

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
FEBRUARY 18, 2020 MINUTES

The City of Virginia Beach Development Authority held its regular meeting on Tuesday, February 18, 2020, 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, Vice-Chair
William Brunke, Treasurer
William Brown, Commissioner
Nneka Chiazor, Commissioner
W. Taylor Franklin, Commissioner
Penny Morgan, Commissioner

ADVISORS PRESENT: Taylor Adams, Director of Economic Development
Charlie Bauman III, Business Development Manager
David Couch, Business Development Administrator
Devin Cowhey, GrowSmart Development Specialist
Tina Collins, Account Clerk III
Cole Trower, Business Development Manager
Katlin Alcott, Planning
Julie Hill, Communications Office Administrator
Lloyd Jackson, Business Development Manager
Vicki Kelley, Administrative Technician
Letitia Langaster, Business Development Manager
Ihsane Mouak, Project Development Manager
Sean Murphy, VBDA Accountant
Olivia O’Bry, Executive Assistant
Alex Stiles, Senior City Attorney
Svetla Tomanova, Marketing Assistant
Kathy Warren, SGA Manager
Ron Williams, Deputy City Manager
Alice Kelly, Director of Finance
David Rodman, Planning and Community Development

REPORTED BY: Taylor V. Adams

RECORDED BY: Vicki Kelley

OPEN FLOOR

No public speakers

ANNOUNCEMENT

- Taylor announced that an employee of the City of Virginia Beach Economic Development, Rob Hudome, passed away and his services would be Thursday, February 20, 2020 at 2:00 p.m. at the Star of the Sea.

- Dot announced to tune in to channel 10, at 4:00 p.m. today as there will be an announcement regarding a remarkable woman.

REGULAR MEETING

1. Approved Minutes from January 21, 2020.

MOTION: Lisa Murphy
 SECOND: Taylor Franklin
 APPROVED: 7-0

REVIEW OF FINANCIAL POSITION

2. Sean Murphy gave the monthly financial overview

Operating Account Summary: January 2020

Beginning Cash	\$4,767,040
✓ Significant Cash Receipts	
✓ \$26,679 of Industrial Revenue Bond fees	
✓ \$271,386 from Live Nation for 2019 Amphitheater sublease	
✓ \$63,687 from VB National for Oct – Dec operations and capital maintenance rents	
✓ \$3,094 of monthly interest income	
✓ Significant Cash Disbursements	
✓ \$52,000 to Globalinx for Oct – Jan CL conduit base management fee	
✓ \$9,480 to Cuisine and Company for catering at the holiday networking reception	
✓ \$39,109 to Live Nation for the 2020 Amphitheater box seat contract	
Ending Cash	\$4,700,110

Dot Wood asked for the total cost for previous holiday receptions. Taylor Adams shared that two years ago the total was \$26,000 and this past year the cost was \$9,480 which was less than half.

Dot Wood stated that the public/private partnerships were paying off and Sean Murphy agreed.

Taylor Adams stated that Sean Murphy has done a great job showing the first expenses related to our conduit management system. We also have our first tenant in the conduit management system, that will involve an upfront fee of \$40,000 and \$3,000 a year maintenance. This is something we can announce as the contract is being circulated now. The system is already performing.

Dot Wood asked everyone to join her in being very proud of the work everyone has done.

Incentive Account Summary: January 2020

Beginning Cash	\$4,963,097
✓ Significant Cash Receipts	
✓ \$165,623 of reimbursements from City of Virginia Beach for: APZ-1 awards paid (\$50,037); London Bridge Commerce Center engineering fees (\$37,558); and unexpended Town Center PFRB funding (\$78,028)	
✓ \$1,082 of monthly interest income	
✓ Significant Cash Disbursements	

- ✓ \$10,200 of Part A workforce expansion award to Prosper Insurance
- ✓ \$69,130 in Oct & Nov engineering fees to Kimley Horn
- ✓ \$10,000 of Vibe grant to 1701 LLC for capital investment
- ✓ \$13,784 in Dome Site legal fees to Singer Davis (\$2,131.50) and Hunton Andrews Kurth (\$11,652.50)
- ✓ \$20,725 of Bio Initiative funding for:
 - ✓ \$9,985.50 to Olympia Bendix Two for Accelerator February rent
 - ✓ \$10,739.10 for Bio Park engineering fees and site plan review

Ending Cash **\$5,005,900**

Incentive Account Summary: January 2020

Ending Cash held by VBDA	\$5,005,900
PLUS: EDIP and other Receivables	\$8,922,015
LESS: Payables and Commitments	<u>\$11,236,9415</u>
Ending Available Funding	\$2,690,974

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM (EDIP)

3. Approval of a resolution authorizing an award of \$110,000 in EDIP Part “A” for ROX.Xpress, LLC
 - Letitia Langaster shared a presentation that is attached to these minutes.
 - Letitia introduced Janice Tuckman, sales executive for ROX.Xpress, and apologized that Mr. McWaters was unable attend
 - Taylor Adams stated it was a great business as he makes many trips to DC and it will be nice to have someone else driving through the traffic
 - Letitia asked Ms. Tuckman if there were going to be two trips a day
 - Janice Tuckman clarified there would be a departure at 8am and 1pm, two blocks from here at the Westin Hotel with free parking.
 - There will also be two return trips from Pentagon City back to Town Center at 1pm and 7pm
 - The location of drop off is very convenient to transportation to other locations in DC

MOTION: Lisa Murphy
 SECOND: William Brunke
 APPROVED: 6-0-1

Taylor Franklin abstained from the vote. Letter of abstention is attached herein.

4. Deferred a resolution authorizing an award of \$12,500 in EDIP Part “A” for Pleasure House Brewing
 - In the absence of Jeffery Smith, Taylor Adams shared a presentation that is attached to these minutes

- William Brunke stated the previous discussion was only related to the assistance with equipment purchase rather than a larger investment. Now there is discussion of a larger capital investment, please explain
 - Taylor Adams explained that the policy objective for the award is the addition of the equipment but the capital investment threshold still needed to be reached to be considered for the EDIP and the building improvement meets the criteria threshold to qualify for the award as a baseline
- William Brunke asked if the \$300,000 is their own investment
 - Taylor Adams confirmed
- William Brunke asked if we could measure the import and export performance
 - Taylor explained we could bring back a revised resolution adding increased volume production and track the export piece
- William Brunke explained his reservation of subsidizing a piece of equipment to make an existing operation more efficient without being able to measure the expected results
 - Taylor Adams agreed to bring this request back to the board with a condition with increased volume production and to track the export data
- William Brunke asked what the expected return of investment was
 - Taylor Adams explained the return of the \$12,500 was expected through tax revenue
- Taylor Franklin stated he would like to see how the return investment comes in
- Lisa Murphy asked how far along is the agreement
 - Alex Stiles stated we could make changes and additions and bring this back to the members next month
 - Taylor Franklin stated that would be a great idea to get a better understanding of the return on investment

MOTION: William Brunke

SECOND: Penny Morgan

APPROVED: 7-0

BUSINESS PARKS

5. Approval of building and site design for Globalinx in Corporate Landing
 - Ihsane Mouak shared a presentation that is attached to these minutes
 - Lisa Murphy asked how this satisfies the requirements for Corporate Landing
 - Taylor Adams commented that we have requirements to follow and Planning ensures these requirements are followed
 - The Planning Staff reviews these documents based on requirements
 - The question is, do we have your blessing to work with the Planning Department on the changes?
 - Taylor Adams explained all the changes are up to standards in the Corporate Landing Design Criteria.
 - Lisa Murphy stated it was decided to consult with Planning and ask them to provide feedback
 - We trust that Planning would be equipped to make decisions on this

MOTION: Lisa Murphy
SECOND: Taylor Franklin
APPROVED: 7-0

ADMINISTRATIVE INFORMATION

6. VBDA Priorities

- Dot Wood reminded everyone to watch NBC at 4:00 pm

7. VBDA Members

- Dot Wood announced she would be at the meeting for the next few months because of change in travel plans

8. Director's Report

- Taylor Adams announced the Economic Development Office would be closed on Thursday from 1:30pm until 3:00pm to allow the staff to attend the service for Rob Hudome
- Taylor Adams introduced Cole Trower, Business Development Manager I, that joined our office in December
 - He has experience with working in Richmond with the General Assembly and we are glad to have him on board
- Taylor Adams announced that the Annual Golf Tournament will be held on May 1st
 - Previously there have been several charities we have made the donations received from the Golf Tournament
 - This year the proceeds will be donated to VB Strong Foundation to support our Colleagues that were lost on May 31st and their families
 - Dot Wood extended to the Board to please attend
 - Registration opens at 7:00 am to begin the tournament at 9:00
 - The reception will follow, generally 2:30 to 3:00 pm

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:

MOTION: Lisa Murphy
SECOND: Penny Morgan
APPROVED: 7-0

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).


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).

The Authority concluded its closed meeting and certified that to the best of each member's knowledge, only public business matters lawfully exempted from open meeting requirements under the Code of Virginia were heard, discussed or considered in the closed meeting of the Authority.

MOTION: William Brown
SECOND: William Brunke
APPROVED: 5-0-2

Lisa Murphy and Taylor Franklin stepped out during consideration of the last item in the Closed Session and were not present for the vote.

There being no further business, the meeting was adjourned



Dorothy L. Wood, Chair
Lisa Murphy, Vice-Chair