

MINUTES  
VIRGINIA BEACH DEVELOPMENT AUTHORITY  
FEBRUARY 17, 2009

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, February 17, 2009, at 8:34 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  
Gary Arnold, Parsons Brinckerhoff  
Larry Barry, LandMark Design Group  
Michelle Chapleau, Business Relocation Specialist  
David Couch, Business Development Manager  
Carissa Frasca, Media Communications Group  
Warren D. Harris, Economic Development Department Director  
Steve Herbert, Deputy City Manager  
Rob Hudome, Project Development Manager  
Louis Jones, Vice Mayor  
Tammy Owens, SWAM Business Manager  
Robert Ruhl, Business Development Coordinator  
Tony Russo, Project Development Manager  
Ellen Sanders, AECOM  
Joe Strange, Planning Commission  
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 the following was discussed:

## **REGULAR MEETING**

1. Approved minutes of regular meeting held on January 20, 2009.

MOTION: Jerrold L. Miller

SECOND: Douglas D. Ellis

APPROVED: 9-0

## **REVIEW OF FINANCIAL POSITION**

2. Greg Anger reviewed the Authority's financial statements for the month of January.

### Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$5,283,779, cash receipts for the month were \$74,191, and cash disbursements for the month were \$62,728 for a net increase in cash of \$11,462. The end of month cash balance in the operating account was \$5,295,242. Mr. Anger noted the following:

- A rental payment in the amount of \$8,388 from Virginia Beach National was received. Half will be retained for capital maintenance and half will be transferred to the City.
- Virginia Beach National capital maintenance in the amount of \$4,151 was paid out of restricted cash.
- Build out expansion of the Economic Development Department which was completed mid-January was paid.

### Monthly Cash Flows – EDIP Account

Mr. Anger reviewed the Reconciliation of Cash to EDIP Status Report for January. Town Center Associates was paid \$11,869 for Block 5 streetscapes. The Wessex Group was paid \$28,850 for the Historic Kempsville Study.

Disbursement of EDIP funds was made as follows:

- Avalon Bay - \$43,000
  - Partial payment of \$43,000; 99 of projected 130 employees have been hired

This report is hereby incorporated into these minutes.

Mr. Anger noted Town Center Phase IV has received \$1 million of EDIP funds to date. An additional \$2.5 million appropriation has been allotted, \$1 million for both FY2010 and FY2011, and \$500,000 in FY2012.

Additionally, due to the current climate and to maximize the yield earned, Certificates of Deposit have been purchased from banking institutions outside of the Authority's two primary banks.

## **TOWN CENTER**

3. Town Center Update.  
Mark Wawner reported the following regarding Town Center:

- Beacon office space build out is ahead of schedule –occupancy and Beacon building closing anticipated to occur in April.
- Phase IV documentation finalized – minor modifications to be clarified.
- Three Town Center items were on the Planning Commission agenda last week and will come before City Council within the next couple months.
  - i. Closure of a 15 sq. ft. triangular section at the corner of Columbus and Market across from Dick’s Sporting Goods to correct a pre-existing issue was approved. This will come before City Council in March.
  - ii. The conditional use permit for Phoenix University to be located in Block 10 was approved.
  - iii. Town Center Associates’ (Armada/Hoffler) request for a conditional use permit for multi-family dwellings on Block 9 was deferred because of proposed changes, and will come back before the Planning Commission with revised renderings. This is required to assure a proper balance of mixed uses is maintained.

## **ECONOMIC DEVELOPMENT INVESTMENT PROGRAM**

4. Approved resolution granting \$250,000.00 in Economic Development Investment Program, Part B, funds to DLH Sports Complex, Inc. On behalf of Lloyd Jackson, who has been the primary Business Development Manager for this project over the past five years, Robert Ruhl presented the details regarding this request.

The facility, located in the Northhampton/Burton Station SGA adjacent to Airport Industrial Park, will primarily serve as a training ground for up-and-coming professional athletes. It will also offer memberships to the public and recreation league teams. The DLH Sports Complex combines the long-term vision of Denver Broncos All-Pro cornerback Dre Bly with the planning and execution of the DLH Sports team. The facility will have football, basketball, track and field, swimming and baseball training programs. The full service indoor portion of the project includes 230,000 sq. ft. of enclosed space featuring an indoor track, basketball courts, swimming pool, along with a sports medicine and physical therapy center, day spa, and conference center with meeting rooms. The adjacent, outdoor Dre Bly Field is also available for football training and games. Upon completion of the facility, the DLH Sports Team will have invested more than \$18 million in land, construction and building materials. DLH has invested another \$2 million in new furniture, fixtures and equipment. Sixty-nine new jobs will be created when the facility opens in early September 2009. Average salaries of employees, excluding benefits, are estimated at \$35,157.

The primary funding for the training facility will be provided through tournament play, training, and team sports events. Tom Shaw, former coaching staff for New England Patriots, is relocating from Orlando, Florida to participate in the operation of the complex. It was noted this parcel had been shown numerous times; however, due to the location and environmental limitations none of the previous proposed uses were suitable. The facility is under construction, and taxes are being paid to the City. A grand opening is anticipated for the August/September timeframe.

It was noted the Hampton Roads area hosts the Junior Olympics every four years, with an estimated influx of \$30 million into the region’s economy. Buddy Wheeler, with the Convention

Center and marketing events, is projecting 30 major sporting events annually. Additionally, it is projected these events will generate 800 hotel rooms each week.

The EDIP funds will be used to reimburse DLH for off-site improvements to Baker Road (i.e., curb, gutter, sidewalks, landscaping) which is consistent with the intent of Part B of the EDIP policy. Additionally, due to the constraints placed on Part B funds, DLH will not receive any reimbursement until after July 1, 2009.

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

Page Lea arrived at the beginning of discussion of this item at 8:45  
John Richardson arrived at 8:45.

MOTION: Teresa H. Carrington

SECOND: Prescott Sherrod

APPROVED: 11-0

## **ADMINISTRATIVE INFORMATION**

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

Regarding the Convention Center Hotel, Page Lea reported the detailed submissions have been received from the two finalists - Hyatt, and Armada/Hoffler, and forwarded to the consultant. The packages are being evaluated and the committee is scheduled to meet the first week of March. He anticipates bringing a recommendation to the Authority at its March meeting.

Regarding MEDAC, primary subjects discussed at the most recent meeting were exiting active duty military, Burton Station, and landing strips.

Boo Twohy reported out on the Pembroke Strategic Growth Area charrette which was held on January 29 (82 attendees), January 30 (64 attendees), and February 5 (56 attendees). The public was invited to participate in creating the vision for the future development of the 1200 acre area. Participants were encouraged to think out of the box, and 20-50 years out. Common themes expressed:

- More greenspaces
- Increase connectivity
- Reuse of Pembroke Mall
- Light rail a "must" to avoid congestion
- Urban and people friendly
- Do not create a Tyson corner
- A major arena or other gathering area

All comments will be incorporated into a report being prepared by CMSS and provided to City Council and the VBDA in late April.

Regarding Workforce Development, Boo Twohy reported she and Prescott Sherrod met with Jerry Stewart prior to this meeting. Visits have been made to three companies that are included

in the seven major target industries identified in the Department of Economic Development's strategy.

#### NEXCOM

- Connect to different areas of workforce (i.e., high school level)
- School guidance counselors and NEXCOM event on February 20 at Technical & Career Education Facility (aka VoTech)

#### Amerigroup

Desires and needs have changed due to current environment.

Not in rapid growth mode experienced in 2007.

Taking in college graduate interns to train

Seeking bilingual Spanish-English speaking candidates to work in claims

Having difficulty finding IT people

USAA may be a source of candidates from pool of those released

Follow-up meeting to be scheduled

It was noted Warren Harris recently met with Opportunity, Inc., which is working with both USAA and Amerigroup.

#### Exiting Military

- Do not necessarily have skills immediately transferable into private sector.
- Exiting structured environment with many rules and regulations.
- Private sector allows for creativity.
- Nomenclature differs.

#### Other

- A visit with Sentara is tentatively scheduled for March 3.
- Ongoing process – meet with various sizes of target industries
- IT employees needed in the majority of businesses.

There were no updates on the Dome Site, Burton Station, or OLUCC.

It was noted:

- Mayor Sessoms will be meeting with Jim Carlson of Amerigroup within the next couple weeks.
- USAA has notified 475 employees of their opportunity to relocate to another state with the company. Some of these employees will want to remain in the area and have expertise in understanding the claims aspect.
- A business resource center web site, modeled after a North Carolina site, is being created through MEDAC to serve as a transition and training aid to exiting military.

Don Jellig noted Les Lilley is leaving his position as City Attorney for an eight-year Circuit Court judge appointment, as indicated in Mr. Lilley's letter. The Authority was asked to approve the resolution included in Item #6 recognizing Mr. Lilley's work and appreciation

MOTION: Page G. Lea

SECOND: Teresa H. Carrington

APPROVED: 11-0

## 6. Director's Report

Warren Harris noted the recent accolades article on Coastal Training Technologies, Paul Michels' company. A copy of the article is incorporated into these minutes.

AVIS recently announced it will be consolidating its facilities. It chose Virginia Beach over New Jersey, and will be closing the Orlando facility. This action results in an additional 70 jobs for our City. A News Release dated February 11, 2009 is incorporated into these minutes.

HREDA correspondence was received asking localities to reduce funding to .95 per capita from \$1.00, most likely due to the current state of the economy. Economic Development hopes to retain this 5% difference; however, as a result of the recent budget presentations to City Council a request is forthcoming from Management Services to cut \$28,979. Currently, the department is operating under 84% of its original budget and is not "fully funded."

Mayor Sessoms is hosting a Small Business roundtable on Thursday, February 19. A broad spectrum of established companies were invited, and 22 have responded to date. It is hoped issues can be identified and strategies to solve them will be a product of this roundtable. The Mayor anticipates hosting this type of event twice a year.

On behalf of Scott Hall, David Couch provided the monthly broad overview of current project and prospect activity report as follows:

- Project Activity – February 2009
  - Project Type (#'s) – New Location, Expanding Business
  - Geographical Origin (#'s) – Local, National, International
- New Location Projects (28 Total)
  - Geographical Origin (%) – Local, National, International
  - Industry Type (%) – Industrial, Office, Other
- Expanding Business Projects (32 total)
  - Geographical Origin (%) - Local, National, International
  - Industry Type (%) - Industrial, Office, Other

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

Mr. Couch noted "Local" is defined as in the Hampton Roads area. "New" indicates those prospects outside of the "Local" area – mostly national, and entails various industry sectors. "Other" entails research, retail, and medical uses.

### **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).

2. 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).

MOTION: C. Maxwell Bartholomew, Jr.

SECOND: Elizabeth A. Twohy

APPROVED: 11-0

Paul Michels left the meeting prior to discussion of the second Closed Session item due to a conflict of interest.

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: Elizabeth A. Twohy

SECOND: Douglas D. Ellis

APPROVED: 10-0

There being no further business, the meeting was adjourned.

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Donald V. Jellig, Chair