

MINUTES  
VIRGINIA BEACH DEVELOPMENT AUTHORITY  
APRIL 20, 2010

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, April 20, 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  
Luke M. Hillier, Commissioner  
Jerrold L. Miller, Commissioner  
Shewling Moy Wong, Commissioner

ADVISORS PRESENT: Greg Anger, VBDA Accountant  
Erin Burnett, City Attorney's Office  
Michelle Chapleau, Business Relocation Specialist  
David Couch, Business Development Manager  
Carissa Frasca, Media Communications Group  
Scott Hall, Business Development Coordinator  
Steve Herbert, Deputy City Manager  
Rob Hudome, Project Development Manager  
Lloyd Jackson, Business Development Manager  
Louis Jones, Vice Mayor  
Nancy Leavitt, Finance  
Bob Matthias, City Manager's Office  
Tammy Owens, SWAM Business Manager  
David Redmond, Planning Commission  
Jim Ricketts, Convention & Visitors Bureau  
Vaughn Rinner, LandMark Design Group  
Robert Ruhl, Business Development Coordinator  
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  
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 March 16, 2010.

MOTION: Douglas D. Ellis  
SECOND: C. Maxwell Bartholomew, Jr.  
APPROVED: 9-0

John Richardson arrived after the vote was cast for this item.

## **REVIEW OF FINANCIAL POSITION**

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

### Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$5,836,769, cash receipts for the month were \$62,129, and cash disbursements for the month were \$7,151 for a net increase in cash of \$54,978. The end of month cash balance in the operating account was \$5,891,747.

### Monthly Cash Flows – EDIP Account

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

- ITA study, paid \$12,000 from funds received from the city in February.
- Received reimbursement for expenses related to SGA in the amount of \$1,400.

This report is hereby incorporated into these minutes.

3. Mr. Anger provided a report regarding payments and taxes by the Virginia Beach National (VBN) Golf Club for the period of April 1, 2007 through December 31, 2009. The Development Authority owns the assets related to the course. The Authority receives 25% of net income over \$100,000 as provided for in the lease agreement between VBN and the Authority. He noted half of this money is placed in the Authority's reserve account and half goes into the City's general fund. VBN's performance has exceeded expectations. Total rent and taxes for calendar year 2009 was \$249,177. This report is hereby incorporated into these minutes.

Mark Wawner reported a consultant is doing a study on the city's municipal golf courses (Redwing, Bow Creek, and Kempsville Greens), and City Council will be receiving a briefing upon completion. He noted the consultant will also be reviewing the Virginia Beach National management agreement.

4. Approved amended resolution to increase public facility revenue bonds refunding amount of the City of Virginia Beach Development Authority Plan of Financing with the City of

Virginia Beach, Virginia. This increase is requested at the advice of the City's financial advisor due to the state of the market. The City's support agreement shields the Authority from any financial impact, and this action is a win-win for both the City and the Authority. Greg Anger noted the Authority does hold some of the bonds being refunded and will realize a savings.

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

5. Jim Carroll of the Small Business Development Center of Hampton Roads, Inc. presented the Authority with a brief overview PowerPoint presentation for 2009 as follows:

- SBDC Information
- Talking Points
- SBDC Performance Statistics
- 2009 Accomplishments
- Traditional Site and Social Networking
- Business Education Issues
- 2010 Challenges

Mr. Carroll noted the annual budget is \$340,000 in cash and \$20,000 in kind. In order to attain the cash needed, he must raise \$120,000 due to the match requirement. Warren Harris told the Authority funding in the amount of \$10,000 for the SBDC is included in the Authority's budget item on the May agenda.

Mr. Carroll's PowerPoint presentation, 2009 Performance Report, and an additional handout are hereby incorporated into these minutes.

Although his facility sought the Veterans Outreach Program Grant, he noted it was awarded to Old Dominion University.

Regarding the difference between SBDC and PTAC, Mr. Carroll noted PTAC assists in the technical side of the procurement process; whereas, SBDC assists in the marketing aspect. However, both entities work closely together and PTAC utilizes SBDC space to serve clients.

## **TOWN CENTER**

6. Mark Wawner reported the following regarding Town Center:
- Block 9 is being temporarily landscaped and made stable for a future construction site.
  - The RFP for structural engineering services firms for the garages closes today. Staff will be interviewing firms and plan to make a recommendation at the Authority's May meeting.

- Rob Hudome reported on the upcoming event schedule for the Fountain Plaza and the Sandler Center Plaza on Wednesdays, Fridays, Saturday's and Sunday's beginning in May and going through September. These events are free and open to the public, and the schedules are hereby incorporated into these minutes. He also noted other events will be scheduled for Halloween and the holidays.

7. Approved resolution to revise Irving's Detail Salon lease effective April 1, 2010 through March 31, 2011. Although Irving's is an Armada Hoffler tenant, the Authority has approval rights for this request. Greg Anger met with the owner and his accountant to verify the owner's issues. Staff recommended the Authority work with Irving's because it is a nice amenity for Town Center and would be a detriment if it closed. The resolution and other pertinent documentation are hereby incorporated into these minutes.

MOTION: Jerrold L. Miller  
SECOND: Prescott Sherrod  
APPROVED: 10-0

Max Bartholomew left the meeting at the end of this item.

## **DOME SITE**

8. Approved resolution requesting an 8-month extension of the non-binding agreement between Leisure and Recreational Corporation and the Virginia Beach Development Authority.

MOTION: Douglas D. Ellis  
SECOND: Shewling Moy Wong  
APPROVED: 9-0

Rob Hudome briefly reviewed the history of this project. The current vision is a 400,000 sq. ft. three-story entertainment mall to include approximately 43 components (ie., movie theater, ice skating rink, bowling alley, arcades – to name a few). Michael Jenkins was in town yesterday and met with Mayor Sessoms, John Uhrin, John Richardson, Jim Spore, Steve Herbert, and Jim Ricketts. Progress on details pertaining to the parking component was made. Mr. Jenkins wants to move forward with the project, and Mr. Hudome noted Mr. Jenkins had acquired financing prior to his first visit to Virginia Beach. Since that time equity participation has increased to 50% from 15%. R.J. Nutter, Mr. Jenkins attorney, was also present and said his client – in spite of the financing challenges – continues to work on the plans. Mr. Hudome reported Mr. Jenkins has been successful in securing international financing. A letter from R.J. Nutter is hereby incorporated into these minutes.

## **ECONOMIC DEVELOPMENT INVESTMENT PROGRAM**

9. Approved resolution granting \$100,000.00 in Economic Development Investment Program funds to AVIS to be utilized for on-site utility improvements/upgrades and employee training.

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

Robert Ruhl's PowerPoint presented covered the following:

- Company Profile
- Principals
- Project Highlights
- Recommendation
- Previous Grants

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

## **ADMINISTRATIVE INFORMATION**

10. Bob Matthias, Assistant to the City Manager for Intergovernmental Affairs, briefed the Authority on the 2010 General Assembly Session highlights as follows:
- Set budget for biennium – long session
    - \$10 million decrease in taxes coming into Commonwealth
    - Address deficit – no tax increases
    - \$46 million for GOF
      - GOF requirement modifications
        - Decrease from 100 jobs to 50 jobs
        - Increase from \$1000 to \$2000 per job
    - \$7.5 for Oceana program
    - \$7.2 million international vested tourism
    - Support for economic development offices to enhance international marketing campaigns.
  - Virginia Offshore Wind Authority created.
    - Potential \$80 billion industry for the region
      - Wind development itself and supply chain
    - Have to find oil and gas to develop
    - 70% of royalties will go to transportation
    - Congress has to adopt 7-10 or more years down the road.
  - Building height at oceanfront
    - Have DOD single point of contact
    - Firm hired to do modeling
    - May have solution
  - Transportation was not addressed.

- Zero dollars for urban roads
- 460 only road transportation project under active consideration
  - From Suffolk to Petersburg
- Unsolicited proposal for Hampton Roads Bridge Tunnel
  - Willoughby Spit concern with Norfolk
- Conventional speed rail
  - Secured \$75 million – did not have to match
  - Within 3 years
- Issuing debt for non profits was not addressed.
  - The Authority wants this revisited with a focus from the small business aspect, calling on the support garnered from the region.

## 11. VBDA Priorities

### a. VBDA Members Activity Update.

Regarding MEDAC, it was noted the committee is comprised of volunteer retired admirals that are active in looking at opportunities for the City of Virginia Beach. The part time military liaison employee position has been eliminated from the city's budget.

Regarding OLUCC, progress continues particularly in the ITA. The City is receiving the \$7.5 million match from the state this year; however, Mayor Sessoms believes funding for the second half of the biennium is questionable.

Warren Harris will be meeting with Virginia Beach Vision regarding Economic Development Department and Development Authority needs.

Regarding the Newtown SGA, Elizabeth Twohy reported UDA has completed the final report. The study will be brought before the Planning Commission and City Council on June 9<sup>th</sup> and July 6<sup>th</sup> respectively.

Shewling Moy Wong noted she is on the Governor's Asian Advisory Board. A Town Hall meeting is scheduled April 25 and Scott Hall has agreed to address the audience on economic development.

Regarding Workforce Development, Prescott Sherrod noted Sentara currently has 700 openings. The company has its own nursing program and is not recruiting from Virginia institutions. A meeting with Lockheed Martin is scheduled. A connection has been facilitated with the Art Institute and NEXCOM. The liaison report is hereby incorporated into these minutes.

## 12. Director's Report

Mark Wawner noted Landmark and UDA held the second set of focus meetings regarding the 500-700 acres of land currently controlled by Kempsville Presbyterian Church located near the Municipal Center – referred to as the "Brown Farm". This property lacks infrastructure, and three different alternatives are under consideration. It is anticipated infrastructure requirements to support each scenario will be developed within the next 60 days.

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
- Of Interest
  - Major Announcements
    - Avis Budget Group
    - GEICO
  - Leasing Activity, CY 2010 to Date (CoStar)

This PowerPoint report is hereby incorporated into these minutes.

b. Robert Ruhl noted the Business Appreciation Charity Golf & Networking Event is scheduled May 7, 2010. The three charities chosen this year are: Grow Smart program; Hope House, and the Virginia Beach Education Foundation.

## **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 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). **(Princess Anne Commons)**

MOTION: Jerrold L. Miller  
SECOND: Elizabeth A. Twohy  
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: Prescott Sherrod  
SECOND: John W. Richardson  
APPROVED: 9-0

There being no further business, the meeting was adjourned.

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John W. Richardson, Vice Chair