

MINUTES
VIRGINIA BEACH DEVELOPMENT AUTHORITY
JULY 20, 2010

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, July 20, 2010, at 8:30 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
Prescott Sherrod, Assistant Secretary
Elizabeth A. Twohy, Treasurer
C. Maxwell Bartholomew, Jr., Commissioner
Luke M. Hillier, Commissioner
Jerrold L. Miller, Commissioner
Shewling Moy Wong, Commissioner

ADVISORS PRESENT: Don Barnett, Finance
Larry Barry, LandMark Design Group
Ron Berkebile, SGA Office
Betty Clark, Economic Development Department
Marc Davis, Media Communications Group
Carissa Frasca, Media Communications Group
Scott Hall, Business Development Coordinator
Warren D. Harris, Director of Economic Development
Steve Harrison, Economic Development
Steve Herbert, Deputy City Manager
Rob Hudome, Project Development Manager
Lloyd Jackson, Project Development Manager
Arlene Ney, Finance
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
Rosemary Wilson, Councilmember

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 June 15, 2010.

MOTION: John W. Richardson
SECOND: Shewling Moy Wong
APPROVED: 6-0

2. Review and approval of minutes of special meeting held on June 29, 2010.

MOTION: John W. Richardson
SECOND: Shewling Moy Wong
APPROVED: 6-0

Jerrold Miller and Elizabeth Twohy arrived after votes were cast.

REVIEW OF FINANCIAL POSITION

3. Mark Wawner reviewed the Authority's financial statements for the month of June. He noted the fiscal year ended June 30, 2010.

Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$5,799,211, cash receipts for the month were \$134,853, and cash disbursements for the month were \$63,458 for a net increase in cash of \$71,395. The end of month cash balance in the operating account was \$5,870,605.

- Received rent in the amount of \$20,123 from East Coast Appliance, \$38,000 from Beach Quarters Inn Hotel, and \$27,281 from Virginia Beach National.
- Passed majority of rent through to the city and placed some into reserved cash for future maintenance needs.

Monthly Cash Flows – EDIP Account

Mr. Wawner reviewed the Reconciliation of Cash to EDIP Status Report for June. He noted the 2011 appropriation is projected to be \$1.957 million.

This report is hereby incorporated into these minutes.

TOWN CENTER

4. Mark Wawner reported the following regarding Town Center:

- Simply Fresh opened on Block 10.
- Dominion Virginia Power moved transformer located on Block 2 (Beacon building site).
- Demolition of building on Block 2 scheduled to begin tomorrow and completion projected within the next two weeks. The empty pad will be paved and striped to be utilized for interim Town Center parking. Armada Hoffler is responsible for all costs related to the demolition and stabilization.

- The city's SGA office will be moving into 4000 sq. ft. office space next week and anticipate being fully operational in August.

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM

5. Approved resolution granting \$25,000.00 in Economic Development Investment Program funds to Turner Strategic Technologies (Princess Anne). Scott Hall presented this project to the Authority. He noted this is a Virginia Beach based 8(a) and Service Disabled Veteran Owned Small Business which has experienced a phenomenal net income growth. Mr. Hall's PowerPoint presentation is hereby incorporated into these minutes.

MOTION: Prescott Sherrod

SECOND: Jerrold L. Miller

APPROVED: 8-0 (7-0)

INDUSTRIAL PARKS

6. Approved the second and final one-year extension of the Engineering Services Contract with LandMark Design Group, Inc., a subsidiary of VHB (Vanasse, Hangen, Brustlin, Inc.) for the period of August 1, 2010 through July 31, 2011. It was noted that LandMark is now a fully-owned subsidiary of VHB, which is headquartered in Massachusetts. VHB Regional Director, Nancy Barker, attended the meeting. Larry Barry reported the company has 20 offices on the east coast, and four offices in Virginia. All operational staff will be relocated to Town Center within a couple months. Alex Stiles noted all terms and conditions of the contract remain the same. A new RFP for engineering services will be generated next year.

MOTION: John W. Richardson

SECOND: Prescott Sherrod

APPROVED: 8-0

ADMINISTRATIVE INFORMATION

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

Don Jellig noted Linwood Branch was appointed to the Authority effective September. Doug Ellis' term expires at the end of August. Additionally, Max Bartholomew, John Richardson, and Prescott Sherrod were reappointed.

Regarding Workforce Development:

- Mrs. Twohy visited Morphix Technologies with Jerry Stewart and noted it is a fascinating company with very highly educated engineers. The company is fond of Virginia Beach and plans to expand and hire locally.
- Mr. Sherrod visited ESRG with Jerry Stewart and met with Ken Krooner and Don Bradway. He noted that due to the outcome of GE's purchase of this high maintenance software, ESRG has expanded by 15-20 employees, primarily foreign nationals who require a visa, and is looking at additional growth.

Both Mrs. Twohy and Mr. Sherrod stated they are very impressed with Mr. Stewart's diligence and the company's they visit seem very appreciative of the assistance.

Jerry Miller attended the Warrior Expo hosted by ADS. Luke Hillier said there were a couple thousand attendees, from within the United States and internationally, and 300 local businesses participated. He noted some companies in attendance are actively looking to relocate.

Regarding the golf course RFP, Don Jellig noted two versions were generated. The first one is for the three city owned golf courses, and the second includes VBN. Both versions are silent on the five year maximum term for VBN, which is the Authority's preference. Responses are due September 1.

Regarding Burton Station Village, Lloyd Jackson reported a charrette, preceded by a bus tour, occurred recently. Sixteen residents from the community attended along with representatives from Economic Development, Planning, and Housing. He noted the residents were positive and enthusiastic with ideas for the community. Another meeting with the community will occur late September/early October. Don Jellig noted staff continues to work with the City of Norfolk on this project.

Don Jellig noted discussion continues regarding the Small Business Financing Authority bond issue.

Shewling Moy Wong reported she has been appointed to the Asian Association of Hampton Roads, a new group which has been incorporated. A press release is scheduled for August 2 at 2:30 at the Norfolk Crown Plaza Hotel. Currently, the association consists of the following nationalities: Japanese, Vietnamese, Chinese, Korean, Thai, and Filipino.

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

Michelle Chapleau noted the yesoceana.com reception is scheduled for Thursday beginning at 4:30. This event is geared toward commercial real estate brokers to educate them on the incentives. Over 120 RSVPs have been received. In addition to the video, the web site will be rolled out.

A selection has been made regarding the vacant VBDA Accountant position. Sean Murphy will be joining the department in August.

New member orientation for Linwood Branch will be scheduled within the month.

The annual General Assembly Legislative package is being formulated. Mr. Harris requested the Authority let the department know if they have any items for consideration.

The Authority's annual report will be rolled out in September. Inside Business has offered to include this report in one of its regular mailings, at no cost. The city of Norfolk utilized this distribution opportunity, and it does provide a great platform to get the report out to the regional community free of charge. The Authority requested staff pre-approve ads prior to distribution.

The July 7 e-dev newsletter was provided to the Authority.

A substantial overhaul of Economic Development's website has recently been completed. It is more user friendly and contains easier navigational tools. The current Community Profile was just rolled out and is included on the revised website. A survey directed to site selection consultants was added as a component. Plans are to invite those who respond to the survey to a "Fam Tour"

during the Neptune festival. It is hoped that some Development Authority members will be able to participate.

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
 - Marketing Events
 - Special Events

Mr. Hall noted challenges continue to plague small businesses; however, SBA is very engaged and there is a focus in procuring local, state and federal contracts.

Warren Harris noted he met with Mrs. Twohy and Mr. Sherrod, the Authority's Town Center liaison's, to update them on the status of Town Center moving forward.

Mr. Harris noted a strategy for potential development of the Bonney Road property needs to be developed, which will also involve an evaluation committee.

Don Jellig noted the Planning Commission, upon recommendations from the Green Ribbon Committee, is evaluating the city's current parking requirement policies. Changes could potentially reduce parking spaces in order for a project to be classified as "green". City Council will receive a briefing in August, and a briefing will be provided to the Authority upon completion of the revised final policies.

Warren Harris noted there have been two major awards related to the department recently. The first is for active naval base of the year for Oceana's work with the yesoceana.com program. The second award will be discussed at the August meeting.

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). **(Princess Anne, Lynnhaven)**
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). **(Lynnhaven)**

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

There being no further business, the meeting was adjourned.

Donald V. Jellig, Chair