

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
June 4, Special Meeting, 2020 MINUTES

The City of Virginia Beach Development Authority held a special meeting on Thursday, June 4, 2020, at 8:30 a.m. in the Economic Development Town Center Boardroom at 4525 Main Street, Suite 700, Virginia Beach, VA 23462, pursuant to notice given by the Chair.

MEMBERS PRESENT: Dorothy L. Wood, Chair
Lisa M. Murphy, Vice-Chair
William Brunke, Treasurer
Joseph Strange, Assistant Secretary
William Brown, Commissioner
W. Taylor Franklin, Commissioner
Peter Mueller, Commissioner
Michael Standing, Commissioner

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

Chair Dot Wood thanked everyone for attending the special meeting and apologized for missing the meetings due to COVID-19. She expressed her appreciation for everyone that has been attending and volunteering during this time.

Chair Dot Wood read her letter dated June 2, 2020 to the Commissioners calling a special meeting of the Authority for Tuesday, June 4, 2020 at 8:30am in the Authority's Boardroom at 4525 Main Street, Suite 700, in Virginia Beach, Virginia 23462.

OPEN FLOOR

Chair Dot Wood asked if there were any public speakers.

- Clerk, Vicki Kelley announced no public speakers

SPECIAL MEETING

Chair Dot Wood asked the Vice-Chair, Lisa Murphy to continue the meeting.

1. Approval of a resolution approving EDIP – Part E - Emergency Assistance Grants to Small Businesses Impacted by the COVID-10 Pandemic
 - Taylor shared a presentation of the first docket of potential applicants.
 - City Council approved two pots of money
 - \$1.5 million for assistance to small business
 - \$1 million for tax relief
 - We are segregating the two
 - We received just less than 500 total applications
 - The docket shows the first 200

- The remainder of the applications are being reviewed and still waiting on additional documentation from the applicants
 - Council required 4 documents to make a complete application
 - The list on the first docket shows those companies that have submitted all required documents
- The team will continue preparing dockets for each monthly VBDA meeting for approval until the funds are exhausted
- Taylor recognized and commended Jeff Smith, who has led the efforts on this project
- Jeff has worked with the entire administrative team to advance the applications to this point
- Ladies from ODU and the Women's Business Center assisted with scoring the applications to have a third-party independent review, not on the Economic Development staff
 - This insured the Board and the public that the team completing the scoring did not know the individual businesses as the Economic Development Team would
- The City Auditor, Lyndon Remias has agreed to complete a 100% audit of all applicants on the docket being awarded greater than \$9,000
- The City Auditor will also perform a 20% spot audit on the remainder of the applications
 - We want to make sure the Authority is protected and that we are doing everything to ensure we have administered this program fairly and effectively
- Taylor shared a distribution slide to show how and where the money is going
 - By type of business, which lined up with national and state showing retail and hospitality was the higher percentage
 - By zip code, to capture how this grant is being spread across the city with, the oceanfront being the highest percentage
 - The assistance is spreading across the community having each Council District represented
- Questions/Concerns
 - William Brunke asked for an explanation on the difference between the 287 represented on data slides and the 200 on the list.
 - Taylor Adams explained the 200 on the docket are the companies with completed application packets
 - The other 87 are missing some details in the application, where we didn't receive all the information at the time this data was pulled together, they were missing details on their loss
 - We wanted to make sure complete information was received before bringing those applicants to the Board
 - Lisa Murphy commended Taylor and his Staff for the sheer volume of applications being processed.
 - It has been a balancing act to make sure we get this money quickly to the people who most need it and making sure there are no mistakes

- In doing this it has been a great addition to bring in the City Auditor to help the process move more quickly and accurately
- Taylor Adams shared how quickly this process has moved along and commended Jeff, the administrative staff and the Women’s Business Center for all their hard work.
- Joseph Strange asked if Taylor knew how many jobs this saved
 - Taylor explained he did not have that data, but could get the information as the application did ask for number of employees
- Commissioner Michael Standing expressed his appreciation for doing this and asked if there was going to be something similar again
 - Taylor explained we were over-subscribed right now
 - We do see there may be an opportunity of more funding out of the CARES Act
- Dot Wood asked how Taylor thought businesses heard about the program as she was concerned that a specific business, she knew of was not aware of the program.
 - Taylor Adams explained he was sorry to hear this, and he would make sure the business would be aware if we open the portal up, should there be more funds that come available
 - This program was discussed in two different City Council meetings, which are televised
 - The City Communications Department sent a press release
 - It was circulated to all the City’s Partners
 - The City Purchasing Department, including the SWAM sent out the information to over 800 recipients
 - ODU Women’s Business Center broadcasted to their contacts
 - Published on the City of Virginia Beach Economic Development Website
 - Julie Hill placed in on the City’s website as well
- Councilwoman Rosemary Wilson asked if there would be a press release when these monies are awarded
 - Taylor Adams agreed that once the Audit is complete there would be a press release
 - We would like to put some measures in place to show the money we paid out.
 - Average for this docket is \$6,913 and reaches businesses that our organization never touches.
- Lisa Murphy commented that it is great that we are capturing zip codes, to show the assistance is spread across the city
- Councilwoman Rosemary Wilson asked if knew how many minority businesses were reached
 - Taylor commented we do not have that information at this point, but can get the data to the Board
 - Lisa Murphy explained that question was not asked on the application, but there may be another way to capture that
- Taylor extended thanks to the Commissioner of Revenue

- We sent the list of applicants to the Commissioner of Revenue and his team verified that every business on the docket had a current valid business license
- Lisa Murphy asked for verification that the list consists of assistance for rent relief as well as tax relief, and the two would be separated
 - Taylor commented it was very important that we keep these separate as to the City Councils second Resolution
- Lisa Murphy clarified the question asked today is “to approve this list, contingent on the auditor’s 100% review of those requesting over \$9,000 and a spot check of 20% of the rest of the businesses”
 - Taylor confirmed and stated it is focuses on the Board’s prior guidance that we focus on the “for profit” businesses first
- Dot Wood shared we should thank all the other businesses for their support during this time by purchasing items from the small business owners
- Councilwoman Rosemary Wilson shared that she was at the Atlantic Avenue Association this past week and they started a group called Locals Helping Locals

Lisa Murphy abstained from voting for 59 of the businesses on the list and her abstention letter is attached herein.

Taylor Franklin abstained from voting for 14 of the businesses on the list and his abstention letter is attached herein.

William Brunke abstained from voting for 1 of the businesses on the list and his abstention letter is attached herein.

MOTION: William Brunke

SECOND: Joseph Strange

APPROVED: 7-0-0 with partial abstentions as noted.

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: William Brunke

APPROVED: 7-0

PUBLICLY-HELD PROPERTY: 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).

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. Va. Code §2.2-3711(A)(29).

MOTION: William Brunke

SECOND: Lisa Murphy

APPROVED: 7-0



Lisa Murphy, Vice-Chair



June 4, 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:

1. I am executing this written disclosure regarding the City of Virginia Beach Development Authority's discussion and/or vote on the approval of multiple grants under Part E of the EDIP Policy.
2. One of the proposed recipients of a grant is Blesto Restaurants, Inc.
3. I have a personal interest in Brunke & Company, LLC located at 2809 S. Lynnhaven Rd., Ste. 300 Virginia Beach, VA 23452 . Brunke & Company provides services to Blesto Restaurants, Inc.
4. Therefore, I will abstain from voting on the proposed grant to Blesto Restaurant, Inc.

Please record this declaration in the official records of City of Virginia Beach Development Authority. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Brunke". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

William J. Brunke
Commissioner

WJB/AWS



June 4, 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:

1. I am executing this written disclosure and abstention regarding the City of Virginia Beach Development Authority's discussion and/or vote on the approval of multiple grants under Part E of the EDIP Policy.
2. Fourteen (14) of the applicants under consideration by the Authority for a Part E grant are tenants of the Franklin Johnston Group Management & Development, LLC ("FJG"), or their landlords are affiliates of FJG..
3. I have a personal interest in the Franklin Johnston Group Management & Development, LLC located at 300 32nd Street, Suite 310 Virginia Beach, Virginia 23451.
4. Therefore, I will abstain from voting on the proposed grants to the fourteen (14) applicants identified on Exhibit A, attached hereto and incorporated herein.

Please record this declaration in the official records of City of Virginia Beach Development Authority. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Taylor Franklin'.

W. Taylor Franklin
Commissioner

WTF/AWS

EXHIBIT A

1. 344 Beauty Bar LLC
2. Cavalier Ventures LLC 2
3. Chop 31 LLC
4. Clean Air Solutions
5. Eurasia Café
6. FITNESS WORKS LLC, CYCLE BAR
7. Grohler Hearing Aid Center Inc.
8. Home Republic Brewing
9. LABL VB
10. M&G LLC dba Best For Less
11. National Yoga Academy
12. Princess Nails and Modern Spa
13. Thrive Proactive Health LLC
14. Twin Tiger Ice Cream & Funnel Cake Café



June 4, 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)&(G)

Dear Ms. Kelley:

1. I am executing this written disclosure and abstention regarding the City of Virginia Beach Development Authority's discussion and/or vote on the approval of multiple grants under Part E of the EDIP Policy listed on the excel spreadsheet provided in advance of today's special meeting.
2. Based on my review of the excel spreadsheet provided, as well as an analysis of the same performed by my employer, we have determined that fifty-nine (59) of the applicants, or their landlords, under consideration by the Authority for a Part E grant utilize the legal services of my employer, Willcox & Savage, P.C.
3. I have a personal interest in Willcox & Savage, P.C. located at 440 Monticello Avenue Suite 2200 Norfolk, Virginia 23510.
4. Therefore, I will abstain from voting on the proposed grants to the fifty-nine (59) applicants identified on Exhibit A, attached hereto and incorporated herein.

Please record this declaration in the official records of City of Virginia Beach Development Authority. Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lisa M. Murphy'.

Lisa M. Murphy
Vice Chair

LMM/AWS

EXHIBIT A

1. 1 Below/Sub Zero Ice Cream
2. 22502 Inc Subway 22502
3. B.H. Lewis Enterprises
4. Barber & Salon
5. Bay Clips a Great Clips franchisee
6. Beachwear For Less LLC
7. Big Woody's Bar and Grill LLC
8. Bishops Red Mill / Empire Inc
9. Blesto Restaurants DBA Pop's Diner Co.
10. Buddington Enterprises, LLC
11. Centerville Bingo Inc.
12. CHERI'S SKIN & NAIL BOUTIQUE
13. Clean Air Solutions
14. Copy Center
15. DE SOUP LLC ZOUP
16. Eurasia Cafe
17. FITNESS WORKS LLC, CYCLE BAR
18. Five Star Jelly Ball Inc
19. Fix It
20. Gershon Pain Specialists
21. Grohler Hearing Aid Center Inc.
22. Hampton Roads Soccer Council
23. Harmony Health LLC
24. Home Republic Brewing
25. IFLY INDOOR SKYDIVING VIRGINIA LLC
26. Illumination LLC
27. Jewelry Empire
28. K Johnson Enterprises LLC DBA The Skinny Dip Frozen Yogurt
29. Kingdom Time LLC.
30. KOKAMA CORP SUBWAY
31. LABL VB
32. Landmark Hotel Group LLC
33. Legacy Sports Barbershop LLC
34. M & G LLC dba Best For Less
35. Meyer Beauty Salon Inc
36. NANCY'S NAILS
37. National Yoga Academy
38. New Tomorrow/K&G Consulting
39. Philly Pretzel Factory
40. Pleasure House Brewing
41. Princess Nails and Modern Spa
42. Ryoshin-Kan Karate School
43. SARAH T ESPARZA DDS PC
44. Selective Search/Double Take



45. Smartmouth Brewing Company
46. SPOON ME
47. Strawbridge Dental PC
48. T&Q Enterprises LLC
49. THE BIG DIPPER / THE SKINNY DIP FROZEN YOGURT BAR
50. Thrive Proactive Health LLC
51. Trends Salon Inc
52. Twin Tiger Ice Cream & Funnel Cake Café
53. VAUGHAN ENTERPRISE CORP
54. Vaughan Enterprise Corp 2
55. Video Game Heaven Inc
56. We Care Community Services
57. Wellbeing Enterprises Inc- Hands with Heart
58. Wheel and Rim Repair Inc
59. Holder Inc T/A The Melting Pot