

MINUTES
VIRGINIA BEACH DEVELOPMENT AUTHORITY
JANUARY 19, 2010

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, January 19, 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
Elizabeth A. Twohy, Treasurer
C. Maxwell Bartholomew, Jr., Commissioner
Dan H. Brockwell, Commissioner
Shewling Moy Wong, Commissioner

ADVISORS PRESENT: Greg Anger, VBDA Accountant
Larry Barry, LandMark Design Group
Michelle Chapleau, Business Relocation Specialist
Betty Clark, Economic Development Assistant
David Couch, Business Development Manager
Carissa Frasca, Media Communications Group
Scott Hall, Business Development Coordinator
Warren D. Harris, Economic Development Department Director
Rod Hudome, Project Development Manager
Lloyd Jackson, Business Development Manager
Tammy Owens, SWAM Business Manager
David Redmond, Planning Commission
Robert Ruhl, Business Development Coordinator
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
Jack Whitney, Planning Department Director
Rosemary C. 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 December 15, 2009.

MOTION: Douglas D. Ellis
SECOND: Prescott Sherrod
APPROVED: 5-0-1

Don Jellig abstained because he was not at the December 15 meeting.
John Richardson arrived after the vote was taken on this item.

REVIEW OF FINANCIAL POSITION

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

Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$5,565,555, cash receipts for the month were \$231,731, and cash disbursements for the month were \$68,702 for a net increase in cash of \$163,028. The end of month cash balance in the operating account was \$5,728,583. Mr. Anger noted the following:

- Transferred \$50,000 to restricted cash for future capital maintenance to the Human Services Building;
- Received \$16,371 for rent from Virginia Beach National;
- Paid \$1,710 to B. L. Jones for pump station;
- The Hampton Roads Chamber of Commerce has been invoiced for reimbursement of painting the space it recently vacated.

Monthly Cash Flows – EDIP Account

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

- Received reimbursement in the amount of \$93,382 for expenses related to the SGA program.
- Burton Station land purchase in the amount of \$81,814 will be reimbursed from the SGA program.

This report is hereby incorporated into these minutes.

3. Approved utilization of the VBDA annual engineering services contract with LandMark Design Group for the Intertraffic Facility Area (ITA) Master Plan. Jack Whitney, Planning Director, appeared before the Development Authority to discuss the ITA Master Plan endeavor which City Council recently authorized and approved funding for in the amount of \$228,000. Plans are for city staff to work with LandMark Design Group and Urban Design Associates (UDA) - the same team that has been successful in its work on the Pembroke, Burton Station, Newtown, and Oceanfront SGAs. He noted UDA will be in town next week. This 528 acre site is located in the western half of the transition area and is currently the flight corridor between Oceana Naval Air Station and Fentress Airfield. This land mass is an extremely important part of the city primarily due to modifications made to the 2003 Comp Plan in response to the Base Realignment and Closure Commission (BRAC). It has not formally been identified as a SGA. The potential for economic development in this area is now much greater; however, infrastructure aspects involving Salem Road, Nimmo Parkway, North Landing Road and Princess Anne Road need to be resolved. Kempsville Presbyterian Church (KPC)

purchased the entire 528 acres and its Phase I plans, being worked on for two years, had been successfully submitted and approved for 100 acres. KPC went before City Council to defer its project indefinitely in order to participate in this ITA planning effort. Mr. Whitney noted a stakeholder list is being developed. This list will include the Navy which has been very supportive and cooperative. The Navy will have a strong presence at the table. It is anticipated the study will begin mid to late February with a goal of bringing the plan before City Council, Development Authority, and the Planning Commission in the upcoming Spring timeframe. A map of the ITA and Vicinity Study Area is hereby incorporated into these minutes.

Max Bartholomew agreed to serve as the Authority's liaison for this endeavor and Don Jellig asked if any other Authority members are interested in participating to contact him.

MOTION: Dan H. Brockwell
SECOND: Elizabeth A. Twohy
APPROVED: 8-0

Dan Brockwell arrived at the beginning of discussion of this item.
John Richardson arrived during the discussion of this item.

TOWN CENTER

4. Mark Wawner reported the following regarding Town Center:
 - Art Institute classes commenced January 11, 2010;
 - Road work being performed by Ripley Heatwole on Constitution Drive extension to Bonney Road is progressing at a rapid pace and a Fall 2010 completion is anticipated.
5. Approved renewal of Open Air Cafe Agreement for Bravo! Development, Inc. The initial five-year agreement for Bravo! to operate its Open Air Café expired November 30, 2009. This has been very successful for the restaurant as well as Town Center. This renewal is for another five-year term at \$4,310 annually with a 3% per year escalation. Staff recommended approval.

MOTION: Elizabeth A. Twohy
SECOND: Shewling Moy Wong
APPROVED: 8-0

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM

6. Approved resolution granting \$35,000.00 in Economic Development Investment Program, APZ funds to Willard Marine, APZ-1. Michelle Chapleau presented this EDIP request to the Authority in conjunction with the Oceana Land Use Conformity program. A letter of endorsement from OLUCC has been provided. Bill Ingell and Jo Jo Gabrielle of Willard Marine and their attorney Eddie Bourdon were in attendance. The company has been in business for over 50 years and is currently located out of state. Willard will be leasing space in an existing building with a long term goal to purchase property to build a facility. It was also noted a letter from Eddie Bourdon regarding the Navy due diligence has been received and reviewed by the City's legal staff. Staff recommended approval of this award which is being funded from CIP project funds. Mrs. Chapleau's PowerPoint and other pertinent documentation are hereby incorporated into these

minutes.

MOTION: John W. Richardson

SECOND: Douglas D. Ellis

APPROVED: 8-0

7. Approved resolution granting \$45,000.00 in Economic Development Investment Program, APZ funds to Beach Auto Group, APZ-1. Michelle Chapleau presented this EDIP request to the Authority in conjunction with the Oceana Land Use Conformity program. A letter of endorsement from OLUCC has been provided. Beach Auto Group is being displaced by the Laskin Road Gateway project. Located in APZ-1 Subarea B, the parcel of land being purchased is contingent to land currently owned by Beach Auto. The Planning Commission approved the necessary rezoning last week. She noted Authority design restrictions will be imposed, elevations are being upgraded and the front of the building will be 100% brick façade. Mrs. Chapleau's PowerPoint and other pertinent documentation are hereby incorporated into these minutes.

MOTION: C. Maxwell Bartholomew, Jr.

SECOND: Elizabeth A. Twohy

APPROVED: 8-0

ADMINISTRATIVE INFORMATION

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

Regarding OLUCC, Don Jellig attributed the successful implementation of the program to the team comprised of Michelle Chapleau, other Economic Development Department staff and various other city staff. Regarding media activity on this program Carissa Frasca noted there has been numerous TV and print publicity, and Inside Business is working on a story for its next issue.

Regarding the Pembroke SGA, Elizabeth Twohy noted the final approved document was adopted by City Council on December 10, 2009. The Authority members were provided with a copy.

Regarding the Newtown Road SGA, Shewling Moy Wong reported on the second series of meetings held with Urban Design Associates (UDA) December 14-18, 2009. A conference call is scheduled for January 22, 2010 to discuss the next steps. Documentation pertaining to this item is hereby incorporated into these minutes.

Regarding Burton Station, Prescott Sherrod noted staff met with LandMark Design Group regarding the contract for this project. It is imperative the level of communication established with the residents be maintained; therefore, plans are being made for the first Burton Station Village team meeting next month.

9. Director's Report

Warren Harris noted the Virginia Small Business Financing Authority (VSBFA) board approved the Sentara bond request. Regarding the inducements for non profits issue with VSBFA, Mr. Harris noted this item is included in the city's General Assembly Legislative package and Bob Matthias is the city's point person. A letter was sent via e-mail under Don Jellig's signature to the Authority's counterparts within the region that are HREDA members. This issue is of great

concern to the Hampton Roads communities. Don Jellig requested the Authority members contact Warren, John Richardson or him if they have any further thoughts regarding this plight. If not already done so, it was suggested entities such as the VML and VACO also be contacted. A letter will be generated to newly elected Governor Bob McDonnell, and it is hoped with his plans for economic development he will recognize the need to repeal this recent change implemented by the VSBFA. It was suggested a resolution be generated for City Council's approval to further assist in resolving this unforeseen impact on funding.

Liberty Tax held a grand opening for its newly expanded location in Corporate Landing on January 8. City staff is working with Liberty Tax regarding its request for additional parking.

Warren Harris informed the Authority a letter is being sent from Mayor Will Sessoms inviting them to a reception and dinner, a component of the U.S. Conference of Mayors, being held on February 8, 2010 at the Sandler Center for the Performing Arts. Small businesses are being invited to celebrate the many contributions made to our city. The author of "Profits Aren't Everything, They're the Only Thing" will be the guest speaker.

Parks & Recreation has hired a consultant to conduct a golf course study on the operations and management of the city's three municipal golf courses. Virginia Beach National will also be included in this study. Mark Wawner requested to be on the committee, and consideration will be given to adding an Authority liaison.

In order to qualify and receive VDOT stimulus funds, which will be utilized to enhance the London Bridge Road and Great Neck Road interchange, the Authority had to obtain a right of entry to the bottom of the creek located within the defined work area for temporary construction. This infrastructure work will greatly improve access to both Corporate Landing Business Park and Oceana West Corporate Park. Anticipate going out for bid for this roadwork in the spring.

Warren Harris noted Restaurant Depot has purchased the former Value City property located at the Virginia Beach Boulevard and Witchduck Road intersection. The results of the company's analysis indicated there were in excess of 2500 restaurants within a 3 mile radius of this site. A copy of the electronic announcement is hereby incorporated into these minutes.

The Boyd Company recently named the Virginia Beach MSA the third least expensive for a business to locate its corporate headquarters. Warren Harris noted corporate headquarters are a primary target and a large part of the Economic Development Department's 2010 strategy. A copy of the electronic announcement is hereby incorporated into these minutes.

Warren Harris reported the department's operating budget was presented a couple weeks ago and it reflected the mandated 15% decrease over the previous year. The city's Capital Improvement budget is currently being discussed. Additionally, a portion of the EDIP fund balance is being looked at by the city for uses outside of the original intent. Mr. Harris noted historically appropriations were transferred annually to the Development Authority; however, in recent years funds have been retained by the city and transferred to the VBDA as requested. Greg Anger said an increase in the frequency of these requests could be considered, and the majority of the outstanding cumulative balance is already committed.

a. Project and Prospect Activity Report.

Scott Hall provided the monthly broad overview of the current Project and Prospect Activity Report as follows:

- Highlights

- Restaurant Depot
 - Mygrant Glass Co.
 - Willard Marine
 - Accolades
- 2009 Outreach
 - Marketing Events
 - Virginia Beach Defense Business Center
 - Expanded International Outreach
- CY 2009 Prospect Activity
 - Total active Prospects
 - Expansions
 - New Locations
 - International Prospects
 - National Prospects
 - Local Prospects
- CY 2009 Announcements (2008–2009; % Increase)
 - Expansions
 - New Locations
 - New Jobs
 - Retained Jobs
 - Investment
- Target Sector Activity – Announcements by Target Industry (%)
- CY 2009 Real Estate Summary – Commercial Lease Signings
- December 2009 Activity Report – Location announcements
 - Virginia Natural Gas; South University; Turner Construction
- Closings Update
 - Verizon Wireless Call Center
 - US Foodservices Distribution Center
- Combined Project Activity – Calendar Year 2009
 - Project Type (#'s) - Expansions, New
 - Geographical Origin (#'s) - International, National, Local
 - Industry Type (#'s) – Other, Industrial, Office
- New Location Projects – October 2009
 - Geographical Origin (%) – Local, National, International
 - Industry Type (%) – Industrial, Office, Other
- Expanding Business Projects – October 2009
 - Geographical Origin (%) – Locally, Nationally, and Internationally Based
 - Industry Type (%) - Industrial, Office, Other
- End of Year Activity – Calendar Year 2009
 - Expansions – New Jobs, Retained Jobs, Investment
 - New Locations – New Jobs, Investment
- Mid-Year Activity – Fiscal Year 2009/2010
 - Expansions – New Jobs, Retained Jobs, Investment
 - New Locations – New Jobs, Investment

This PowerPoint report is hereby incorporated into these minutes.

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). **(Corporate Landing)**
2. 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). **(Oceanfront)**
3. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Va. Code § 2.2-3711(A)(30). **(Oceanfront)**

MOTION: Shewling Moy Wong
SECOND: John W. Richardson
APPROVED: 8-0

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: Douglas D. Ellis
APPROVED: 8-0

There being no further business, the meeting was adjourned.

Donald V. Jellig, Chair