

MINUTES
VIRGINIA BEACH DEVELOPMENT AUTHORITY
JUNE 15, 2010

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, June 15, 2010, 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
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
Paul V. Michels, Commissioner
Jerrold L. Miller, Commissioner
Shewling Moy Wong, Commissioner

ADVISORS PRESENT: Don Barnett, Finance
Larry Barry, LandMark Design Group
Erin Burnett, City Attorney's Office
Michelle Chapleau, Business Development Manager
Betty Clark, Economic Development Department
Lynn Clements, Aquarium
David Couch, Business Development Manager
Cindy Curtis, Parks & Recreation
Marc Davis, Media Communications Group
Barry Frankenfield, SGA Office
Carissa Frasca, Media Communications Group
Scott Hall, Business Development Coordinator
Steve Harrison, Economic Development
Steve Herbert, Deputy City Manager
Rob Hudome, Project Development Manager
Lloyd Jackson, Project Development Manager
Meghan Norden, Economic Development
Tammy Owens, SWAM Business Manager
David Redmond, Planning Commission
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
Ned Williams, Aquarium
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 18, 2010.

MOTION: Elizabeth A. Twohy

SECOND: Shewling Moy Wong

APPROVED: 8-0

Prescott Sherrod and Jerry Miller arrived after vote was taken.

REVIEW OF FINANCIAL POSITION

2. Mark Wawner 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 \$5,849,673, cash receipts for the month were \$142,695, and cash disbursements for the month were \$193,157 for a net decrease in cash of \$50,462. The end of month cash balance in the operating account was \$5,799,211.

- Received rent in the amount of \$20,123 from East Coast Appliance & \$50,000 from Social Services.
- Passed through to the city East Coast Appliance rent and Virginia Beach National for a total amount of \$74,666.
- Public works will begin a major HVAC repair in the Social Services building and the monies received annually for the capital maintenance and liability will be drawn down for this work estimated to be a half a million.

Monthly Cash Flows – EDIP Account

Mr. Wawner reviewed the Reconciliation of Cash to EDIP Status Report for May.

- Paid \$308,095 of EDIP award to Art Institute. Original award amount was up to \$400,000.

This report is hereby incorporated into these minutes.

The Authority was informed the application process for the Accountant position, previously occupied by Greg Anger, has been closed. Applications are being reviewed, and the interview process is anticipated to begin within the next 10 days. It was requested that a member of the Authority participate.

PRESENTATION

3. Cindy Curtis, Director of the Department of Parks and Recreation, provided an overview of the City Golf Course Study and Consultant Recommendations.

The Executive Summary covered the following primary categories:

- Scope – Financial, Management, and Operational Performance Analysis
 - Bow Creek, Kempsville Greens, and Red Wing Lake Golf Courses
- Conclusion (National, Local, and Other Factors; Financial Implications)
- Options; Plan for Action; What Is Achievable
- An Operational Review: The Process

- Global Perspectives
- The Client: An Overview
- The Strategic Planning Pyramid
- Strategic Analysis
- Tactical Analysis
- Operational Analysis
- Is Privatization an Option?
- The Critical Path: Recommendations for Implementation

The PowerPoint presentation covered the following:

- Core Message
 - Is not financially self-sustainable without major changes
- Operational X-Ray
 - Market Supply; Weather; Rounds; Value
- GLMA
- Reserve Funds to be Exhausted by June 30, 2010
 - Actual: FY08, FY09
 - Golf Budgeted Projections
 - Budgeted: FY09-10
 - Proposed: FY10-11; FY11-12
- Maintenance Summary
 - Gross Revenue
 - Labor Expenses – Maintenance
 - Percentage
 - Labor Industry Standard
 - Excess – Over Standard
- Customer Survey of local golf course usage
- Recommendations
 - Status Quo
 - General Fund would need to provide \$300,000 to \$400,000
 - Private Contract Management
 - Similar to current Virginia Beach National arrangement
 - RFP process needs to begin as soon as possible for 3 or 4 golf courses
 - One permanent employee will be retained to manage contracts
 - Can be profitable on private side with modest capital improvements
 - Private Lease
 - Similar to current Stumpy Lake arrangement

Mrs. Curtis noted City Council will be providing direction to staff. The Executive Summary of the Operational Review dated May 3, 2010 and the PowerPoint presentation are hereby incorporated into these minutes.

4. Lynn Clements, Executive Director of the Virginia Aquarium, and Ned Williams, Chair of the Board of Trustees, made a PowerPoint presentation to the Authority regarding the proposed Aquarium District Plan. They noted Max Bartholomew and Shewling Moy Wong are on the Board.

Following are highlights of the primary information provided:

- Aquarium District Concept

- Similar to SGA concept
- Collaborative use of surrounding land
- Development that shares a common theme
- Multiple venues related to the marine and inshore environment
- Aquarium facilities for exhibits and activities
- Programs in partnership with higher education institutions
- Recreation & Entertainment multi-day programs
- Shoreline habitat environmental learning opportunities
- Desired Outcome for an Aquarium District
 - Nationally recognized for: Educational, Research & Technology, Recreation, Entertainment & Amusement, Economic Opportunities, and Exhibits relating to the coastal and marine environment

Mrs. Clements and Mr. Williams' PowerPoint presentation are hereby incorporated into these minutes.

TOWN CENTER

5. Mark Wawner reported the following regarding Town Center:
 - Jimmy John's sub shop opened on Block 5.
 - Armada Hoffler has slated demolition of the Beacon Building within the next two to three weeks. The pad will be paved and striped to serve as a temporary parking lot.

INDUSTRIAL PARKS

6. Approved variance to reduce the 50' landscape setback to 32' along Lynnhaven Parkway on a portion of Parcel 60, Lynnwood Plaza Building, ADS, Inc., OWCP. Tom Hazelbaker, Vice President of Operations, was in attendance. This is located in one of the oldest office parks when the original parking space per 1000 sq. ft. of office space was less than the current requirements. This variance will add an additional 30 spaces. The company currently has 251 employees at this location and anticipate hiring 59 more in the near future. This is a short term fix and structured parking is becoming a trend across the country but requires joint ventures be established between two or more companies. Mark Wawner noted a modified standard will be developed based on this application. Staff and recommended the Authority approve this request.

MOTION: John W. Richardson
 SECOND: Elizabeth A. Twohy
 APPROVED: 10-0

Mr. Couch's PowerPoint presentation along with other pertinent documentation are hereby incorporated into these minutes.

ADMINISTRATIVE INFORMATION

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

Regarding the Dome Site, John Richardson noted a conference call is scheduled for Monday afternoon. Due to the current economy, Mr. Jenkins must raise 50% of the equity to attain financing for the project.

Regarding the ITA Master Plan, Max Bartholomew reported the third and final public meeting is scheduled next Monday, June 21 beginning at 6:30 p.m. at Kellam High School.

Regarding Workforce Development, Prescott Sherrod noted he and Boo Twohy attended a luncheon at Opportunity, Inc. last week. The company's "state of the workforce: 2010" report is hereby incorporated into these minutes, and the report is available from Opportunity, Inc.

8. The Director's reported was provided by Mark Wawner as follows:
- Warren Harris is on an international marketing mission trip with Mayor Sessoms.
 - Virginia Beach was recently named the second best place to get a job compared to other MSAs of the same size.
 - The YESOCEANA.COM web site has been launched. A brokers reception is scheduled on July 15 at Chambourd Commons to formally roll out the program (incentives, etc.)
 - The yesvirginiabeach.com web site has been updated.
 - Classic Air was named the Hampton Roads Chamber small business of the year. This is the fourth consecutive year this award has gone to a Virginia Beach business.
 - South University's grand opening took place and was well attended.

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
 - Classic Air
 - Hampton Roads Small Business of the Year
 - Klett Consulting Group, Inc.
 - Virginia Veteran-Owned Small Business of the Year

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 or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Va. Code § 2.2-3711(A)(3). (**Oceanfront**)
2. 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).

MOTION: Prescott Sherrod
SECOND: C. Maxwell Bartholomew, Jr.
APPROVED: 10-0

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: Prescott Sherrod
APPROVED: 10-0

There being no further business, the meeting was adjourned.

Donald V. Jellig, Chair