CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
July 23, 2019 MINUTES

The City of Virginia Beach Development Authority held its regular meeting on Tuesday, July 23, 2019, at 8:30 a.m. in the Economic Development Town Center Boardroom at 4525 Main Street, Suite 700, Virginia Beach, VA, pursuant to notice given by the Chair.

MEMBERS PRESENT:
Dorothy L. Wood, Chair
Lisa M. Murphy, Secretary
Joseph E. Strange, Commissioner
William Brunke, Commissioner
Bryan D. Cuffee, Treasurer
Penny Morgan, Commissioner
Peter K. Mueller, Commissioner
David Bernd, Commissioner
Charlie Salle, Commissioner

ADVISORS PRESENT:
Taylor Adams, Director of Economic Development, Interim
Ron Williams, Deputy City Manager
Alex Stiles, Senior City Attorney
Rosemary Wilson, City Councilmember
Olivia O'Bry, Executive Assistant to Director
Svetla Tomanova, Marketing Assistant
Jeff Smith, SWaM Business Development Manager
Devin Cowhey, GrowSmart Development Specialist
Sean Murphy, VBDA Accountant
Kathy Warren, SGA Manager
Louis Jones, City Councilmember
Letitia Langaster, Business Development Manager
Charlie Bauman III, Business Development Manager
Laura Hayes, Business Development Coordinator
David Couch, Operations Administrator
Anna Marie, Office Assistant
Alice Kelley, Finance Director, Interim

REPORTED BY: Taylor V. Adams

RECORDED BY: Vicki L. Kelley

The Authority convened into session and discussed the following:

MINUTES

1. Approved minutes from May 23, 2019

Motion: Charles Salle
SECOND: Joseph Strange
APPROVED: 9-0

OPEN FLOOR

Dot Wood welcomed all in attendance and opened the floor to anyone that would like to speak. She welcomed Tom Frantz and invited him to share with the group.

Mr. Frantz stated it was nice to be here and mentioned he had shared some breaking news that developed last week that is very economic develop related, so Dot asked me to share a few words. I chair 2 organizations, closely allied with Virginia Beach Economic Development. One is the Go Virginia Regional council and have seen increase interest in collaboration innovation and productivity. The other was called, until last week, the RVA Hampton Roads Collaborative. We changed the name and focus last week at the insistence of guys and ladies from Richmond to the RVA Hampton Roads Mega Region Collaborative. The plan of that group, which consists of a very broad group base of CEO's from Richmond to the Oceanfront, is to combine statistics and in the appropriate cases to market the two regions together as one. One of the next projects is coming up with a name. In order to win more opportunities in each region we found that we are too small globally when looking at opportunities. No one is winning, but together with 3 million people, highly diverse economy and 22 universities we think whichever one of our economic development organizations in the greater regions is giving it a shot, say we are part of the RVA, part of the Mega Region working it will open more doors than today. The next steps are looking to partner with others like this group. One thing is we have set up 13 committees, and you will know the Chairs of all of them, that are looking to strengthen us in various sectors, one is Science and Technology committee and for the first time ever we have VCU, William and Mary and ODU together as a partnership as the University background partnered with the Business background led by Ronnie Thomas, the plan is to create more going on in Science and Technology corridor. An affiliated group is the Entrepreneur group which is the same three Universities and business community groups, with people like 757Angels with Monique Adams, for example, is very involved. The idea basically is to create the perception that together the two regions are cooler and will attract more interest from the millennials' and the people from around the world. There is a long presentation that in the months to come we will be seeking partnerships with you, HREDA and the greater Richmond partnership. In a very nonthreatening way, we are simply offering to be one tool in your toolbox. Dot Wood asked if he would start by getting a new airport started next year.

Dot asked for any questions and invited anyone else to speak.

As there were no other speakers Taylor Adams asked if he could make an announcement.
Taylor apologizes but we may be asking to verify motions and seconds simply because this is our new administrative technician's first meeting taking minutes and is putting faces with names that she has been reading for the last few weeks. If we run a little slower, I apologize in advance.

Dot Wood stated she does a great job and appreciates all the new people we have.

Dot stated our Attorney was running behind as he was held up in traffic so Taylor asked if we could skip ahead to the briefing of Investment Partnerships from Ron Williams.

BRIEFING

2. Investment Partnerships Overview: *Ron Williams, Deputy City Manager*

Ron explained the presentation was Part I of two overviews he would like to share as we have new members of the Authority and it is always good for a refresher of information.
This was a year's worth of work done when Patty Phillips was the Finance Director.
It was to catalogue what we would loosely call public private partnerships, but also investment partnerships, as the Council's Authority calls it. *(See attached Presentation)*
Ron explained Part II – the EDIP is a very tangible way for helping small business and is purposeful in the amount of money we put in on an annual basis and is quite unique from these negotiated deals we have in the Investment Partnerships.

Ron stated he was happy to answer any questions and we will pick this back up as to what we have and what we will do when we have these partnerships as a City and your participation as a Development Authority.
Dot opened the floor for questions.

As there were no questions for Ron from the briefing, Dot mentioned she had spoken with a publisher of a magazine and he is planning to come back in November and was interested in writing an article on the Cavalier. She shared with him that there will be a lot of wonderful things. Dot stated she is very excited how well our City is doing.

LITTLE LEAGUE

3. Taylor announced we did not receive disclosures in time from Little league, so we would like to entertain a motion to defer.

   MOTION *(to defer):* Lisa M. Murphy
   SECOND *(to defer):* William Brunke
   APPROVED *(to defer):* 9-0

   - Chair, Dot Wood asked for an explanation on the Little League funds. Who appropriated these funds?
   - City Attorney, Alex Stiles explained this appropriation was made by City Council for this purpose last year.
   - According to the law, cities cannot make these types of grants, so the money was transferred to the Authority for the Little League Purpose.

REVIEW OF FINANCIAL POSITION

4. Sean Murphy reviewed the Authority's financial statements for the month of May.
   <u>Monthly Cash Flow - Operating Account Summary: May 2019</u>
   Beginning Cash - $ 4,784,274
   - Significant Cash Receipts
     - ✓ $19,345 from VB National for February and March rents
     - ✓ $11,442 from Heron Ridge for 2018 rent
     - ✓ $3,363 monthly interest income

- Significant Cash Disbursements
  - ✓ $65,174 to Kimley Horn for industrial park engineering fees
  - ✓ $18,627 to Kimley Horn for Corporate Landing stormwater plan
  - ✓ $16,307 for tee-box signs, prizes, food, golf balls, cart fee and shirts for the Charity Golf Tournament.

Ending Cash - $4,719,753

Operating Account Summary: June 2019

Beginning Cash - $ 4,719,753

- Significant Cash Receipts
  - ✓ $18,167 from Norfolk EDA for Sentara fee split
  - ✓ $19,080 from VB National for April rent
  - ✓ $3,240 monthly interest income
- Significant Cash Disbursements
  - ✓ $21,639 to Kimley Horn for industrial park engineering fees
  - ✓ $50,024 in rent collections to City Treasurer for:
    - ✓ $38,582 of VB National operations rent for October – March
    - ✓ $11,442 of Heron Ridge basic rent for calendar year 2018
  - ✓ $621,047 in corporate park dedicated funding for:
    - ✓ $619,575 to MCG for partial conduit construction
    - ✓ $1,472 for conduit RFP advertising

Ending Cash - $ $4,704,913

No questions for the operating account so Sean continued to the Incentive Program.

<u>Monthly Cash Flow - Incentive Account Summary: May 2019</u>

Beginning Cash - $ 2,765,178

- Significant Cash Receipts
  - ✓ $499 Monthly interest income
- Significant Cash Disbursements
  - ✓ $4,533 to Prosper Insurance for workforce expansion
  - ✓ $93,480 to Kimley Horn for engineering fees related to City initiatives/projects
  - ✓ $13,562 in Vibe Matching Grant payments to:
    - o Percy Lee Jones Jr Family trust - $5,297
    - o North End Bag Company - $8,265
  - ✓ $7,949 to Kimley Horn for Bio Park Phase I engineering fees

Ending Cash - $2,646,153

<u>Monthly Cash Flow - Incentive Account Summary: June 2019</u>

Beginning Cash - $ 2,646,153

- Significant Cash Receipts
  - ✓ $24,075 reimbursement from Virginia Beach Bio Park CIP
  - ✓ $454 monthly Interest income
- Significant Cash Disbursements
  - ✓ $32,030 to Kimley Horn for engineering fees related to City initiatives/projects
  - ✓ $4,414 to AHP Construction for Town Center Block 9 streetscapes
  - ✓ $109,113 in Bio initiative dedicated funding for:
    - o $106,450 to VABeachBio for the innovation Challenge

- $2,663 to Kimley Horn for Bio Park related engineering fees

Ending Cash - $2,525,125

Reconciling the end of the year	
Ending Cash held by VBDA	$ 2,525,125
PLUS: EDIP and other Receivables	$ 8,080,078
LESS: Payables and Commitments	$ 8,929,086
Ending Available Funding	$ 1,676,117

5. Sean Murphy stated the members should have the proposed Fiscal Year 2020 Annual Operating Budget that was distributed at the May 2019 meeting with no changes. We are bringing the same item back to you for discussion and approval. For the new members this is the expenditures of our operating budget; corporate parks and on call Engineering fees; administrative; various hosted events; and grants.
   If anyone has questions, we can discuss now before we ask for an approval. As there were no questions the 2020 Annual Operating Budget was approved.

   MOTION: Brian Cuffee
   SECOND: Lisa Murphy
   APPROVED: 9-0

CONTRACTS

6. Approved resolution authorizing the first one-year extension of the engineering services contract with Kimley-Horn and Associates for the period of August 1, 2019 through July 31, 2019.

   Taylor Adams explained this is the third annual renewal, of a potential five, with Kimley-Horn as the City's Engineering Firm. We ask for the approval to continue work that is underway.

   MOTION: Charles Salle
   SECOND: Bryan Cuffee
   APPROVED: 9-0

CORPORATE LANDING

7. Deferred a resolution authorizing an award of $140,000 in funds to Globalinx Datacenter, LLC to facilitate the connection between the transoceanic cables landing in Virginia Beach and the Corporate Landing conduit infrastructure.

   MOTION: Lisa Murphy
   SECOND: Charles Salle
   APPROVED: 9-0

   Question was asked as the state of the progress on internal cable system. Taylor replied that the conduit management system is complete, and we are now working on an RFP for the management of that system and we should know more shortly.

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM – (EDIP)

8. Approved a resolution authorizing an award of $100,000 in funds to LifeNet Health for expansion and new job creation at 2900 Sabre Avenue
   David Couch provided a presentation of the details that is attached to these minutes.

   MOTION: David Bernd
   SECOND: Lisa Murphy
   APPROVED: 9-0

   Chair Dot Wood thanked LifeNet for their presence.

9. Taylor Adams brought back before the Development Authority a resolution requesting authorization of an award of $625,000 in funds to Olympia Development for the Bonney Road Project which was deferred at the last meeting awaiting City Council approval. He explained this proposal was a two-part request.
   a. EDIP being brought before you today and
   b. Two subsequent actions brought before City Council
      i. a declaration of excess property to give us the authority to sell the appraised property to Olympia for $2.3 million
      ii. City Council $11,000,000 parking participation
   c. City Council moved to sell the real estate. The Parking participation was not approved.
   d. Questions
      i. Prior cost was $604,000. Why an increase
         1. Construction cost rising and design advance, costing more. $604,000 would work for the project, but we are asking for $625,000 as this is closer to where we are today.
      ii. Is this zoned for office space?
         1. The zoning is perfect for office space.
      iii. Review constraints
         1. A month ago, underground stormwater was the only way to execute the plan. There are other options to choose if this is not viable. The engineers are working on a development plan for these, either underground or create a pond.

   The Presentation given is attached to these minutes.

   Lisa Murphy explained the traffic posed a concern and appreciated the City Council's discussion of needing the secondary road access and it is critical to this development and Bonney Road. Ms. Murphy stated that that the Authority assisting with this development, including the access road was important to a successful project

   Taylor thanked Ms. Murphy for the comment and stated this project is site infrastructure and will be visible.

Rosemary Wilson commented that there is a shortage of office space and this project will help bring in the jobs we want, and Mr. Cutchins has a history or building very beautiful office buildings and does not believe he would waste any of the land.

MOTION: Charles Salle
SECOND: Joe Strange
APPROVED: 8-0

ABSTAIN: Brian Cuffee

ADMINISTRATIVE INFORMATION

10. Taylor Adams noted the following during his Director's Report.
    a. Introduction of new staff members
        i. Vicki Kelley is our new Administrative Technician in the role that Linda was in so long. Taylor thanked Alice Kelly for letting him take her from Finance. She has worked with Purchasing and Accounts payable. She has been on teams of mine over the 4 years I've been with the City and I have a great deal of confidence that she will do a good job.
        ii. Charlie Bauman is experienced in the Port, originally in Norfolk but has come to us from being a Director in a rural county in North Carolina and are delighted to have Charlie as he brings a lot of experience and a guy that knows the business and has already hit the ground running. He will be working with Ray White.
        iii. Laura Hayes comes to us after 7 years at HREDA. We are excited for her experience and record of success. In addition to understanding the international market, she comes to us having great relationships from both a regional and a State level.
    b. Taylor announced he is delighted that we are filling the vacant positions and being able to fill the positions with great experience.
    c. We will be doing more interviews on Friday and others in the next ten days which will be an Account Clerk III. Staff build out is continuing and thank you for your patience while we fill these positions.
    d. Chair Wood welcomed the new employees to the best City in the world.

11. VBDA Priorities
    a. New members for the VBDA are Joseph Strange who has been reappointed and the new member appointed is Nneka Chiazor. Chair Wood and Director Taylor welcomed them to the Authority.
    b. Nominating Committee
        i. Chair Wood asked Peter Mueller and Joseph Strange if they would be willing to serve on this committee again and they both agreed.

CLOSED SESSION

MOTION: Lisa Murphy
SECOND: William Brunke
APPROVED: 9-0

PROSPECTIVE BUSINESS OR INDUSTRY: 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). **(Centerville) (Princess Anne) (APZX-1)**

CONTRACTS: 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). **(Town Center) (Corporate Landing) (Lynnhaven) (Beach District)**

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.

Ms. Murphy and Mr. Mueller left the room prior to conclusion of closed.

MOTION: Lisa Murphy
Second: Charles Salle'
Approved: 9-0

There being no further business, the meeting was adjourned.

Dorothy L. Wood, Chair