

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
August 18, 2020 MINUTES

The City of Virginia Beach Development Authority held its regular meeting on Tuesday, August 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.

Full video of item presentations and discussions can be viewed on our website at the following link - <https://www.yesvirginiabeach.com/about-us/Pages/development-authority.aspx>

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

ADVISORS PRESENT: Taylor Adams, Director of Economic Development
Alexander Stiles, Senior City Attorney
Rosemary Wilson, Council Member Liaison
Louis Jones, Council Member Liaison
Vicki Kelley, VBDA Clerk

The following Staff members attending the meeting only during their presentations to the Board as needed.

Charlie Bauman, Business Development Manager
Laura Hayes, Business Development Coordinator
David Couch, Business Development Administrator
Letitia Langaster, Business Development Manager
Ihsane Mouak, Project Development Manager
Sean Murphy, VBDA Accountant
Jeffrey Smith, Business Development Manager
Cole Trower, Business Development Manager

REPORTED BY: Taylor V. Adams

RECORDED BY: Vicki Kelley

OPEN FLOOR
No public speakers

REGULAR MEETING

1. Approved Minutes
 - July 21, 2020.

MOTION: Joseph Strange
SECOND: Peter Mueller
APPROVED: 7-0

David Bernd arrived at 8:35am following the approval and vote of the minutes.

2. Chair Dot Wood appointed Joseph Strange and Peter Mueller to the Nominating Committee for VBDA Officers. Joseph Strange agreed to report results at the September Business Meeting.

REVIEW OF FINANCIAL POSITION

3. Sean Murphy gave the monthly financial overview
 - Presentation attached

Operating Account Summary: July 2020

Beginning Cash	\$4,687,450
Significant Cash Receipts	
✓ \$1,856,308 of land sale proceeds from Innovation Park sale	
✓ \$17,279 of Industrial Revenue Bond income	
✓ \$83,620 of Amphitheater CIP funding	
✓ \$3,204 of interest income	
Significant Cash Disbursements	
✓ \$26,298 to Landscape Management for FY2021 Corporate Landing services	
✓ \$13,000 to Globalinx for conduit management fee	
✓ \$120,000 of deposits related to acquisition of Dome Site related property	
✓ \$83,620 of reimbursements to Live Nation	
Ending Cash	\$4,529,135

Incentive Account Summary: July 2020

Beginning Cash	\$7,023,457
Significant Cash Receipts	
✓ \$873 of monthly interest income	
Significant Cash Disbursements	
✓ \$3,523 of Part B award payments to 17th Street Properties	
✓ \$245,556 of Part E award payments	
✓ \$2,566 of legal fees related to the Dome Site	
✓ \$111,453 of Bio Initiative funding for:	
○ July & August Bio Accelerator rent (\$20,270.56)	
○ March – May Innovation Park engineering fees (\$83,536.50)	
○ May Bio Accelerator consulting services (\$7,646.01)	
Ending Cash	\$6,659,999

Incentive Account Summary: July 2020

Ending Cash held by VBDA	\$6,659,999
PLUS: EDIP and other Receivables	\$7,984,609
LESS: Payables and Commitments	<u>\$12,604,903</u>

Ending Available Funding **\$2,039,705**

4. Resolution Approved for Abatement of Rent at the Virginia Beach Amphitheater through the remainder of 2020
 - Presentation attached

MOTION: Lisa Murphy
SECOND: Peter Mueller
APPROVED: 8-0

TOWN CENTER

5. Resolution Approved amending the Development Agreement with Stokes Properties/Town Center Hotel
 - Presentation attached

MOTION: William Brunke
SECOND: Lisa Murphy
APPROVED: 8-0

INNOVATION PARK

6. No Action required by the VBDA for YCH Designs in Innovation Park. The guidelines were resolved administratively with Planning.

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM – (EDIP)

7. Resolution approved additional awards under the EDIP Part E Grant
 - Presentation attached

Motion: Lisa Murphy
Second: William Brunke
Approved: 8-0

Taylor Franklin, William Brunke and Lisa Murphy abstained from voting on certain individual applications as detailed in partial abstention letters attached to these minutes.

8. Resolution Approved extending the time to meet the performance criteria for the EDIP Award to LifeNet.

Motion: David Bernd
Second: Lisa Murphy
Approved: 8-0

BUSINESS ASSISTANCE

9. Resolution Approved of Procedures for Administration of CARES Act Funds Appropriated to Authority by City Council

Motion: David Bernd
Second: Lisa Murphy
Approved: 8-0

ADMINISTRATIVE INFORMATION

10. Chair Dot Wood presented Peter Mueller a plaque and a resolution for his 8 years serving on the VBDA Board of Commissioners
11. Director Taylor Adams shared the Wall Street Journal Ad with the Commissioners
 - Cole Trower shared a Landstown High School Competition showing our future workforce

CLOSED SESSION

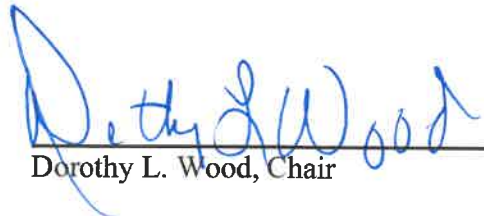
The Authority moved to recess into a closed session pursuant to the exemptions from open meetings allowed by Section 2.2-3711(A) of the Code of Virginia (1950), as amended, for the following purposes:

Motion: Lisa Murphy
Second: Joseph Strange
Approved: 8-0

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).

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).

Motion: Lisa Murphy
Second: William Brunke
Approved: 8-0


Dorothy L. Wood, Chair



August 18, 2020

Ms. 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.

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 forty-six (46) 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 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 "Lisa M. Murphy", written in a cursive style.

Lisa M. Murphy
Vice Chair

LMM/AWS

EXHIBIT A

B.H. Lewis Enterprises ✓
Blesto Restaurants DBA Pop's Diner Co. -
Centerville Bingo Inc. -
Dancesport Inc. -
Dr. Laura F. Dabney, MD, PC ✓
Global One Inc S. Jafri - 2nd application ✓
Hammer Fitness & Sports Performance ✓
Penang of Virginia Beach Inc. ~
Rockefeller's Inc. -
Selective Search Inc./Double Take ✓
Tequila Inc/El Azteca Mexican Restaurant possibly 2nd submission -
THE MELTING POT (28 EMPLOYEES) ✓
TIDEWATER CLIPPERS LLC, GREAT CLIPPS (98 EMPLOYEES) -
Warriors Grill Inc -
3 Sisters VA LLC ✓
Back Bay Brewing -
Bay Cafe / Hot Tuna ✓
BEAUTY BUCKETS -
BEECROFT & BULL LTD ✓
BEST LAW OFFICE ✓
Blue Monkey Vapes, Inc -
FIDELITY SOUND REINFORCEMENT INC ✓
FITNESS RESOURCES INC ✓
GREENLIGHT FITNESS, LLC/FIT BODY BOOT CAMP ✓
Jai Mahadev LLC ✓
John D. Hooker Jr & Associates ✓
PHASE SALON ✓
Sai Rama Inc ✓
SAKURA POKE BOWL & SUSHI ✓
SHARPS BARBERSHOP ✓
Sloppy Seconds Grill LLC ✓
The Makeup School By Sarah Rillon ✓
The Nature Bus/Nature Kids LLC ✓
Top Shelf Art LLC/Red 5 ✓
Twin Tiger Ice Cream & Funnel Cake Cafe ✓
Beach Eye Care ✓
Audio Pros. INC. -
BBH Hughes Corp. -
Virginia Aquamarine & Marine Science Center Foundation, Inc. ✓
HLF Rock Inc/Venue 112 ✓
Iceland of Hampton Roads Inc ✓
Nail Design LLC ✓
Allergy & Asthma Center ✓
Porpoise Prints ✓
Rinaldo's Second Generations ✓
Sandbridge Tattoo/Altman Creations ✓



August 18, 2020

Ms. 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 and abstention regarding the City of Virginia Beach Development Authority's discussion and/or vote on the approval of multiple grants under Park E of the EDIP Policy.

2. Five (5) of the applicants under consideration 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 FJG, located at 300 32nd Street, Suite 310, Virginia Beach, Virginia 23451.

4. Therefore, I will abstain from voting on the proposed grants to the recipients identified on Exhibit A, attached hereto and incorporated herein.

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".

W. Taylor Franklin
Commissioner

WTF/AWS

Exhibit A

Tidewater Clippers LLC, Great Clips
Beacroft & Bull LTD
Fitness Resources Inc.
Greenlight Fitness, LLC/Fit Body Boot Camp
Top Shelf Art LLC/Red 5



August 18, 2020

Ms. 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 (the "Authority") discussion and/or vote on the approval of multiple grants under Part E of the EDIP Policy.

2. Brunke & Company, LLC provides services to three of the proposed recipients of a grant, or the landlord of that recipient.

3. I have a personal interest in Brunke & Company, LLC located at 2809 S. Lynnhaven Rd., Suite 300, Virginia Beach, VA 23452.

4. Therefore, I will abstain from voting on the proposed grants to the recipients 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 'William J. Brunke', written in a cursive style.

William J. Brunke
Commissioner

WJB/AWS

Exhibit A

Blesto Restaurants DBA Pop's Diner Co.
The Coop
Back Bay Brewing