

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
May 12, Special Meeting, 2020 MINUTES

The City of Virginia Beach Development Authority held a special meeting on Tuesday, May 12, 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: Lisa M. Murphy, Vice-Chair
William Brunke, Treasurer
David Bernd, Secretary
William Brown, Commissioner
W. Taylor Franklin, Commissioner
Michael Standing, Commissioner
Joseph Strange, Assistant Secretary

ADVISORS PRESENT: Taylor Adams, Director of Economic Development
Alexander Stiles, Senior City Attorney
Vicki Kelley, VBDA Clerk

REPORTED BY: Taylor V. Adams

RECORDED BY: Vicki Kelley

CALL FOR SPECIAL MEETING

Vice-Chair Lisa Murphy read a letter dated May 8, 2020 from Chair, Dot Wood to the Commissioners calling a special meeting of the Authority for Tuesday, May 12, 2020 at 8:30am in the Authority's Boardroom at 4525 Main Street, Suite 700, in Virginia Beach, Virginia.

OPEN FLOOR

Director Taylor Adams announced there were no public speakers, but the meeting was live streaming in conference room A should the public want to join in.

Taylor also announced Chair Dot Wood and Commissioner Nneka Chiazor were on the conference line and could join in discussion but would not be authorized to cast a vote.

SPECIAL MEETING

1. Approved Minutes from February 18, 2020.

MOTION: William Brunke
SECOND: Joseph Strange
APPROVED: 7-0

REVIEW OF FINANCIAL POSITION

2. Taylor Adams gave the monthly financial overview

Operating Account Summary: Feb - Apr 2020

Beginning Cash **\$4,700,110**

Significant Cash Receipts

✓ \$16,554 from Westin for conference center 2019 profit sharing

- ✓ \$18,314 of Industrial Revenue Bond fees
- ✓ \$40,000 one time IRU fee for new conduit user (Level 3)

Significant Cash Disbursements

- ✓ \$12,843 to Kimley Horn for Corporate Landing engineering fees
- ✓ \$42,500 to Globalinx for conduit management fees, lease commission and fees
- ✓ \$2,149 to Signs of Success for multi-court signage at Rudee Loop
- ✓ \$40,000 return of option deposit to Globalinx for terminated agreement
- ✓ \$130,027 of Corporate Landing infrastructure expenses for:
 - ✓ \$2,000 to Soccia & Company for Corporate Landing appraisal services
 - ✓ \$126,290 to MCG for final billing of conduit construction
 - ✓ \$1,737 to Kimley Horn for stormwater planning

Ending Cash **\$4,713,163**

Incentive Account Summary: Feb - Apr 2020

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

Significant Cash Receipts

- ✓ \$2,762 of monthly interest income

Significant Cash Disbursements

- ✓ \$195,106 of Part A Incentive Program award payments to:
 - ✓ Haulotte (\$8,571) for workforce expansion
 - ✓ Global Technical Systems (\$186,535) for capital investment
- ✓ \$13,571 of Part D engineering fees
- ✓ \$10,000 Vibe Matching Grant payment to 510 Holding LLC
- ✓ \$55,968 of Dome Site related expenses
- ✓ \$99,760 of Bio Initiative funding for:
 - ✓ \$29,956.50 to Olympia Bendix Two for Bio Accelerator March - May rent
 - ✓ \$2,000 to Soccia & Company for Bio Park appraisal services
 - ✓ \$66,084.82 to Facility Logix for Bio Accelerator Sep – Mar consultant services
 - ✓ \$1,720 to Kimley Horn for Bio Park phase I engineering fees

Ending Cash **\$4,634,257**

Incentive Account Summary: April 2020

Ending Cash held by VBDA	\$4,634,257
PLUS: EDIP and other Receivables	\$8,923,757
LESS: Payables and Commitments	<u>\$11,024,024</u>
Ending Available Funding	\$2,533,990*

***pending Part E commitment is not accounted for in this figure**

- William Brunke asked if that available funding included the incoming funds.

- Taylor shared the amount expected to come in is not reflected but the \$1.5 million, Part E funds are included in the available funds. The additional \$1 million that the City Council will discuss tonight is not reflected.
- There may be a provision to the CARES Act to help us recover part of this \$1.5 million
- Lisa Murphy – Explained the \$1.5 million is already part of our EDIP program, Council has just allowed us to create this program to be able to utilize these funds to assist businesses during the COVID-19 Pandemic

REVENUE BONDS

3. Approval of resolution authorizing issuance of Public Facility Revenue Bonds.
 - Taylor Adams presented the request for these Bonds, and Finance Director, Alice Kelly was available in the Lobby for any questions
 - The City Council approved the issuance of a just under \$240 million in Public Facility Revenue Bonds and has requested we approve as the conduit issuer
 - The money will be utilized for projects that are already underway, such as City Buildings, Economic and Tourism Development, Roadways and Schools
 - This money is not being received by the Development Authority to use on our projects but used by the City to restore cash already spent and to fund construction that has been planned for at least five or six years
 - Finance Director Alice Kelley confirmed there has been about a \$60 million drop in revenue over the last three months
 - Mostly trustee tax, hotel and meal, some sales tax
 - Estimating about a 3.5 million decrease on the general fund.
 - We have done a lot of expenditure reduction
 - Also have some attrition savings, vacancy savings and ensuring nonessential expenses are not being requisitioned.
 - Taylor thanked the City Manager, Tom Leahy, the Deputy City Managers and Finance Director, Alice Kelly in their endeavors to cut city spending to close the gaps
 - Nneka asked what dollar amount has affected due to the stay at home order.
 - Taylor replied that he would show figures during the EDIP Grant Part E session of the meeting
 - Hospitality and retail have been heavily affected
 - Taylor agreed to get that information and circulate it to the Authority members

MOTION: William Brunke

SECOND: Joseph Strange

APPROVED: 7-0-0

TOWN CENTER

4. Approval of the use of Town Center parking for the new Hampton Inn, by Hilton
 - Taylor Adams presented a PowerPoint attached herein
 - Question was asked how this will impact parking
 - Taylor explained a parking study was completed at maximum capacity and the parking was at 50% occupancy
 - There is more than enough capacity to share
 - No dedicated parking for them

- What is the parking capacity that will be left?
 - a. The max parking occupied at any given time, including peak season has been 67%

MOTION: David Bernd
 SECOND: Michael Standing
 APPROVED: 6-0-1

Taylor Franklin Abstained voting for this item. Abstention letter attached to these minutes

INNOVATION PARK

5. Approval of modification of terms of sale to YNot
 - Taylor Adams presented a PowerPoint attached here in
 - The terms of sale were approved by the Board for sale of 6 acres of land
 - Developer has requested to purchase 14.5 acres for same amount which is appraised value

MOTION: Michael Standing
 SECOND: Joseph Strange
 APPROVED: 7-0-0

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM (EDIP)

6. Approval of a resolution authorizing an EDIP award of \$125,000 Part “A” funds for Valkyrie Enterprises
 - Taylor Adams presented a PowerPoint attached here in
 - Their 2015 EDIP Grant has been satisfied and closed out
 - This company is growing

MOTION: William Brunke
 SECOND: David Bernd
 APPROVED: 7-0-0

7. Approval of modification of EDIP Award to Assured Communications Advisors International, LLC
 - Moved from item 8 to number 7 on the agenda
 - Taylor Adams presented a PowerPoint attached here in
 - The CEO believes in our economy and city
 - Why private property versus Corporate Landing
 - The sale price is less which provides for more acreage
 - This area is the most restricted, which is why the price is lower
 - Is the property already zoned?
 - Taylor was not sure of the zoning
 - The Company is just requesting to reauthorize the term that terminated and extend the time period
 - Increase of investment in our community
 - How does this company tie into the undersea cable?
 - He would not be mandated to use as he is not in Corporate Landing
 - There will possibly be a cable landing at his location, not definite

- The easements would be his responsibility
 - Is it possible for the companies in that area to work together using the same cable system?
 - There is collaboration going on with the companies
 - a. Many of them are competitors
- Having this infrastructure will make it more attractive to other companies needing to have the data signal closer

MOTION: David Bernd
 SECOND: William Brunke
 APPROVED: 7-0-0

AUTHORITY FACILITIES

8. Approval for temporary rent abatement for Virginia Beach Golf Club LLC and Live Nation (Amphitheater) due to COVID-19 Pandemic
 - Moved from item 9 to number 8 on the agenda
 - Taylor Adams shared that the Amphitheater has been unable to host events, while the Golf Course is quite healthy, but the food service provider which pays us a portion of the rent, has been unable to open due to the orders from the governor
 - They have been serving cold food, but unable to provide full service.
 - Virginia Beach National is asking us to abate the rent of their food service provider during this crisis
 - City Attorney Alex Stiles explained this to be through the time until the local emergency is lifted
 - Live Nation is asking the same rent abatement
 - Live Nation's request is for April, May and June.
 - We will proceed with the request concerning the Golf Course first
 - The Golf Course is asking for assistance until they can reopen the food service portion, which they are asking for the abatement of the food service provider portion of the rent
 - Would that be open 100%, 50% inside, outside?
 - a. They should be able to open at 50%
 - b. They should be able to open outside by Friday
 - We could approve through the end of June, which is the end of the fiscal year
 - Would they be approved for the new EDIP?
 - They could
 - We could approve to abate rent easier than to make sure they are approved for the EDIP
 - Motion was made to approve rent abatement through the end of June for Virginia Beach Golf Club LLC

MOTION: David Bernd
 SECOND: Michael Standing
 APPROVED: 7-0-0

- Discussion on Live Nation

- They are a great partner and rent incentives are being received
- They have asked for three months' rent abatement
- They do not qualify for the Part E
- Three months may not be long enough for them
- Fully support the 3-month rent abatement
 - Give them 3 months and have them come back with a proposal
 - They pay \$10,000 per month year-round.
 - Their season ends around Labor Day
 - We should emphasize for them continue to pursue other relief grants through the Federal Government
 - Could there be others uses of this facility over the course of the summer
 - Limited to municipal purposes annually
 - We can aske them to present an annual report as they have not been able to during the pandemic orders
- Motion for rent abatement for 3 months then they may come back with another proposal if needed.

Motion: William Brunke
 Second: Taylor Franklin
 Approved: 7-0-0

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM (EDIP) PART E

9. Approval of a Resolution to add a Small Business Emergency Assistance Program to the Economic Development Investment Program during the COVID-19 Pandemic
 - Moved from number 7 to number 9 on the agenda
 - This is the new part E approved by City Council
 - City Council created part E of the EDIP
 - Policy statement attached here in
 - City Council has allowed the VBDA to use this portion of our budget for this and now we need to approve the policy and create guidelines for application approval
 - Taylor explained the qualification and completeness of the application, including all documents required
 - Working with the Commissioner of Revenue to confirm business license of applicant
 - Property Owners can receive assistance, just not rent assistance.
 - This will be the one time the Development Authority can reach out to those in retail
 - Taylor shared the goal is having all 300 applications reviewed by the close of business Friday, to be able to present to the Board on Tuesday, May 19.
 - We would like to bring a docket of applications for you to approve next Tuesday
 - The need is real, and people are going out of business so we need to be able to write checks as soon as we can
 - Taylor shared a draft of the screening and evaluation process
 - Disclosure will be required as part of the completed application screening
 - Receiving other funding will be taken into consideration as well

- A written statement will be provided in the complete application to prove the need of the business
- There is a question on the application as to what other grants applied and explanation
- Data is provided to show the need of business types
- All uses of the funds have been made equal
- Taylor will bring a docket of applications for approval in the next week to the Board
 - VBDA Board will see the name of business and scores
 - The disclosure statements will be available

Motion: David Bernd
Second: Taylor Franklin
Approved: 7-0-0

NO CLOSED SESSION



Lisa Murphy, Vice-Chair



May 12, 2020

Mrs. Vicki L. Kelley
Clerk, Virginia Beach Development Authority
4525 Main Street, Suite 700
Virginia Beach, Virginia 23462

Re: Abstention/Disclosure Pursuant to Conflict of Interests Act § 2.2-3114(E)

Dear Ms. Kelley:

Pursuant to the State and Local Government Conflict of Interests Act, I make the following declaration:

1. I am executing this written disclosure regarding Stokes Properties, LLC (the "Applicant"), who is requesting to use the Town Center Public Parking System, owned by the City of Virginia Beach Development Authority (the "Authority"), in connection with the proposed Hampton Inn by Hilton Hotel, to be located at 4571 Columbus Street, Virginia Beach, Virginia 23462.

2. Although I do not have any interest in the matter before the Authority today, I have shared business interests with members of the Applicant.

3. The City Attorney has advised me that I do not have a "personal interest" in the Applicant, as that term is defined by the Act, and although I am able to participate in this transaction fairly and in the public interest, as provided by Virginia Code Section 2.2-3115(I), due to my relationship with the Applicant, I am nonetheless electing to abstain from this vote.

Please include this disclosure in the official records of the City of Virginia Beach Development Authority.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Taylor Franklin', written over a faint, larger version of the same signature.

W. Taylor Franklin
Commissioner

WTF/AWS