

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY  
MARCH 15, 2022, MINUTES

The City of Virginia Beach Development Authority (“VBDA”) held its regular meeting on Tuesday, March 15, 2022, 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/vbda>

MEMBERS PRESENT: Lisa M. Murphy, Chair  
Joseph Strange, Vice Chair  
W. Taylor Franklin, Assistant Secretary  
William Brown, Commissioner  
Penny Morgan, Commissioner  
Michael J. Standing, Commissioner  
Guenter H. Weissenseel, Commissioner

ADVISORS PRESENT: Taylor V. Adams, Deputy City Manager/Director of Economic Development  
Alexander W. Stiles, Senior City Attorney  
Kathy Warren, SGA Manager  
Kaitlen S. Alcock, Planning Department  
Emily Archer, Project Development Manager  
Charles J. Bauman, III, Senior Business Development Manager  
Devin Cowhey, Business Development Manager  
Katrina N. Flowers, VBDA Accountant  
Laura D. Hayes, Business Development Coordinator  
Letitia E. Langaster, Business Development Manager  
Elisabeth D. Parker, Administrative Assistant  
Jeffrey L. Smith, Business Development Coordinator  
Svetla G. Tomanova, Marketing Assistant  
Raymond K. White, Business Development Coordinator  
Deborah Zywna, Planner III

REPORTED BY: Taylor V. Adams

RECORDED BY: Vicki L. Kelley

Chair, Lisa Murphy, began the meeting at 8:30 a.m.

**OPEN FLOOR**  
No Public Speakers

**REGULAR MEETING**

**MEETING MINUTES**

1. Approval of Meeting Minutes, February 15, 2021.

MOTION: Joseph Strange  
SECOND: Taylor Franklin  
APPROVED: 7-0-0

## FINANCIALS

2. Katrina Flowers presented financials for February 2022.

### **Operating Account Summary: February 2022**

Beginning Cash – February 1, 2022 \$4,387,799

#### *Significant Cash Receipts*

\$114,016 Vanguard Landing for Loan Payment  
\$10,000 Beach Fellowship Church-Land purchase deposit  
\$4,080 VBSBFA-YMCA Bond Fee  
\$26,104 VSBFA-Sentara Healthcare Bond Fee  
\$675 Bank Interest

#### *Significant Cash Disbursements*

\$41,525 to Kimley Horn for Corporate Landing (“CL”) Northeast Design (Stormwater)  
\$48,755 to Kimley Horn for CL Southwest Design (Stormwater)  
\$53,783 to Vanasse Hangen Brustlin, Inc. (VHB) for CL Access Rd & Utility Design  
\$37,900 to Kimley Horn for Southwest Design (Stormwater)

Ending Cash –February 28, 2022 4,318,641

### **Incentive & Initiative Account Summary: February 2022**

Beginning Cash – February 28, 2022 \$3,563,462

#### *Significant Cash Receipts*

\$20,000 Refund for Property Acquisition on the Dome Site Project  
\$384 Bank interest income

#### *Significant Cash Disbursements*

\$10,693 Olympia Bendix Two Mar. Rent for Bio Accelerator  
\$52,456 Cooper Carry Atlantic Park (Dome Site) Reimbursable  
\$17,664 Kimley Horn Atlantic Park (Dome Site) Reimbursable  
\$31,190 Singer Davis LLC Nov. Legal Services (Dome Site)  
\$ 7,890 Singer Davis LLC Jan. Legal Services (Dome Site)  
\$5,500 Facility Logix Jan. Bio Management Fee

Ending Cash – February 28, 2022 \$3,461,911

### **Incentive Account Summary: February 2022**

Ending Cash held by VBDA \$3,461,911  
PLUS: (EDIP) and Other Receivables \$6,463,140  
LESS: Payables and Commitments \$7,345,468

**Ending EDIP Grant Available Funding \$2,579,583**

### **Incentive Detailed Reporting: February 2022**

Beginning EDIP Grant Available Funding \$22,899,218  
PLUS: EDIP Grants Closed this Month \$277,407  
LESS: New EDIP Grants – February 2022 \$0  
LESS: APZ-1 EDIP Grants – Committed \$454,177  
LESS: EDIP Payments made this Month \$142,865

**Ending EDIP Grant Available Funding \$2,579,583**

- Presentation attached
  - Ms. Flowers added:
    - First EDIP Process Training for staff has been completed
    - Will be completing segment two of the EDIP Process Training soon
    - Received the check for all receivable that was shown on the incentive summary, which will be shown in March
3. Approval of a Resolution modifying the terms of the Authority's Virginian Wesleyan Bonds Series 2018
- Benjamin Wills, bond counsel for Virginian Wesleyan University presented a request to modify the bond that was purchased by Town Bank in 2018.

MOTION: Michael J. Standing

SECOND: Joseph Strange

APPROVED: 6-0-1

Taylor Franklin abstained from voting on this item and the letter of abstention is attached to these Minutes

### CONTRACTS

4. Approval of a Resolution authorizing execution of a \$25,000 work order consistent with the IGSA between the Authority and the Navy for Future Base Design.
- Presentation attached

#### Discussion:

Chair Murphy asked if it was possible to ask the Navy and request funding from them on including a Study that would help develop a Master Plan or allow us to do a Study for potential use for the properties. DCM/Director Taylor Adams explained there were two tracks that could be taken to this type of Program. One is the Parcel-by-parcel approach, which is what was originally contemplated, but there is also a more holistic approach that could create an amendment to the agreement or the need for a second document.

There has been communication on the second document but has not been decided, if this Board will give us about 30 days to work on that, we can come back with an update.

What is being asked today is to approve an important step to allow us to move forward to assist the Navy with the Industry Day that is being planned while we continue to work towards bringing the best value to the community and the Navy.

Chair Murphy asked about the date of Industry Day. Raymond White announced that it will be held on April 20<sup>th</sup> at the Convention Center with a follow-up tour of the horse stable area which was decided to be a great place to start as it was easily accessible and close to infrastructure on Oceana Blvd.

Chair Murphy asked how many acres were included in the horse stable area. Mr. White announced there were about 140 acres.

Chair Murphy asked how this was being advertised and Mr. White explained there have been mass mailings to the different communities; Broker companies, HRACRE, and some of the other organizations; as well as the Development Community.

MOTION: Penny Morgan

SECOND: Guenter Weissenseel

APPROVED: 7-0-0

**FACADE IMPROVEMENT GRANTS (FIG)**

5. Approval of a Resolution approving 15 grants under the Façade Improvement Program.
  - Presentation attached

Discussion:

Chair Murphy asked how many more grants were remaining. Emily Archer stated the Grant Review Committee approved 19, so there are 4 more that will hopefully be approved next month.

Chair Murphy asked if that would take up the remaining funds and Emily Archer confirmed. Mr. Adams commented how we love this program as it provides support to small businesses in our community that would never qualify for formal investment for EDIP or location incentives. Mr. Adams commended Kathy Warren and Emily Archer for building out this program

Chair Murphy shared it was an investment that people can see and agreed it was a great program

MOTION: Taylor Franklin  
SECOND: Joseph Strange  
APPROVED: 7-0-0

**LEASED SPACE**

6. Approval of a Sublease of the Authority’s office space in the International Incubator to Correll Services.
  - Presentation attached

Discussion:

Chair Murphy asked how much space is left in the International Incubator after this. Laura Hayes replied there was one office left, but the offices are large and can hold several employees. The purpose of this space is to assist these companies with getting started and once they start building their client base they can then relocate to their own space.

Mr. Adams said that the goal of this space is to help them get established. Mr. Adams also commended the Authority for approving this space to be utilized in this way as it is setting a precedent for others.

Mr. Adams shared that we have had five international companies from the UK that have established their presence in Virginia Beach.

MOTION: Michael Standing  
SECOND: Guenter Weissenseel  
APPROVED: 7-0-0

**BIO**

7. Devin Cowhey gave the Board an update on the Bio Accelerator.
  - Presentation attached.

Discussion:

Chair Murphy asked how quickly these would start to percolate. Ms. Cowhey explained there are several companies interested and hopefully by next month we will have a tenant.

**BUSINESS PARKS**

8. Approval of a Resolution authorizing the sale of approximately 3.43 acres in the Corporate Landing Business Park to Seabreezy Enterprises, LLC (Forbes Candies)
  - Presentation attached.

- Charles Bauman introduced Martin Cochran from Forbes Candies and asked him if he would like to share anything with the Board.
  - i. Mr. Cochran thanked Economic Development and staff for their assistance over the last two years. It has been a long journey but now we are a lot more than just a gift shop on Atlantic Avenue. Forbes Candies have been in business for 92 years and we have been selling and delivering up and down the east coast and now expanding across the United States. In a few months, we will be exporting to Canada and by the end of the year, we are hoping to expand to Europe and Australia shipping to major chains.
  - ii. Chair Murphy asked how much the business had grown over the last 2 years during the pandemic
    1. Mr. Cochran explained the growth has not been very noticeable as the concentration has been more on distributing to chain candy stores and grocery stores.
  - iii. Chair Murphy asked how many employees the company has.
    1. Mr. Cochran shared there were 45 in manufacturing but over 100 total including seasonal.
  - iv. Chair Murphy responded that all were happy to have him and keep him here in Virginia Beach.

**Discussion:**

Chair Murphy asked if \$200,000 per acre was in line with other properties in the park. Mr. Bauman confirmed. Mr. Adams added that the price is supported by the last 3 appraisals.

MOTION: Taylor Franklin  
 SECOND: Penny Morgan  
 APPROVED: 7-0-0

9. Approval of a Resolution authorizing the sale of approximately 6.10 acres in the Corporate Landing Business Park to Zero Point, Inc.
  - Presentation attached.

**Discussion:**

Chair Murphy asked with these sales how much land does that leave us in Corporate Landing that is not spoken for.

Mr. Adams said there is little buildable land left available. We will be able to report that after 35 years we have nearly closed out the park. He thanked and commended the existing Board for growing our economy at an accelerated pace over the last 4 years. Chair Murphy noted the considerable increase in per-acre price. Mr. Adams replied that the price was \$125,000 to \$150,000 per acre but increased to \$200,000 per acre over the last 3 years and still a very high marketable and desirable property.

Chair Murphy stated we would have other opportunities, just not in Corporate Landing.

MOTION: Joseph Strange  
 SECOND: Penny Morgan  
 APPROVED: 7-0-0

10. Approval to release landscaping restriction at 1400 Air Rail Avenue.
  - Senior City Attorney Alex Stiles explained a document of record from 1975 that required the Purchaser to install landscaping within six months of purchase. The property is being sold and they are concerned about this requirement and have asked that we release the restriction. While the restriction is no longer active, it appears as a cloud on the title.

MOTION: Taylor Franklin  
SECOND: Guenter Weissenseel  
APPROVED: 7-0-0

**ADMINISTRATIVE INFORMATION**

- 11. There were no comments regarding VBDA Priorities.
- 12. There were no items for Board Member discussion.
- 13. Director's Report:

DCM/Director Taylor Adams reminded the Board that tomorrow was the Mayor's State of the City Address. Several of the announcements that this Authority has participated in this past year will be highlighted as well as some exciting things in the world of tourism.

City Council just completed their Annual Retreat, and we are now at the place where we will complete a budget for their approval by May 15<sup>th</sup>.

Mr. Adams thanked Accountant Katrina Flowers for continuing to make improvements to our financials month over month. The incentive account balance increased to a healthy \$2.5000,000 over the last 3 years which shows this group has accomplished the goal of building on that balance to be able to assist with larger projects with the land we have left. We now have a rough projection which will be advanced to City Council of what the portion of cigarette tax will be, and it looks like the total will be approximately \$2.2 million. So, at the beginning of July, it looks like you will have \$2.2 million on top of the balance remaining.

Mr. Adams thanked the Board for their announcements and Chair Lisa Murphy thanked Taylor and the staff for bringing all the wonderful projects to the Board.

**RECESS TO CLOSED SESSION**

The VBDA 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:

**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). (*Corporate Landing, Innovation Park*)

**CONTRACT NEGOTIATION:** 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, District 3*)

MOTION: Taylor Franklin  
SECOND: Guenter Weissenseel  
APPROVED: 7-0-0

**RECONVENED INTO OPEN SESSION**

**CERTIFIED CLOSED SESSION**

MOTION: Taylor Franklin  
SECOND: Guenter Weissenseel  
APPROVED: 7-0-0

Chair Murphy adjourned the meeting at 10:00 am.

  
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Lisa M. Murphy, Chair



March 15, 2022

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 in connection with the request for modification of the terms of Virginia Wesleyan University Bonds (Series 2018).
2. I am on the Board of Trustees for Virginia Wesleyan University, located at 5817 Wesleyan Drive, Virginia Beach, VA 23455.
3. Although the City Attorney has advised me that I do not have a "personal interest" in Virginia Wesleyan University as that term is defined by the Act., due to my business relationship, 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(F), 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 blue ink that reads 'W. Taylor Franklin'.

W. Taylor Franklin  
Commissioner

WTF/AWS