

MINUTES
VIRGINIA BEACH DEVELOPMENT AUTHORITY
JUNE 16, 2009

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, June 16, 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
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 Harrison, Economic Development
Steve Herbert, Deputy City Manager
Lloyd Jackson, Project Development Manager
Louis Jones, Vice Mayor
Tammy Owens, SWAM Business Manager
Tony Russo, Project Development Manager
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 May 19, 2009.

MOTION: Page G. Lea
SECOND: Douglas D. Ellis
APPROVED: 8-0-1

Max Bartholomew abstained because he was not at the May meeting.

REVIEW OF FINANCIAL POSITION

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

Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$5,353,877, cash receipts for the month were \$121,088, and cash disbursements for the month were \$85,606 for a net increase in cash of \$35,482. The end of month cash balance in the operating account was \$5,389,358. Mr. Anger noted the following:

- The Authority received \$50,000 as part of the Social Services building rent which was transferred to restricted cash for capital maintenance.
- Town Center note interest in the amount of \$7,361 was paid on the note used to purchase land in the core area. These funds will be reimbursed to the Authority upon sale of the parcel.
- Funds entailed in the Beacon building closure are not reflected in this report.

Monthly Cash Flows – EDIP Account

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

- \$4,155.00 for expenses through the SGA program funds;
- \$10,496.00 for Burton Station through CIP funds; and
- \$58,156.00 for Beacon building design transferred to the Authority's Operating Account.

This report is hereby incorporated into these minutes.

TOWN CENTER

3. Mark Wawner reported the following regarding Town Center:
- Art and wine festival held recently was well received and attended by approximately 3,000 people.
 - Lucky Star Restaurant, located in the Westin, will be holding a pre-open event this Thursday.
 - Coastal Training Technologies will be filming a safety video in the Armada Hoffler tower garage.
 - Beacon building:
 - Locks have been changed
 - Under maintenance contract
 - Parking being utilized to support Town Center
 - Armada Hoffler may utilize for construction services on Block 9
 - Block 9
 - Hotel financing procured
 - Anticipate breaking ground first quarter 2010

- Gateway Bank is now Bank of Hampton Roads. The bank is still committed to occupy space in the tower, and plans to relocate some of its functions from North Carolina.

INDUSTRIAL PARKS

4. Approved site, E&S and landscape plans and architectural elevations, materials and colors, membersTrust Credit Union, Parcel Unit 3B, Lakeview Corporate Park. Troy Parker of membersTrust was present and indicated a dental practice and insurance company have committed to leasing space within the proposed building. The estimated amount of investment is \$4 million for construction of the building. Additional details regarding this item are provided in the Authority's March 17, 2009 minutes. The Planning Commission and City Council approved the modification of conditions, May 13, 2009 and June 9, 2009, respectively. These plans have been reviewed and approved by the Authority's consultant.

This tract of land:

- Is not subdivided
- Is a land condominium
- Has no set back property lines
- Has a private sewer system controlled by Coastal Training Technologies and Armada Hoffler

There is a significant wooded area zoned I-1 between Coastal Training Technologies and the location of this project, and Armada Hoffler is working with some other potential projects for this desirable location. It was noted waivers for this tract of land will be considered on a case by case basis, and approval does not implement permanent changes to the deed restrictions. All documentation pertaining to this item and the PowerPoint are hereby incorporated into these minutes.

MOTION: Elizabeth A. Twohy

SECOND: C. Maxwell Bartholomew, Jr.

APPROVED: 10-0-1

Paul Michels abstained due to his financial interest in property.

Dan Brockwell arrived during the discussion of this item.

ADMINISTRATIVE INFORMATION

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

Regarding the Convention Center Hotel, Page Lea reported the committee is scheduled to meet tomorrow to review the responses received to the most recent questions. These responses have been reviewed by the consultant.

Regarding the Dome site, Jerry Miller reported he attended the wrap up meeting from Michael Jenkins' recent visit. It is anticipated Mr. Jenkins will present his plans, to include the economic analysis, within the month.

Regarding the Pembroke SGA, Boo Twohy reviewed the timeline which is established through September 22, 2009. Steve Herbert noted CMSS is working on the presentation, which is critical

to the branding process. Mrs. Twohy's 'SGA 4 Branding Process and Timeline' handout is hereby incorporated into these minutes.

Regarding Workforce Development, Prescott Sherrod noted meetings with companies continue. Lockheed Martin has 800-900 employees within the Hampton Roads area - 100 of which are located in Virginia Beach. Although the company is not experiencing hiring issues, Tidewater Community College can assist with quality assurance training. Additionally, a MEDAC (Military Economic Development ?? ??Committee) retired service member plans to meet with Amerigroup regarding specific military skill sets.

Regarding Burton Station, Dan Brockwell reported a meeting is scheduled tomorrow afternoon. He noted the plans developed by the City of Norfolk have potential.

Regarding OLUCC (Oceana Land Use Conforming Committee), Don Jellig reported the program is functioning as intended. Due to fiscal year-end financial constraints, purchase of several properties will be processed after July 1. Additionally, the disposition process is being implemented.

Don Jellig noted the Authority needs to continue taking the challenges in the status of the financial arena into consideration because it is impacting the progress on projects.

6. Director's Report

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

- Combined Project Activity – June 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 – June 2009
 - Geographical Origin (%) – Local, National, International
 - Industry Type (%) – Industrial, Office, Other
- Expanding Business Projects – June 2009
 - Geographical Origin (%) – Locally, Nationally, and Internationally Based
 - Industry Type (%) - Industrial, Office, Other
- Prospect Activity Highlights
 - Shortlisted for two VEDP projects and an international project - Significant
- Existing Business Highlights
 - Maritime reception was a positive and successful event
- Marketing Outreach Fiscal Year-to-Date
- Recent Outreach

Mr. Couch noted Scott Hall is currently on a mid-west marketing mission trip with HREDA. The PowerPoint presentation is hereby incorporated into these minutes.

Whenever possible, Don Jellig requested Authority members participate with staff in meetings with prospects. Councilmember Rosemary Wilson noted this approach relates to the ambassador program previously discussed.

Warren Harris said the department will increase contact by getting more engaged in target industries in our city. Additionally, more focus will be placed on the role the city plays in maritime industries. Mayor Sessoms expressed a desire to hold events similar to the Maritime Business Reception that took place on June 4 with other industry clusters.

At its' June 23 meeting, City Council formally recognized the \$10,000.00 proceeds raised from the Business Appreciation Charity Golf Event held May 1, 2009 donated to the Healthy Families Program administered by the city's Health Department.

Proposals received on the Newtown Road SGA are being evaluated. An Authority member will be invited to serve on the Steering Committee when it is established.

Regarding the APZ program, Don Jellig noted the Navy is impressed with the progress made thus far. Michelle Chapleau reported progress has been made in the disposition of some property acquired through this program, and three companies have participated in the incentive portion.

The Authority was informed that LifeNet Health is pursuing a grant opportunity through the stimulus package which could lead to a significant expansion.

Mayor Sessoms continues to participate in visits to current businesses located in the City.

Regarding the light rail process, HRT has secured HDR to prepare a draft EIS – estimated to take 12-16 months.

Mr. Harris referenced correspondence from the City Manager regarding the city's Legislative Agenda Input Process. He noted the deadline is July 10 and requested the Authority inform staff of any items they would like to submit for consideration.

The VBDA Annual Report will be finalized in September, and Vice Mayor Louis Jones and Councilmember Rosemary Wilson will introduce it at a City Council meeting.

The FY09-10 Marketing Plan will be presented at the Authority's August meeting, which will take into account the reduction in budget and personnel. Don Jellig suggested contingency plans be included once the economy improves.

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). (**ROSE HALL, PEMBROKE SGA, BURTON STATION**)

MOTION: John R. Richardson

SECOND: Dan H. Brockwell

APPROVED: 11-0

John Richardson left 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: Paul V. Michels
APPROVED: 10-0

There being no further business, the meeting was adjourned.

Donald V. Jellig, Chair