

MINUTES
VIRGINIA BEACH DEVELOPMENT AUTHORITY
JANUARY 18, 2011

The regular meeting of the Virginia Beach Development Authority was held on Tuesday, January 18, 2011, 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
 Shewling Moy Wong, Commissioner

ADVISORS PRESENT: Larry Barry, LandMark Design Group
 Ron Berkebile, SGA Office
 Michelle Chapleau, Business Development Manager
 Scott Hall, Business Development Coordinator
 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
 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
 Kim Williams, Economic Development
 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 December 21, 2010.

MOTION: C. Maxwell Bartholomew, Jr.

SECOND: Shewling Moy Wong

APPROVED: 8-0

REVIEW OF FINANCIAL POSITION

2. Sean Murphy reviewed the Authority's financial statements for the month of December.

Monthly Cash Flows – Operating Account

The beginning operating cash on hand for the month was \$6,000,974, cash receipts for the month were \$152,229, and cash disbursements for the month were \$39,650 for a net increase in cash of \$112,579. The end of month cash balance in the operating account was \$6,113,553.

- Received \$110,775 in IRB fees;
- Received rent in the amount of \$20,123 from East Coast Appliance (ECA);
- Received \$7,598 interest income on CDs and bank accounts;
- Received rent in the amount of \$13,733 from Virginia Beach National (VBN);
- Disbursed \$4,751 for equipment and software;
- Remitted \$26,989 to city for ECA rent and city's portion of VBN rent;
- Set aside \$6,866 of VBN rent into restricted cash.

Monthly Cash Flows – EDIP Account

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

- Received \$16,412 in interest income;
- Disbursed \$44,683 to Armada Hoffer for Beacon building demolition;
- Disbursed \$6,018 for Dome site subcontractor expenses. SGA reimbursement applied for.

This report is hereby incorporated into these minutes.

3. Approved Virginia Beach National Operating Agreement Amendments. Staff noted the details pertaining to this item were discussed the previous month in closed session. The agreement is being extended to 2015 and also increased capital maintenance requirements. A copy of this agreement is hereby incorporated into these minutes.

MOTION: Donald V. Jellig

SECOND: Dan H. Brockwell

APPROVED: 8-0

TOWN CENTER

4. Mark Wawner noted there was nothing to report this month regarding Town Center.

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM

5. Approved ten-month extension to October 31, 2011 of Amerigroup EDIP Award. Staff noted the details pertaining to this item were discussed the previous month. Documentation pertaining to this item is hereby incorporated into these minutes.

MOTION: Donald V. Jellig
SECOND: Dan H. Brockwell
APPROVED: 8-0

ADMINISTRATIVE INFORMATION

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

Don Jellig reported MEDAC did not meet in January.

Regarding OLUCC, Don Jellig noted an interesting presentation was made at the January meeting depicting the previous and current lot lines entailed in the properties acquired thus far. The architectural requirements dictated by the city were also presented. The legal department is optimistic commercial sites will be amassed with remaining funds between now and the end of June to be utilized for further economic development.

Dan Brockwell reported Burton Station continues to make steady progress.

Boo Twohy noted Workforce Development did meet and a two hour meeting with SKANSKA and school guidance counselors is scheduled February 14th.

Regarding the Virginia Small Business Financing Authority bond issue, Mrs. Twohy noted two legislative bills have been introduced to solve the issue. Delegate Ron Villaneuva is sponsoring the bill on our behalf on the house side and Senator Tommy Norman is sponsoring it on the senate side. She noted the bill has received support from multiple localities; however, Bon Secours has taken a neutral position.

- b. Cindy Walters, Director of Government Sponsored-Industry Assistance Programs for the Old Dominion University Business Gateway, briefed the Authority on its programs.
 - Hampton Roads Veterans Business Outreach Center (HRVBOC)
“Provide Entrepreneurial Business Development & Workforce Assistance to Veterans, Reservists, Active Duty working with TAPS, & National Guard Reserves”
 - Hampton Roads Procurement Assistance Center (HRPAC)
“Assist businesses in gaining & successfully managing federal, state, and local procurements in order to positively impact revenue and jobs for the local economy; with a special emphasis on small disadvantaged firms”

Mrs. Walters PowerPoint presentation is hereby incorporated into these minutes.

7. Director's Report

Warren Harris noted staff is compiling the FY11/FY12 budget. The department has been directed to present a budget 6.6% less than the current operating budget. He noted the department has two less staff members than what it had two years ago. Staff recently presented to management and he believes there is some recognition of the departmental impact particularly in marketing, outreach and retention.

Mr. Harris informed the Authority that the Hampton Roads Economic Development Alliance (HREDA) is conducting its annual capital campaign.

Mr. Harris informed the Authority that plans for the final set of Strategic Growth Areas (SGAs), which entail the Rosemont, Lynnhaven and Hilltop areas, will be developed individually. Linwood Branch has agreed to serve as the Authority's liaison for this endeavor. Tony Russo from staff will be representing the Economic Development Department.

Regarding Burton Station, it was reported infrastructure between Airport Industrial Park (AIP) and Burton Station Road is under design. Anticipate 100% of design to be submitted by May, which will be put out for bid late summer/early fall.

Regarding RFI's:

- Bonney Road site - 4 responses received, have review panel established, responders will be invited to present to the panel.
- Kemps Elementary School – 2 responses received, have review panel established.

Regarding the Amphitheater, Mr. Harris noted a major announcement will be made on February 22 at 10:00 a.m. which the Development Authority is invited to participate in.

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 Sectors
 - Other
 - Industrial
 - Office
- Retention Visits
- 2011 Marketing Travel
 - 2011 Focus Areas
 - Self-generated
 - Office
 - BioScience & Technologies
 - Consultants
 - International
 - Target Industry Sectors
 - Professional Conferences
 - Self-generated Trade Shows

- Self-generated Marketing Missions
- HREDA Marketing Missions
- HREDA Trade Shows
- Other Events

This PowerPoint report is hereby incorporated into these minutes.

Regarding the General Assembly's current 45-day short session, Warren Harris noted the following bills referencing economic development:

- Bill introduced by Rosemary Wilson regarding the BPOL tax and its impact on small business;
- Tourism zone tax revenue bill, which is supported by both sides of the house.

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:

Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, pursuant to Va. Code § 2.2-3711(A)(7). **(Pembroke SGA)**

John Richardson recused himself and left the room because subject is a long term client of his.

MOTION: Donald V. Jellig
SECOND: Linwood O. Branch
APPROVED: 7-0

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: Donald V. Jellig
SECOND: Linwood O. Branch
APPROVED: 7-0

There being no further business, the meeting was adjourned.

John W. Richardson, Chair