

MINUTES
VIRGINIA BEACH DEVELOPMENT AUTHORITY
December 13, 2011

The Virginia Beach Development Authority held its regular meeting on Tuesday, December 13, 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: Elizabeth A. Twohy, Vice Chair
Dan H. Brockwell, Treasurer
C. Maxwell Bartholomew, Jr., Commissioner
Linwood O. Branch, Commissioner
Bryan D. Cuffee, Commissioner
Dorothy L. Wood, Commissioner

ADVISORS PRESENT: Michelle Chapleau, Business Development Manager
Betty Clark, Executive Assistant
David Couch, Business Development Manager
Scott Hall, Business Development Coordinator
Warren D. Harris, Director of Economic Development
Steve Herbert, Deputy City Manager
Al Hutchinson, Convention & Visitors Bureau
Lloyd Jackson, Business Development Manager
Louis R. Jones, Vice Mayor
Sean Murphy, VBDA Accountant
Patti Phillips, Finance
David Redmond, Planning Commission
Jim Ricketts, Convention & Visitors Bureau
Tony Russo, Project Development Manager
Jerry W. 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 Assaid

The Authority convened into session and discussed the following:

REGULAR MEETING

1. Approved of regular meeting held on November 15, 2011.

MOTION: Dorothy L. Wood
SECOND: Linwood O. Branch
APPROVED: 8-0

Mrs. Twohy noted the Convention Center Hotel is not being discussed at this meeting. There is a great deal of interest from the public regarding the Convention Center Hotel, City Council has chosen to delay vote until January, and two public meetings for citizen comment have been scheduled. Also, the Authority will benefit from the additional time to review the term sheet and ask questions. The VBDA remains very supportive of the need for a Convention Center HQ hotel due to its impact as an economic driver and wants to have the benefit of as much input as possible before making a recommendation to City Council.

Mrs. Twohy encouraged all Development Authority members to attend public hearings.

REVIEW OF FINANCIAL POSITION

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

Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$6,174,448, cash receipts for the month were \$192,062, and cash disbursements for the month were \$97,432 for a net increase in cash of \$94,630. The end of month cash balance in the operating account was \$6,269,078.

- Received \$107,609 in IRB fees;
- Received \$20,000 for one month of lease income from Priority;
- Received \$2,326 interest income on CDs and bank accounts;
- Received \$61,827 for Virginia Beach National (VBN) rent;
- Disbursed \$13,839 for Town Center land loan semi-annual note interest;
- Disbursed \$29,182 for research and engineering studies on Authority projects;
- Disbursed \$30,780 of aforementioned VBN rent to capital maintenance funds;
- Disbursed \$20,000 Priority lease income to restricted funds to be remitted to the city. Corresponding entry to aforementioned receivable entry for the same amount;

Monthly Cash Flows – EDIP Account

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

- Reimbursed \$860 from SGA funds for Rudee Inlet survey fees;
- Received \$3,417 in interest income;
- Disbursed \$6,504 for London Bridge Commerce Center engineering fees. SGA reimbursement has been filed.

Mr. Murphy noted a \$250,000 reduction to prior year payables/commitments due to the expiration of an award for that amount.

TOWN CENTER

3. Mark Wawner reported the following regarding Town Center:

- The Calendar of Events for the month of December was provided to the Authority;
- Yard House and Havana nights are both open for business.

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM

4. Approved resolution granting \$100,000.00 in Economic Development Investment Program, Part A, funds to STIHL, Inc. This grant meets all three criteria. STIHL continues to have a very strong commitment to Virginia Beach and is a valued corporate citizen. During a recent visit to STIHL in Germany Mayor Sessoms and Economic Development Director Warren Harris learned of the company's desire for additional production capacity. Robert Phelps of STIHL attended the meeting. The Press Release announcing this expansion and Mrs. Chapleau's PowerPoint are hereby incorporated into these minutes.

MOTION: Linwood O. Branch

SECOND: Dan H. Brockwell

APPROVED: 6-0

Regarding a recent Design Element of the Year Award, Mr. Harris noted STIHL and BMZ were both recognized for the new blower and chain saw which includes the lithium ion battery pack manufactured by BMZ.

INDUSTRIAL PARKS

5. Approved Final Revised Site and E&S Plans and Architectural Elevations, STIHL, Inc. - Accessories Addition #2, 536 Viking Drive, Parcel A, Oceana West Corporate Park (OWCP). This is the second expansion for this building. Materials will match the existing facility, and will include a "green roof". Plans have been reviewed and meet all criteria. Staff recommended approval. The PowerPoint for this item is hereby incorporated into these minutes.

MOTION: Dorothy L. Wood

SECOND: Dan H. Brockwell

APPROVED: 6-0

6. Approved Final Revised Site, E&S, and Landscape Plans, STIHL, Inc., Finished Goods Warehouse – 104 Parking Spaces Addition, 2525 International Parkway, Parcel 103, Oceana West Corporate Park (OWCP). Plans have been reviewed and meet all criteria. Staff recommended approval. The PowerPoint for this item is hereby incorporated into these minutes.

MOTION: Dorothy L. Wood

SECOND: C. Maxwell Bartholomew, Jr.

APPROVED: 6-0

7. Approved Final Site, E&S, and Landscape Plans, GEICO, Inc., 510 Parking Spaces Addition, 1345 Perimeter Parkway, Parcel MXD-1, Corporate Landing Business Park. The 6.1 acres purchased earlier in the year was for the sole purpose of adding parking due to the addition of employees and implementation of shift schedules. The plans have been reviewed by staff, meet all criteria and staff recommended approval.

MOTION: C. Maxwell Bartholomew, Jr.
SECOND: Dan H. Brockwell
APPROVED: 6-0

ADMINISTRATIVE INFORMATION

8. VBDA Priorities
 - a. VBDA Members Activity Update.
 - b. 2012 Meeting Schedule.

Authority members requested notification be made to them as soon as possible regarding any meetings for which they are the assigned liaison. It was noted that some meetings are initiated and coordinated from other departments and staff will assist with this request.

A Lynnhaven SGA stakeholders meeting was held Monday evening and another one is scheduled for Wednesday. Plans for this project are coming along well.

The meeting schedule for 2012 was provided.

9. Director's Report

Regarding the Virginia Small Business Financing Authority bond issue, Warren Harris reported a compromise has been reached with the Hampton Roads region. A resolution is being circulated among the appropriate city departments and should be ready for consideration at the Authority's January meeting.

The most recent e-newsletter regarding major activity which occurred over the past several months was provided.

The city's budget process has begun and the department's budget is being prepared. Potential initiatives are included and the Authority will be briefed in the near future. Mr. Harris noted this is yet another very challenging year for the city.

Tony Russo was acknowledged for his upcoming retirement after 29 years of service to the city, 25 with this department. Mr. Harris said he will be missed and is wished the best in this next chapter of his life.

Mr. Harris noted Rod Ingram was available to the Authority to discuss and answer any questions regarding the Disclosure Forms required to be filed by the state annually.

- a. Prospect and Prospect Activity Report.

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
- CY 2011 Preliminary Activity Summary:
 - New Business Locations
 - Existing Industry Expansions and Retentions
 - Total Companies
 - Jobs Created
 - Square Feet of Space
 - New Capital Investment

Mr. Hall noted Europe is extremely interested in investing in the U.S. manufacturing market. A regional committee has been formed to more intensely pursue office product.

End of calendar year report is being compiled. CY10 and CY11 percentage comparisons will be provided to the Authority.

There being no further business, the meeting was adjourned.

Elizabeth A. Twohy, Vice Chair