

MINUTES  
VIRGINIA BEACH DEVELOPMENT AUTHORITY  
FEBRUARY 16, 2010

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, February 16, 2010, 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  
John W. Richardson, Vice Chair  
Douglas D. Ellis, Secretary  
Prescott Sherrod, Assistant Secretary  
C. Maxwell Bartholomew, Jr., Commissioner  
Dan H. Brockwell, Commissioner  
Jerrold L. Miller, Commissioner  
Shewling Moy Wong, Commissioner

ADVISORS PRESENT: Greg Anger, VBDA Accountant  
Michelle Chapleau, Business Relocation Specialist  
Betty Clark, Economic Development Assistant  
David Couch, Business Development Manager  
Carissa Frasca, Media Communications Group  
Rob Fries, Resort Management Office  
Sali Gear, Economic Development Department  
Scott Hall, Business Development Coordinator  
Warren D. Harris, Economic Development Department Director  
Rob Hudome, Project Development Manager  
Lloyd Jackson, Business Development Manager  
Tammy Owens, SWAM Business Manager  
Richard Petty, Resort Management Office  
Vaughn Rinner, LandMark Design Group  
Tony Russo, Project Development Manager  
Jerry Stewart, Workforce Development Coordinator  
Alex Stiles, City Attorney's Office  
Mark Wawner, Project Development Coordinator  
Cynthia Whitbred-Spanoulis, Strategy & Performance Coordinator

REPORTED BY: Mark Wawner

RECORDED BY: Linda Sheehan

The Authority convened into session and the following was discussed:

## **REGULAR MEETING**

1. Review and approval of minutes of regular meeting held on January 19, 2010.

MOTION: C. Maxwell Bartholomew, Jr.  
SECOND: Shewling Moy Wong  
APPROVED: 7-0

## **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 \$5,728,583, cash receipts for the month were \$232,684, and cash disbursements for the month were \$204,090 for a net increase in cash of \$28,594. The end of month cash balance in the operating account was \$5,757,177. Mr. Anger noted the following:

- \$188,319 Amphitheater Ground Rent was received and transferred to the City
- \$8,800 Legal Fees/Closing Costs was expended for the purchase of the former Circuit City building

### Monthly Cash Flows – EDIP Account

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

- Received reimbursement in the amount of \$9,174 for expenses related to the SGA program.
- \$12,000 EDIP Award disbursed
- \$44,318 was disbursed for engineering fees

This report is hereby incorporated into these minutes.

## **TOWN CENTER**

3. Mark Wawner reported the following regarding Town Center:
- Jimmy Johns Gourmet Sandwiches will be establishing a 1500 sq. ft. location
  - Saffron Indian Bistro is expanding by 2500 sq. ft. to 4700 sq. ft.
  - An RFP for structural engineering services, previously held by Kimley Horn, for Development Authority owned garages is out with responses due by March 17. A recommendation will be brought before the Authority after submittals have been properly reviewed.
  - Snow removal from the recent storm was funded by the Special Services District (SSD). Town Center was open for business the day after the snow storm, whereas much of the city was not.
  - A sprinkler head froze and caused major water damage to the newly established Beacon and Armada Hoffler office spaces located in the Westin Tower.
  - Taco Bell will be rebuilding another Taco Bell on its current site. Staff has shared some design criteria it would like to see in the new structure.
4. Approved one-year renewal agreement of garage management contract with Republic Parking Systems. Rob Fries and Richard Petty from the city's Resort Management Office were in attendance to address any questions the Authority may have had regarding this request. Don Jellig noted an extension was anticipated when the contract was negotiated due to the City's procurement rules that call for this action.

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

## **ECONOMIC DEVELOPMENT INVESTMENT PROGRAM**

5. Approved resolution granting \$135,000.00 in Economic Development Investment Program, Part B funds to Runnymede Pavilion Center II, Resort Area (Strategic Growth Area 8). Warren Harris noted the Authority was briefed on two separate occasions regarding this project and reiterated the delay in bringing this forward as an action item was due to the timing of the Comp Plan, which was adopted December 2009. The location of this project in the current Comp Plan indicates it is within a SGA which in turn justifies an EDIP award under Part B. Mr. Harris noted City Council approved an Ordinance on January 27, 2010 to award these funds to Runnymede Corporation for this project, which maximized development of underutilized property in the resort area and meets the SGA scope and density provisions.

MOTION: John W. Richardson  
SECOND: Jerrold L. Miller  
APPROVED: 9-0-1

Don Jellig abstained because of a potential conflict regarding the relationship between a charity he is involved in and Runnymede.

## **INDUSTRIAL PARKS**

6. Approved waiver to the Oceana West Industrial Park Sign Restrictions for the following signs for STIHL, Inc.
- a. Building Sign (1), 53.3 sq. ft., Parcel 07, 528 Viking Drive (formerly the Milcom building)
  - b. Building Sign (1), 99 sq. ft., Parcel 93C, 825 London Bridge Road (Stihl Guide Bar Facility)

STIHL's guide bar facility is located on a curved portion of London Bridge Road where the speed limit is 55 mph. It sits approximately 100 ft. from the roadway. This sign will make it easier and safer for delivery truck drivers to see the entrance. It was noted the Authority's sign restrictions are more strict than the City's zoning ordinance for signs. An Authority member suggested a recommendation be made to STIHL to locate the sign on the side of the building facing north. STIHL had determined this would not be practical since vehicles coming from International Parkway would not see the sign.

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

MOTION: Dan H. Brockwell  
SECOND: Shewling Moy Wong  
APPROVED: 10-0

7. Carla Picard, Electric Transmission Project Communications Manager, and Wade Briggs, Project Manager, briefed the Authority regarding the replacement of five (5) power transmission line towers in Corporate Landing Business Park by Dominion Virginia Power. Demand is growing at a staggering rate and the new design can carry more electricity within the same space and will be installed in the existing right of way. The

new towers will be 5-10 feet taller, but will be the most robust transmission grid in the Mid-Atlantic and perhaps even the East Coast. An extensive Community Outreach plan has been instituted. It was noted eleven people attended the Informational Open House, which was heavily publicized, held in early February. The target schedule begins Spring 2010 by submitting an application to the SCC for consideration and ends with the transmission lines activated December 2012. There should be little to no impact on the public's electrical requirements. It was noted SCC approval is expected.

Offshore wind energy was discussed but it was noted extensive research is needed due to the delicacy of transmission. Max Bartholomew noted Dominion Virginia Power is an active member in the Virginia Offshore Wind Consortium, which falls under federal regulation. Additionally, Senator Wagner is very involved and interested in this energy source. There are three commissioned wind projects under operation; however, none of them are in Virginia.

Ms. Picard's PowerPoint presentation is hereby incorporated into these minutes.

Don Jellig noted due to the extreme change in the market regarding identifying financing sources to move projects forward, the EDIP guidelines, awards, and thresholds need to be re-evaluated. John Richardson and Doug Ellis have agreed to be the liaisons for this endeavor. City Council will ultimately have to approve any changes the Authority recommends.

## **ADD ON**

Approved resolution supporting a City contribution towards the funding of the Virginia Beach Transit Extension Study.

The Authority made the following action to add this item onto the agenda.

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

The Authority approved the resolution as follows:

MOTION: Jerrold L. Miller  
SECOND: Luke M. Hillier  
APPROVED: 10-0

The Authority unanimously approved this Add-on Item.

## **ADMINISTRATIVE INFORMATION**

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

Regarding the Dome site project, John Richardson said the market is also impacting the Dome site – as Don Jellig previously mentioned.

Regarding the ITA Master Plan Study, Max Bartholomew reported the kick-off meeting with Urban Design Associates (UDA), the consultants, on January 27 was very well attended – so much so that it was standing room only. UDA will return March 9-12 to conduct site assessments and other applicable tasks.

Regarding the Newtown SGA, Shewling Moy Wong reported UDA's "Draft Report" for the Steering Committee is forthcoming. The VBDA can anticipate a briefing by UDA at its March or April monthly meeting. Mrs. Wong's report is hereby incorporated into these minutes.

Regarding Burton Station, Dan Brockwell and Prescott Sherrod recently met with Henry Harris, Chair of the Norfolk Development Authority and Jerry Robertson, Vice Chair. They are currently looking at the plans and it was suggested they form a subcommittee similar to what the VBDA has for this project. It was noted there is an opportunity for Warren Harris to make a presentation to Norfolk, and Don Jellig said he will follow-up. Regarding the recent correspondence pertaining to bond fees, Mr. Jellig noted there is significant regional interest and discussion to reintroduce this concern in the summer to enhance the possibility of success for the 2011 General Assembly session.

Regarding Workforce Development, Prescott Sherrod reported the team has established a strategy for 2010. They anticipate visiting about 18 companies, some of which will be revisits. The group is planning its meetings for the upcoming month. He noted NEXCOM currently has 1100 employees in its current facility and has experienced some challenges in finding mechanics and call center staff. It was noted a Wounded Warrior Program has been established with job and rehabilitation coaches to assist our military.

Jerry Miller left at the end of this item.

9. Director's Report
  - a. Project and Prospect Activity Report.

Seth Saunders, President of the South University Virginia Beach campus located in Convergence Center IV off of Bonney Road, was present to express appreciation to the Authority for the support received. They currently have nine programs including a Masters in Professional Counseling and plan to apply for a four year nursing program. He noted a Dean of Academic's, who holds a Master and Doctorate degree, was recently hired.

Warren Harris noted the City of Norfolk is hosting an event with the Virginia Port Authority this Thursday at Kaufman & Canoles in an ongoing effort to reach out to our port facility.

Regarding the bond fees issue, Mr. Harris noted every attempt was made to get in front of this proposed change but our request did not get submitted to the General Assembly on time. Staff will continue to follow-up.

Regarding the Conference of Mayor's Small Business event recently held at the Westin, Prescott Sherrod, Boo Twohy and Shewling Moy Wong attended on behalf of the Authority. This was a very well attended event, and outreach will be ongoing with this new data base of Virginia Beach companies.

The Mayor's State of the City is scheduled for March 18 and will be held at the Virginia Beach Convention Center.

Budget discussions with the City Manager continue. The budget recommendation will be presented to City Council on March 23.

Regarding the state's annual Business Appreciation Program held in May, the Charity Golf Classic, now in its third year, will be held at Virginia Beach National Golf Club to benefit three

local charities. The three charities identified are Virginia Beach Grow Smart, Virginia Beach Educational Foundation and Hope House.

Mark Wawner noted Patti Phillips, Finance Director, is evaluating the bond market and is considering refunding several public facility revenue bonds in order to provide new money for city facilities. A substantial annual savings can be realized due to the low interest rates currently available.

a. Project and Prospect Activity Report.

Scott Hall provided the monthly broad overview of the current Economic Development Marketing Activity Report as follows:

- Project Types
  - Expansions
  - New
- Project Origins
  - International
  - National
  - Local
- Project Business Sectors
  - Other
  - Industrial
  - Office
- Highlights
  - Partner America/US Conference of Mayors Small Business Reception
  - Defense Industry Retention Calls
    - MEDAC involvement
  - Site Consultants Visitation
  - E-Blasts
- Other
  - Level of activity has increased over the last two quarters
  - Alternative energy appeals to overseas manufacturing
  - Site consultants consider State and City incentives, airport, and hurricane activity
  - There are several proposed improvements to the GOF being considered
  - He noted the outreach e-mail blast program is generating positive interest from other localities.
  - E-mail blasts have provided an opportunity to share the many facets of the City's educational capacity.

This PowerPoint report is hereby incorporated into these minutes.

Regarding transportation:

- Distribution warehouses weary of tunnels;
- Major hurdle north of the Peninsula and as close as Richmond;
- High speed rail enhances major metro area vision.

Regarding the upcoming Burton Station infrastructure phase, Warren Harris noted direction is forthcoming from City Council to the Development Authority and Economic Development Department staff to provide oversight management.

## **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:

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). (**Corporate Landing Business Park**)

MOTION: Prescott Sherrod  
SECOND: John W. Richardson  
APPROVED: 9-0

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: John W. Richardson  
SECOND: Shewling Moy Wong  
APPROVED: 9-0

There being no further business, the meeting was adjourned.

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Donald V. Jellig, Chair