

MINUTES  
VIRGINIA BEACH DEVELOPMENT AUTHORITY  
JULY 21, 2009

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, July 21, 2009, 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: 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  
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  
Barry Frankenfield, SGA/City Manager  
Carissa Frasca, Media Communications Group  
Scott Hall, Business Development Coordinator  
Dana Harmeyer, City Attorney  
Warren D. Harris, Economic Development Department Director  
Steve Harrison, Economic Development Intern  
Steve Herbert, Deputy City Manager  
Rob Hudome, Project Development Manager  
Pam Matthias, City Manager's Office  
R. J. Nutter, Troutman Sanders  
Tammy Owens, SWAM Business Manager  
Matt Redford, MCO, Inc.  
Joe Strange, Planning Commission  
Jerry Stewart, Workforce Development Coordinator  
Alex Stiles, City Attorney's Office  
Erin Stubbe, City Attorney's Office  
Mark Wawner, Project Development Coordinator  
Cynthia Whitbred-Spanoulis, Strategy & Performance Coordinator  
Rosemary Wilson, Councilmember  
Matt Winans, MCO, Inc.

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 June 16, 2009.

MOTION: John W. Richardson

SECOND: Jerrold L. Miller

APPROVED: 8-0

## **REVIEW OF FINANCIAL POSITION**

2. 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 \$5,389,358, cash receipts for the month were \$172,197, and cash disbursements for the month were \$188,182 for a net decrease in cash of \$15,986. The end of month cash balance in the operating account was \$5,373,373. Mr. Anger noted the following:

- Received reimbursement of funds to build out space now occupied by staff relocated from the Beacon building in the amount of \$58,156.
- Received rental payment from Beach Quarters Inn Best Western in the amount of \$38,000. These funds were transferred to the City as indicated under Cash Disbursements.
- Disbursed \$10,000 to the Healthy Families Program from proceeds of the Business Appreciation Charity Golf Event held May 1, 2009.
- A rental payment in the amount of \$17,688 for April from Virginia Beach National was received.
- Virginia Beach National capital improvement in the amount of \$30,158 was paid out of funds put aside for that purpose.
- The annual rent for the Amphitheater VIP box was paid.

### Monthly Cash Flows – EDIP Account

Mr. Anger reviewed the Reconciliation of Cash to EDIP Status Report for June. The Authority received the following reimbursements:

- Engineering expenses related to the SGA program will be reimbursed
- The July financials will reflect the new fiscal year \$2 million appropriation

This report is hereby incorporated into these minutes.

Regarding the Virginia Beach National Golf course, the Authority requested a report reflecting rent received and a separate report reflecting rounds played be provided at the July meeting.

Mark Wawner noted the course is performing very well and has exceeded expectations, in spite of the weakened economy.

3. Approved modifications to the Public-Private Education and Facilities (PPEA) Procedures which were initially adopted by the Authority in 2007. It was noted City Council recently adopted the amended version of the PPEA Procedures. Alex Stiles said the principal change was the introduction of interim agreements (such as environmental and design) prior to the formalization of the comprehensive agreement. Also, a definition section was added to assist with clarification.

MOTION: Page G. Lea  
SECOND: Jerrold L. Miller  
APPROVED: 8-0

Elizabeth Twohy arrived at the end of the discussion of this item.

4. Approved resolution authorizing the acquisition of the former Circuit City Property, namely (i) a 3.168 +/- Acre Parcel from CC Virginia Beach, LLC and (ii) a 0.5711 +/- acre parcel from Circuit OP Virginia Beach, each located at 110 South Independence Boulevard in Virginia Beach. Alex Stiles briefly reviewed the history of the subject parcels. It was noted the most current assessment was approximately \$5.8 million. This property is a key acquisition for the city and the Authority due to the proximity to Town Center, the proposed rail line, and the gateway. Funding will be provided by the City and a Support Agreement will be entered into with the Authority. This approval is subject to City Council's approval.

MOTION: Elizabeth A. Twohy  
SECOND: John W. Richardson  
APPROVED: 10-0

Page Lea noted he supports the acquisition of these parcels and hopes the Authority will continue to consider all reputable qualified developers in Virginia Beach due to the significant interest by multiple players.

Prescott Sherrod arrived during discussion of this item.

## **TOWN CENTER**

5. Mark Wawner reported the following regarding Town Center:
  - Phase IV – City Council unanimously approved construction on Block 9, which is anticipated to begin the first quarter of 2010. This item will go before the Planning Commission at its next meeting.
  - University of Phoenix – Build out continues on the 10,000 sq. ft. facility. A fall opening is anticipated.

- Art Institute – Build out in Two Columbus continues on the facility. The marketing and registration center will be located on the ground floor. Anticipate classes to begin January 2010.
6. Approved sublease of vault space in the Block 4 parking garage to LandMark Design Group. This is a housekeeping matter due to the stipulation in the master lease that the Authority approve all tenants. LandMark recently relocated to One Columbus Center and was in need of additional storage space. This space was previously occupied by Divaris.

MOTION: Jerrold L. Miller  
SECOND: Dan H. Brockwell  
APPROVED: 10-0

## **DOME SITE**

7. Request for approval of a resolution requesting a 6-month extension of the non-binding agreement between Leisure and Recreational Corporation and the Virginia Beach Development Authority. It was noted plans continue to progress well, but due to the magnitude of the project, the number of different components, and the economic climate an extension is warranted.

Page Lea made a motion to amend this request from a 6-month extension to a 9-month extension. A replacement resolution was generated to reflect the appropriate action taken and approved, and is hereby incorporated into these minutes.

Additionally, Alex Stiles noted a housekeeping matter is also being rectified with this action. The original exclusive agreement was with PARC and its affiliate LARC. Both PARC and LARC have requested that the Exclusive Dealing Agreement expire with respect to PARC, and continue to move forward with LARC.

MOTION: Page G. Lea  
SECOND: Dan H. Brockwell  
APPROVED: 10-0

## **ECONOMIC DEVELOPMENT INVESTMENT PROGRAM**

8. Approved resolution granting \$28,000.00 in Economic Development Investment Program funds to M CO, Inc. The company is a local Small Woman-Owned Business that has experienced significant employee growth due to its extensive business development efforts. M CO is a leading solutions integrator with a focus on surveillance and security applications, communications infrastructure, to name a few. It moved into the Reflections Complex in May. Staff recommended approval of the award to be utilized for employee training. Mr. Hall's PowerPoint presentation is hereby incorporated into these minutes.

MOTION: Elizabeth A. Twohy  
SECOND: Prescott Sherrod  
APPROVED: 10-0

## **INDUSTRIAL PARKS**

9. Approved final site, E&S, and landscape plans for a 197-space parking lot expansion, STIHL, Inc., Parcels A, 07, & 08, OWCP. Staff recommends approval contingent upon incorporating the comments from the Authority's engineering firm. Additional approvals are being requested from the CBPA for encroachment into the RPA buffer, and Dominion Virginia Power to allow parking in the power easement. This will also require City Council approval. The PowerPoint is hereby incorporated into these minutes.

MOTION: C. Maxwell Bartholomew, Jr.  
SECOND: Page G. Lea  
APPROVED: 10-0

10. Approved the first one-year extension of the Engineering Services Contract with LandMark Design Group, for the period of August 1, 2009 through July 31, 2010. It was noted the original contract was for three years, with two one-year extension options.

MOTION: Jerrold L. Miller  
SECOND: John W. Richardson  
APPROVED: 10-0

11. Approved building signs (2), membersTrust Credit Union, Parcel B, Lakeview Corporate Park. Staff has reviewed the proposed signs and recommends approval.

MOTION: John W. Richardson  
SECOND: Douglas D. Ellis  
APPROVED: 10-0

## **ADMINISTRATIVE INFORMATION**

12. VBDA Priorities  
a. VBDA Members Activity Update.

Don Jellig noted representatives from the light rail study group have been invited to the August meeting to brief the Authority of its goals and objectives.

Don Jellig noted September is the Annual Meeting and again time to elect officers. Doug Ellis will again chair the nominating committee with Dan Brockwell and Prescott Sherrod.

Regarding the Convention Center Hotel, Page Lea reported the committee met last week to review responses received to the most recent questions. There are many areas which need to be addressed (financing, construction costs, City's participation, overall economic impact, etc.)

including the recent FAA issue regarding a 110 foot height restriction prior to any final decisions. The City will not do anything to harm national security, and it was noted other cities have been in similar situations and the radar has been relocated.

Regarding the Pembroke SGA, Boo Twohy reported a Joint briefing for the Planning Commission and Development Authority is scheduled for Wednesday, August 12. All Authority members are invited to attend. Additionally, a DRAFT copy of the plan can be provided to you upon request. The schedule is as follows:

- August 12 – Joint Briefing with Planning Commission
- August 25 – Brief City Council
- September 9 – Planning Commission Public Hearing
- September 22 – City Council Public Hearing

Regarding Workforce Development, Prescott Sherrod noted a meeting took place with Amerigroup on July 15 to gain clarity on what skills the company is seeking on the higher level technician positions it is experiencing difficulty filling locally. Coordination with the military is a possibility. Also, another follow-up meeting is planned to focus on transition training for claims operators.

SKANSKA USA is pursuing VDOT regarding tunnel and MLK expansion. In concert with SKANSKA, staff will further explore transition training for exiting military as potential skill sets to meet VDOT requirements.

Regarding Burton Station, Dan Brockwell reported an outline on applicable taxes was delivered. Warren Harris and Lloyd Jackson met with the neighborhood. Steve Herbert and Barry Frankenfield are working with Norfolk. Regardless of Norfolk's participation, the Virginia Beach portion of the project will still occur.

Regarding OLUCC, Don Jellig noted the July meeting was cancelled. He reported the program is functioning as intended. The old focus was on acquiring land. The new focus is on acquiring viable critical contiguous land. Page Lea noted the positive article in the paper recently regarding the program.

- b. The Authority will be sent a reminder about the VBDA/Planning Commission Pembroke SGA Joint Briefing scheduled for August 12.
- c. The Annual Report is being finalized and will be discussed at the Authority's August meeting. Presentation of the VBDA Annual Report to City Council is scheduled for September 22, and all Authority members are invited to participate. When the time is established, the Authority will be notified.

### 13. Director's Report

Warren Harris reported he, Jim Spore and Steve Herbert, along with Virginia Beach Visions, participated in a collaborative effort regarding Princess Anne Commons. Tidewater Community College held its groundbreaking on the Health Professions Building. The Biomedical industry is

a strong consideration for designation as a target industry. It was noted that Mayor Sessoms has expressed a desire for the Authority to seek biomedical companies to locate in Virginia Beach.

Regarding the Heron Ridge audit, it has been determined that there is a need for additional discussions with golf course management regarding membership fees.

Mr. Harris noted that next month is Page Lea and Teresa Carrington's final Authority meeting. City Council appointed Luke Hillier and Shewling Moy Wong, who will officially join the Authority at the September meeting.

The Department of Economic Development plans to host a roundtable in September with AIP Businesses, Burton Station, and companies located at the Virginia Beach/Norfolk line on Diamond Springs Road.

- a. Scott Hall provided the monthly broad overview of the current Project and Prospect Activity Report as follows:
  - Combined Project Activity – July 2009
    - Project Type (#'s) – New Location, Expanding Business
    - Geographical Origin (#'s) – Local, National, International
  - Combined Project Activity – Calendar Year 2009
    - Project Type (#'s) - Expansions, New
    - Geographical Origin (#'s) - International, National, Local
  - 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
  - Marketing Outreach Update

The PowerPoint presentation is hereby incorporated into these minutes.

Page Lea noted Warren Harris' predecessor and Paul Michels had discussed locating an employee within some of Mr. Michels' offices located around the world. Mr. Harris expressed his concurrence with this consideration.

Dan Brockwell stepped out of the room prior to going into Closed Session.

## **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 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). **(Northampton Corridor SGA)**
2. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if make public initially, the financial interest of the governmental unit would be adversely affected, pursuant to Va. Code § 2.2-3711(A)(6). **(Beach District)**

MOTION: Page G. Lea  
SECOND: Jerrold L. Miller  
APPROVED: 9-0

Dan Brockwell returned to the meeting during Closed Session.

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: C. Maxwell Bartholomew  
APPROVED: 10-0

There being no further business, the meeting was adjourned.

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Donald V. Jellig, Chair