

MINUTES  
VIRGINIA BEACH DEVELOPMENT AUTHORITY  
NOVEMBER 16, 2010

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, November 16, 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:        John W. Richardson, Chair  
                                 Elizabeth A. Twohy, Vice Chair  
                                 Donald V. Jellig, Assistant Secretary  
                                 Dan H. Brockwell, Treasurer  
                                 C. Maxwell Bartholomew, Jr., Commissioner  
                                 Linwood O. Branch, Commissioner  
                                 Paul V. Michels, Commissioner  
                                 Jerrold L. Miller, Commissioner  
                                 Shewling Moy Wong, Commissioner

ADVISORS PRESENT:     Larry Barry, LandMark Design Group  
                                 Ron Berkebile, SGA Office  
                                 Michelle Chapleau, Business Development Manager  
                                 David Couch, Business Development Manager  
                                 Cuprice Cox, Economic Development Department  
                                 Marc Davis, Media Communications Group  
                                 Barry Frankenfield, SGA Office  
                                 Scott Hall, Business Development Coordinator  
                                 Warren D. Harris, Director of Economic Development  
                                 Steve Herbert, Deputy City Manager  
                                 Rob Hudome, Project Development Manager  
                                 Al Hutchinson, Convention & Visitors Bureau  
                                 Lloyd Jackson, Business Development Manager  
                                 Louis Jones, Vice Mayor  
                                 Nancy McIntyre, Planning  
                                 Sean Murphy, VBDA Accountant  
                                 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

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 annual meeting held on October 19, 2010.

MOTION: Shewling Moy Wong  
SECOND: Dan H. Brockwell  
APPROVED: 9-0

## **BOND TRANSACTIONS**

2. (Public Hearing) Approved request for application of LifeNet Health for a Resolution of Intent for the Issuance by the City of Virginia Beach Development Authority of its Revenue and Refunding Bonds in an amount not to exceed \$30,000,000. A public hearing was opened to entertain the bond application not to exceed \$30 million. Gordon Berkstresser, Chief Financial Officer, and Patrick Thompson were present on behalf of LifeNet. Bill Harrison of Williams Mullen was present as bond counsel. He noted LifeNet is a Virginia non-stock non-profit corporation. Approximately \$7 million will go toward refunding the outstanding principal balance of the Authority's Variable Rate Demand Revenue Bonds issued in 2004. The company is currently renting temporary lab space in Norfolk, and the remaining funds will provide for LifeNet's planned expansion to include land purchase, construction of a new high technology science building, and equipment. The new building will house high level research and development scientists, and it was noted this could be a catalyst in attracting pharmaceutical companies. This project will generate an additional 35 Phd level positions. A Resolution of Intent has also been sent to City Council, and Mr. Harrison noted the bonds would not constitute any debt or liability for the city or the Development Authority. Alex Stiles noted all documentation is in order. A preliminary rendering was shown to the Authority; however, it was noted the final design must be approved by the City Manager. Closing of this bond by year-end is critical due to the expiration of the stimulus act. The final resolution for issuance approval will come before City Council at its November 23 meeting and to the Authority at its December 21 meeting.

MOTION: Dan H. Brockwell  
SECOND: Linwood O. Branch  
APPROVED: 9-0

## **REVIEW OF FINANCIAL POSITION**

3. Sean Murphy reviewed the Authority's financial statements for the month of October.

### Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$5,874,384, cash receipts for the month were \$191,321, and cash disbursements for the month were \$52,864 for a net increase in cash of \$138,457. The end of month cash balance in the operating account was \$6,012,841.

- Received \$117,525 in IRB fees;
- Received \$30,000 reimbursement from 7 Cities option deposit;
- Received rent in the amount of \$20,123 from East Coast Appliance (ECA);
- Received \$7,402 interest income on CDs and bank accounts;
- Received rent in the amount of \$16,077 from Virginia Beach National (VBN);

- Disbursed \$13,790 for VBDA annual report printing;
- Remitted \$28,174 to city for previous month's ECA and city's portion of VBN rent;
- Portion of VBN rent placed in restricted cash for capital maintenance.

Monthly Cash Flows – EDIP Account

Mr. Murphy reviewed the Reconciliation of Cash to EDIP Status Report for October.

- Received \$12,338 in interest income;
- Reimbursed \$1,925 for Dome site parking study;
- APZ EDIP award in the amount of \$57,000 to Tidewater Fleet was reimbursed in November.

This report is hereby incorporated into these minutes.

**TOWN CENTER**

4. Mark Wawner reported the following regarding Town Center:
  - The Halloween events were well attended and received positive media reviews;
  - The Beacon parking lot has been paved and striped and is being well utilized;
  - The lighting of Town Center, to include a parade and other festivities, is scheduled for November 20.

**ECONOMIC DEVELOPMENT INVESTMENT PROGRAM**

5. Approved resolution granting \$55,000 in Economic Development Investment Program funds to Global Rigging & Transport, (APZ-1). The property being purchased is privately held by Harvey Lindsay and is encumbered with navy restrictive easements. The Oceana Land Use Conformity Committee recommends this award as evidenced in the letter signed by its Chair, Mayor Will Sessoms. Mrs. Chapleau's PowerPoint presentation is hereby incorporated into these minutes.

MOTION: Donald V. Jellig

SECOND: Jerrold L. Miller

APPROVED: 9-0

6. Approved resolution granting \$62,000 in Economic Development Investment Program funds to DAVCON, Inc., (APZ-1). The company is an APZ-1 compatible use currently located in APZ-2. This project will be located on city owned property located off of London Bridge. The company plans to build a 10,000 sq. ft. office/warehouse building with an option to expand. The Oceana Land Use Conformity Committee recommends this award as evidenced in the letter signed by its Chair, Mayor Will Sessoms. Mrs. Chapleau's PowerPoint presentation is hereby incorporated into these minutes.

MOTION: Donald V. Jellig

SECOND: Elizabeth A. Twohy

APPROVED: 9-0

## **ADMINISTRATIVE INFORMATION**

7. Barry Frankenfield reported on the Green Ribbon Implementation Committee Parking Amendments. Mr. Frankenfield's presentation covered the following:

- Introduction
  - City's Big View
  - Proposed Amendments
- Pre-Urban Development (A Healthy Landscape)
- Urban Development (The Effects of Impervious Area)
- Balanced Development (A Greener Approach)
- History
- Concerns
- Permeable Paving Systems Stormwater Management
- Costs of Permeable Paving Systems
- Zoning Districts
  - Industrial Districts
  - Resort Districts
- Discussion for Adjustments to Amendments
  - No permeable paving required between minimum & maximum
  - Alternatives to Permeable Paving
  - Maximum Parking
  - Administrative Waiver
- Parking Amendment Suggestions
  - District Clarifications
  - Compact Car Parking
  - Bicycle Parking Shelters
  - Shared Parking
  - Maximum Parking
    - Office Parking
    - Medical Offices
    - Retail Establishments
  - Waiver to Exceed Maximum Parking
  - Waiver Process
- Timeline

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

8. VBDA Priorities
- a. Liaison Assignments.
  - b. VBDA Members Activity Update.

Don Jellig reported the Military Economic Development Advisory Committee (MEDAC) met last month and remarked how the members are regionally and nationally active on behalf of the city.

Don Jellig reported the Oceana Land Use Conformity Committee (OLUCC) met last week, and there continues to be significant activity with the residents. More interest in selling property in area.

Paul Michels reported he recently traveled to Brazil and met/presented to with some economic development people. He noted the Brazilian economy is on an upward swingf.

Regarding Burton Station, Dan Brockwell reported economic development staff is meeting with property owners in addition to mailing residents postcards with project status updates and associated activities.

Regarding the Newtown SGA, Shewling Moy Wong reported a \$50,000 VDOT grant has been provided to perform a more in depth study to include the Arrowhead Plaza Shopping Center. This study is anticipated to take six to nine months.

Regarding Workforce Development, Mrs. Twohy noted a visit was made to SKANSKA also attended by Prescott Sherrod and Jerry Stewart. She reported SKANSKA is extremely pleased with the city of Virginia Beach. Additionally, Mr. Stewart plans to get more involved with the schools through the guidance departments. Holding an open house to provide information regarding the broad reach of the construction industry is under consideration.

Jerry Stewart and Elizabeth Twohy, along with city of Norfolk representatives, met with state representatives to follow-up on the VSBFA bond fee issue. It is anticipated legislation will be generated for the upcoming General Assembly session regarding this issue.

## 9. Director's Report

The RFI for the Bonney Road site has been issued with a December 3 deadline.

The Oceana Land Use Conformity Committee (OLUCC) 3<sup>rd</sup> annual report was provided to the Commissioners. Mr. Harris noted the Yesoceana.com program has been a huge success.

Regarding the golf RFP, Mark Wawner reported a recommendation to City Council is expected to occur in December. Plans are to have an operator on board by the beginning of 2011. Three local firms and one out of town firm are being considered. The overall challenge is that all four proposals differ in the presentation of operating costs, revenues, projections and initial investment in each facility. There may be a need for a joint City Council and Development Authority meeting due to time restrictions.

Regarding Memberstrust, located in Lake View Office Park, and the developer's request for additional signage, staff does not recommend approval over and above what the Development Authority has already approved.

- a. 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
- Business Retention Visits
- Of Interest
  - Deal Closings - 2010 YTD: 1,036 new jobs recorded
  - Recent 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)**
2. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected, pursuant to Va. Code § 2.2-3711(A)(6). **(Princess Anne Commons, Lynnhaven)**

MOTION: Jerrold L. Miller  
 SECOND: C. Maxwell Bartholomew, Jr.  
 APPROVED: 9-0

Jerry Miller left meeting at 10:45

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: Donald V. Jellig  
 SECOND: C. Maxwell Bartholomew, Jr.  
 APPROVED: 8-0

There being no further business, the meeting was adjourned.

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Elizabeth A. Twohy, Vice-Chair