. Regarding Town Center, she said there was nothing major to report.

Regarding Workforce Development, Prescott Sherrod reported a recent meeting with Skanska's Human Resources Compliance Manager was very informative. A meeting is being scheduled with the Vice President of Human Resources. The company has locations from Miami to Delaware, with a large presence in Virginia Beach. Skanska is involved in maintenance of the Chesapeake Bay Bridge Tunnel, and hope to be involved with the light rail. Additionally, the company is pursuing a large local VDOT contract. Regarding Amerigroup, Mr. Sherrod reported a follow-up meeting is scheduled for August 31.

Regarding Headgear's Headquarters locating within Corporate Landing Business Park, Jerry Miller reported he supports the modified set-backs and conditions. Scott Hall and David Couch will finalize the remaining details regarding tractor trailer traffic, ingress and egress points, internal and external architectural design, status of adjoining property, and location of the facility on property. Don Jellig suggested Jerry Miller and Dan Brockwell work closely with the professional staff on this project to ensure all concerns are appropriately addressed.

10. Director's Report

- a. Warren Harris reported two upcoming events are scheduled for September 29. The Mayor's Second Roundtable with Airport Industrial Park businesses in the morning, and a Healthcare, Biomedical and Biotechnology Cluster Business Meeting and Reception in the early evening. All VBDA members will be receiving invitations later in the month.

Councilmembers Rosemary Wilson and Glenn Davis are initiating discussions regarding challenges and issues with aging commercial centers.

The Chair and VBDED staff are scheduled to present the VBDA Annual Report to City Council on September 22nd. Authority members are encouraged to attend if possible.

Mr. Harris reported Cyberdome Technologies, a MODSIM software developer for virtual jet fighter cockpits, announced plans to locate from Connecticut to Virginia Beach the early part of 2010. The company will occupy an existing 13,000 sq. ft. warehouse, currently has three employees, and anticipates adding an additional 10-15 over the next year. An article published this month by Inside Business is hereby incorporated into these minutes.

The Art Institute's admissions center located in Two Columbus Center is scheduled to open by the end of the month, and the school is scheduled to open January 2010.

It was noted the initial orientation for the two new Authority members is scheduled for tomorrow.

Regarding the Convention Center Headquarters Hotel Committee, Steve Herbert acknowledged the invaluable leadership provided by Page Lea on behalf of the Authority.

a. Scott Hall provided the monthly broad overview of the current Project and Prospect Activity Report as follows:

- Combined Project Activity – Calendar Year 2009
 - Project Type (#'s) - Expansions, New
 - Geographical Origin (#'s) - International, National, Local
 - Industry Type (#'s) – Other, Industrial, Office
- New Location Projects – July 2009
 - Geographical Origin (%) – Local, National, International
 - Industry Type (%) – Industrial, Office, Other
- Expanding Business Projects – July 2009
 - Geographical Origin (%) – Locally, Nationally, and Internationally Based
 - Industry Type (%) - Industrial, Office, Other
- Highlights & Macro-Issues

Mr. Hall noted general marketing materials, and specific material on SWAM businesses for the upcoming Black Expo, are at the printers. His PowerPoint presentation is hereby incorporated into these minutes.

Don Jellig read Page Lea and Teresa Carrington's resolutions regarding their tenure and accomplishments while serving on the Authority. Mr. Lea and Mrs. Carrington expressed their appreciation in having the opportunity to serve. These resolutions are 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 or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected, pursuant to Va. Code § 2.2-3711(A)(6).
(APZ-1, Bayside, Beach)

MOTION: Page G. Lea
SECOND: Teresa H. Carrington
APPROVED: 11-0

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: Page G. Lea
SECOND: Jerrold L. Miller
APPROVED: 11-0

There being no further business, the meeting was adjourned.

Donald V. Jellig, Chair