

MINUTES
VIRGINIA BEACH DEVELOPMENT AUTHORITY
MARCH 16, 2010

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, March 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
Luke M. Hillier, Commissioner
Paul V. Michels, Commissioner
Shewling Moy Wong, Commissioner

ADVISORS PRESENT: Greg Anger, VBDA Accountant
Larry Barry, LandMark Design Group
Erin Burnett, City Attorney
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
Steve Herbert, Deputy City Manager
Rob Hudome, Project Development Manager
Lloyd Jackson, Business Development Manager
Louis Jones, Vice Mayor
Nancy Leavitt, Finance
Tammy Owens, SWAM Business Manager
Patti Phillips, Finance
David Redmond, Planning Commission
Jim Ricketts, Convention & Visitors Bureau
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 February 16, 2010.

MOTION: Shewling Moy Wong

SECOND: Paul V. Michels

APPROVED: 6-0

Prescott Sherrod arrived after the vote for this item was cast.

REVIEW OF FINANCIAL POSITION

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

Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$5,757,177, cash receipts for the month were \$88,070, and cash disbursements for the month were \$8,478 for a net increase in cash of \$79,592. The end of month cash balance in the operating account was \$5,836,769.

Monthly Cash Flows – EDIP Account

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

- Received reimbursement in the amount of \$228,000 for expenses related to the ITA study.
- Received advance in the amount of \$29,777 for expenses related to the APZ-1 program.
- \$135,000 EDIP Award disbursed

This report is hereby incorporated into these minutes.

3. Matt Rogers, Vice President of Southeastern Region for Live Nation, briefed the Authority regarding taxes and revenues for the 2009 season and previewed the 2010 concert season. In spite of the challenging economic climate, the average per concert attendance was up by approximately 2000 people. He attributes this to the aggressive and creative promotional special incentives offered.

John Richardson arrived at beginning of this item.

Following is a synopsis of Mr. Rogers' PowerPoint presentation:

- 2009 Show Recap
 - Actual Attendance of 280,713 for season (includes comps)
- Financial Recap (1996-2009)
 - To date, the City has received over \$16 million in 14 seasons.

- Community Impact
 - Charitable Donations
 - Local schools, organizations and charities
 - Military Support
 - Provided approximately 9000 tickets benefitting all branches
 - Aramark Donations (Concessionaire)
 - 21 non-profit groups
 - Navy Groups, Community Groups, Church Groups
 - Total contribution - \$151,778
- Announced concerts for 2010 Season
 - 11 to date
- Greening Efforts
 - Offset Carbon Footprint Opt-in – recent Ticketmaster merger
 - Ride Share
 - Renewable Energy Credits (RECs)
 - HRT Oceanfront Shuttle Service (local initiative)
- 2009 Capital Improvements Recap
- 2010 Capital Improvements
 - Replace: 6 spotlights; 5 A/C units; roofs over walk-in freezers; Phase 2 of light posts
 - Add: VIP Club walk-in cooler; ice machine and bun warmers for concessions
- Planning for the Future: 6 year Capital Improvement Plan (\$1.9 million)
 - Plazas and entry ways new asphalt;
 - Re-enforce concrete under fixed seating;
 - Replace: existing modulares; 6 A/C units; fixed pavilion seating; concrete steps leading to lawn and back of 200 seating sections; 46 metal light poles inside venue.

Mark Wawner noted the Authority's portion (56.5%) has been submitted to City Council within the CIP component of the budget at \$150,000 per year for 6 years in order to maintain this revenue generating asset.

Mr. Rogers reported the Amphitheater is the primary staging area for major weather or other catastrophic events which would involve thousands of mutual aid workers and numerous vehicles. He also noted the naming rights for the Amphitheater are available since the relationship with the previous sponsor expired and is not being renewed. Regarding the pursuit of more diverse types of concerts, Mr. Rogers noted bookings are driven by the artist's on tour and their chosen type of venue (outdoor versus indoor). He believes the line-up for this year is more diverse than in the past.

Mr. Rogers PowerPoint presentation is hereby incorporated into these minutes.

4. Approved resolution of the 'City of Virginia Beach Development Authority Approving a Plan of Financing with the City of Virginia Beach, Virginia.' Patti Phillips and Nancy

Leavitt covered the following in the PowerPoint presentation entitled 'Summary of Spring 2010 Bond Sales:

- Spring 2010 Bonds are Composed of Multiple Bond Sales
 - City Issue
 - VBDA Issues
- General Obligation Bond Sale
- Public Facility Revenue Bonds
- Preliminary Official Statements

These bond sales entail funds for both New Money and Refunding. A significant amount of savings (several million dollars) will be realized by the City due to the current low interest rate. It was noted that this is the first time the city has had an option to bid maturities as Build America Bonds (BAB) which provides for a 35% federal government interest rate subsidy. The final amount will not be known until the actual date of sale.

The PowerPoint presentation is hereby incorporated into these minutes.

MOTION: John W. Richardson

SECOND: Douglas D. Ellis

APPROVED: 8-0

TOWN CENTER

5. Mark Wawner reported the following regarding Town Center:
 - The build out of Jimmy Johns Gourmet Sandwiches is progressing with a projected May opening for Columbus Two.
 - Discussion is taking place pertaining to plans to temporarily aesthetically improve (grass, sidewalks) the appearance of Block 9, currently utilized as a construction staging area, due to the projected lack of activity attributed to the state of the economy.

INDUSTRIAL PARKS

6. Corporate Landing Business Park Landscape Grounds Maintenance Services
 - a. Approved award of one-year contract for Corporate Landing Landscape Grounds Maintenance Contract to Claud's Lawn Care in the amount of \$6,800.00 and the bush hogging and mulching to All-Pro Landscape Services in accordance with the quotations received on March 3, 2010.
 - b. Approved one-year agreement with the Sheriff's Department Sheriff's Workforce for landscape maintenance of Corporate Landing property along General Booth Boulevard in the amount of \$6,917.85.

MOTION: Shewling Moy Wong
SECOND: Prescott Sherrod
APPROVED: 8-0

Mark Wawner noted this is an annual housekeeping matter which comes before the Authority every spring. The rate remains the same as last year for the Sheriff's Department portion. Staff recommended approval of both contracts.

ADMINISTRATIVE INFORMATION

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

Regarding the Dome Site, John Richardson noted a conference call with Michael Jenkins is scheduled for Thursday, March 18th and he plans to come to town March 26th. Mr. Jenkins is encouraged about the project and close to obtaining necessary financing. Anticipate having conceptual plan within the next couple of months.

Regarding the ITA Master Plan, Max Bartholomew noted Urban Design Associates conducted the initial site survey, held focus group meetings, and held a Public Meeting to receive input on March 10 and March 11. UDA will return on April 5 to present alternative development plans and receive additional comments.

Regarding Workforce Development, Prescott Sherrod noted the Art Institute has been put in touch with NEXCOM. Regent University is conducting a survey regarding the military which will be presented within the next couple months.

Regarding MEDAC, Don Jellig noted the retired Admirals have gotten significantly engaged in the location of newly delivered vessels and carrier relocations. Jeanne Evans of Senator Jim Webb's office presented a Tactical Plan outline. There is a sense that our community is not as concerned as it should be in light of Mayport's enthusiasm and legislation that may be involved.

Regarding OLUCC, Don Jellig noted the program continues to thrive in its primary mission of eliminating unacceptable uses. He noted there is a potential set back regarding funding from the state.

Regarding the provision of state funding for the Oceana Land Use Conformity Program, Councilmember Rosemary Wilson noted the lobbying and the letter sent to the General Assembly, which was supported by all four Hampton Roads members, was very instrumental in the reinstatement of these monies for the upcoming budget cycle. However, this will have to be revisited for the following budget cycle because a one-year, in lieu of a two-year, state budget was approved.

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

The Mayors roundtable held recently at Corporate Landing was very well attended with over 35 representatives from the major corporations located within the business park. The Mayor discussed the upcoming budget and its challenges in addition to other subjects.

Regarding the Newtown Strategic Growth Area (SGA), Warren Harris presented the following on behalf of Shewling Moy Wong, the Authority's liaison for this project.

Newtown Strategic Growth Area Master Plan – Prepared by Urban Design Associates

- Strategic Growth Areas Map (8 SGAs)
 - Burton Station SGA Master Plan Complete
 - Pembroke SGA Master Plan Complete
 - Intertraffic Facility Area (ITA) is not a designated SGA but is an ongoing study.
- Overview of Public Process (October 2009 – June 2010)
 - March 25, 2010 – Public Presentation of Final Master Plan
- The Newtown SGA Site Parameters Map
- Conceptual Master Plan Map
- Master Plan: Street Network Map
- Newtown Work in Progress: Projected Completion Dates (Late 2010 – 2025)
- Master Plan: Parking Strategy Map
- Key Development Initiatives
- Chartway Redevelopment
- Eastern Office Developments
- ECPI Campus
- Southern Boulevard and Arrowhead Shopping Center
- Greenwich Lake Park
- Light Industrial Park Redevelopment
- Future Hotel Redevelopment
- Newtown SGA Preferred Program (Chart)

Mr. Harris acknowledged Mrs. Wong, Mrs. Twohy, Councilmember Harry Diezel and David Couch's participation in this process. The PowerPoint presentation is hereby incorporated into these minutes.

Warren Harris noted the Governor placed a lot of emphasis on economic development in the state budget. Department staff and Authority liaisons are in the process of reviewing the Economic Development Incentive Program policy in order to enhance our competitiveness.

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
 - Leasing Activity, CY 2010 to Date (CoStar)
 - Increase in Commercial
 - ODU Real Estate Survey
 - VEDA Spring Conference
 - Marketing Missions
 - 2 UK companies to visit in May
 - American Academy of Doctors & Dermatologists attended by Robert Ruhl – 10 types of business to explore identified
 - Port Reception, Kaufman & Canoles
 - Mayor’s Business Roundtable
 - E-Blasts

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). **(Centre Pointe Office Park)**
2. 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, Princess Anne Commons, Town Center)**

MOTION: John W. Richardson

SECOND: Douglas D. Ellis

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: Prescott Sherrod
SECOND: Shewling Moy Wong
APPROVED: 8-0

There being no further business, the meeting was adjourned.

Donald V. Jellig, Chair