

MINUTES  
VIRGINIA BEACH DEVELOPMENT AUTHORITY  
AUGUST 17, 2010

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, August 17, 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  
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: Don Barnett, Finance  
Larry Barry, LandMark Design Group  
Ron Berkebile, SGA Office  
Michelle Chapleau, Business Development Manager  
Betty Clark, Economic Development Department  
David Couch, Business Development Manager  
Marc Davis, Media Communications Group  
Warren D. Harris, Director of Economic Development  
Steve Herbert, Deputy City Manager  
Rob Hudome, Project Development Manager  
Lloyd Jackson, Business Development Manager  
Sean Murphy, VBDA Accountant  
Arlene Ney, Finance  
Tammy Owens, SWAM Business Manager  
Jason Ratliff, Sandler Center for the Performing Arts  
David Redmond, Planning Commission  
Tony Russo, Project Development Manager  
Emily Spruill, Director, Office of Cultural Affairs  
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 July 20, 2010.

MOTION: Shewling Moy Wong  
SECOND: John W. Richardson  
APPROVED: 10-0

## **REVIEW OF FINANCIAL POSITION**

2. Mark Wawner reviewed the Authority's financial statements for the month of July.

### Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$5,870,605, cash receipts for the month were \$243,487, and cash disbursements for the month were \$254,030 a net decrease in cash of \$10,543. The end of month cash balance in the operating account was \$5,860,062.

- Received rent in the amount of \$50,000 from Cellar Door;
- Received rent in the amount of \$41,771 from Virginia Beach National;
- Received rent in the amount of \$96,123 from other projects.

### Monthly Cash Flows – EDIP Account

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

- \$41,129 total disbursements
  - \$19,000 EDIP award
  - \$22,129 ITA Study on behalf of the City for Princess Anne Commons Master Plan

This report is hereby incorporated into these minutes.

Mark Wawner introduced Sean Murphy, the newly hired VBDA Accountant filling the vacancy left by Greg Anger.

3. Approved extension of the current Avis Assumption and Amendment to Vehicle Use Agreement to December 31, 2010.

MOTION: Jerrold L. Miller  
SECOND: Elizabeth A. Twohy  
APPROVED: 10-0

## **TOWN CENTER**

4. Resolution approving the modification of the sublease of 1,200 square feet of the Authority's Space in the Town Center Office Tower with Salter and Associates, P.C. was approved. Cynthia Whitbred-Spanoulis noted market rate applies and the sublease includes a 3% escalation clause.

MOTION: Dan H. Brockwell  
SECOND: Prescott Sherrod  
APPROVED: 10-0

5. Mark Wawner reported the following regarding Town Center:
  - The Beacon building has been removed. The vacant lot is scheduled to be stoned and paved.
  - Mr. Wawner encouraged the members to take the August Plaza Calendar of Events included in their packet with them.
6. Emily Spruill, Director of Office of Cultural Affairs, and Jason Ratliff, Director of Marketing, briefed the Authority on the Sandler Center 2010/2011 Schedule of Events for the upcoming performance season. This is the fourth season and subscriptions are currently being processed. Single tickets will be available for purchase at the end of this month. They noted a behind the scenes tour is available every Tuesday free of charge, and sponsorships remain available. Why Not Wednesdays, a family friendly partnership held on the Sandler Center Plaza, is in its second year and has experienced exponential success. The final event for the season is September 8.

## **ECONOMIC DEVELOPMENT INVESTMENT PROGRAM**

7. Approved resolution granting \$35,000.00 in Economic Development Investment Program funds to Klett Consulting (Princess Anne). David Couch reviewed the project on Scott Hall's behalf and noted this project was discussed in Closed Session at the July meeting. Tim Sorber, Chief Information Officer, and Kevin Merritt, Director of Operations, from Klett Consulting were in attendance. Average annual salary for 20 new employees is \$80,000 plus benefits. The funds will be utilized for employee training and infrastructure improvements. A claw back clause is stipulated on this award to ensure all employees are hired.

MOTION: Jerrold L. Miller  
SECOND: C, Maxwell Bartholomew, Jr.  
APPROVED: 10-0

## **INDUSTRIAL PARKS**

8. Approved waiver to the Protective Provisions and Covenants for Airport Industrial Park Expansion Area to allow a training school use, Parcels 5A-1 and 6, Miller Store Road, AIP. Staff strongly recommended approval. All applicable documentation pertaining to this item is hereby incorporated into these minutes.

MOTION: Dan H. Brockwell  
SECOND: John W. Richardson  
APPROVED: 10-0

## **ADMINISTRATIVE INFORMATION**

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

Regarding the Newtown SGA, Shewling Moy Wong reported the final plan was adopted by City Council on July 26. Additionally, she noted the VBDA Annual Report looks good and will be presented to the Authority at its September meeting.

Regarding Burton Station, a work shop is scheduled for mid-September. Don Jellig reported he has had numerous conversations with Sandy Harris and noted the city of Norfolk is consumed by numerous other things and will fully engage at a more appropriate time for them.

Regarding Workforce Development, Prescott Sherrod reported Amerigroup was given a tour of the Advanced Technology Center (ATC). Don Jellig commented on what a valuable corporate citizen Amerigroup has become partnering with various entities including a Foster Care Foundation he is directly involved with.

Councilmember Rosemary Wilson noted the City of Virginia Beach schools were named within the top 10 school divisions in the nation.

Don Jellig noted the following:

- Final proposals on the new parking restrictions remain subject to some level of revision. The Authority may be getting a briefing next month.
- MEDAC met yesterday, JFCOM major topic of discussion. The Mayor is involved with leaders on behalf of the region regarding “how did we get here” and “what is the real impact”.
- Discussions pertaining to the Convention Center hotel continue.
- Appointed the nominating committee for Development Authority officers, to be elected at the September meeting, as follows: Don Jellig, Jerry Miller, and Max Bartholomew.

Don Jellig noted this is Doug Ellis’ last meeting. He read the Resolution acknowledging Mr. Ellis’ accomplishments during his eight year tenure on the Virginia Beach Development Authority, which is hereby incorporated into these minutes. Additionally, Mr. Jellig said Mr. Ellis represented the business community well while at the same time striving to strike a balance in conjunction with City Council’s direction. His attendance record was exemplary, and he participated in numerous subcommittees over the life of his term.

## 10. Director’s Report

Regarding the yesoceana.com kickoff event recently held, Warren Harris noted Prescott Sherrod and Shewling Moy Wong attended on behalf of the Authority. Over 100 commercial real estate brokers were also in attendance. Mr. Harris reported that NAS Oceana received the Association of Defense Communities “Active Base Community of the Year” award at the ADC Conference held in San Francisco earlier this month.

Regarding Town Center, Warren Harris noted a meeting was held with Mrs. Twohy and Mr. Sherrod to brief them on some recent plans. A development program for the Bonney Road site is being discussed with the potential issuance of a RFP. Mrs. Twohy and Mr. Sherrod will assist in the evaluation process of proposals. Mark Wawner noted the area had been utilized for an illegal dumping ground, but is now secured with a gate. Clean up of the site is anticipated to begin soon.

City Council will be briefed on the proposed amendments to the EDIP program. Doug Ellis and John Richardson were instrumental in modifying the criteria in order to increase the city's competitiveness in the global market.

The SGA Department has officially moved into their office on the 10<sup>th</sup> Floor of the Armada Hoffer tower.

Discussions pertaining to the future direction of Pleasure House Pointe (previously referred to as Indigo Dunes) continue.

This Thursday Bob Matthias and Jerry Stewart will be meeting with the Secretary of Commerce regarding the Small Business Financing Authority (SBFA) bond issue. Localities are experiencing a major loss of revenue now that the state is competing in securing industrial revenue bonds, i.e. the City of Norfolk is losing \$65 million.

Mr. Harris noted members of the Richmond City Council, at their request, will be here on Wednesday to learn about our city's best practices

Linwood Branch will be filling the vacancy left by Doug Ellis and his new member orientation is scheduled for August 23<sup>rd</sup>.

The 2010 Black Expo Tour is being held in Virginia Beach. Lieutenant Governor Bolling is scheduled to speak at the Virginia Black Expo Business Awards Breakfast scheduled this Thursday at the Westin Virginia Beach Town Center.

The golf RFP has been issued with a September 15 due date for bid responses for city golf courses. The Transmittal Form, Respondent's Financial Proposal, and the Golf Course Management Financial Proposal Form portions of the RFP are hereby incorporated into these minutes.

a. Project and Prospect Activity Report.

David Couch 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
  - Upcoming Events

## **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)**

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

There being no further business, the meeting was adjourned.

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Donald V. Jellig, Chair