

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
JUNE 21, 2022, MINUTES

The City of Virginia Beach Development Authority (“VBDA”) held its regular meeting on Tuesday, June 21, 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
William Brunke, Treasurer
W. Taylor Franklin, Assistant Secretary
David Bernd, Commissioner
William Brown, Commissioner
Nneka Chiazor, Commissioner
Penny Morgan, Commissioner
Ronnie Parker, Commissioner
Guenter Weissenseel, Commissioner

ADVISORS PRESENT: Taylor V. Adams, Deputy City Manager/Director of Economic Development
Alexander W. Stiles, Senior City Attorney
Kathy Warren, Deputy Director of Economic Development
Kaitlen Alcock, Planner II
Michael Anaya, Planner III
Emily Archer, Project Development Manager
Autumn Bailey, Business Development Manager II
Devin Cowhey, Business Development Manager
Katrina N. Flowers, VBDA Accountant
Laura D. Hayes, Business Development Coordinator
Steve Herbert, Consultant for Business Development
Letitia Langaster, Business Development Manager II
Olivia O’Bry, Executive Assistant II
Elisabeth D. Parker, Administrative Assistant
Jeffrey Smith, Business Development Coordinator
Svetla Tomanova, Business Development Rep
Annagid Walker, Account Clerk III
Raymond 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

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:

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)(29). (Corporate Landing, District 6, District 5)

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, District 6)

MOTION: William Brunke
SECOND: Joseph Strange
APPROVED: 10-0-0

RECONVENED INTO OPEN SESSION

CERTIFIED CLOSED SESSION

MOTION: William Brunke
SECOND: Guenter Weissenseel
APPROVED: 10-0-0

Chair Lisa Murphy announced the passing of Council Member Louis Jones who was also our former Mayor, Vice Mayor, and one of the Council Member Liaison to the VBDA for as long as she could remember. He will be very missed by not only the whole City but this body as well. He truly gave us good advice and counsel and it was always a pleasure having him here. Ms. Murphy asked for a moment of silence to remember him.

REGULAR MEETING

MEETING MINUTES

1. Approval of Meeting Minutes, May 17, 2021.

MOTION: William Brunke
SECOND: Joseph Strange
APPROVED: 10-0-0

FINANCIALS

2. Katrina Flowers presented financials for May 2022.

Operating Account Summary: May 2022

Beginning Cash – May 1, 2022 \$4,372,955

Significant Cash Receipts

- Grand Total of Significant Cash Receipts - \$24,143
- | | |
|----------|---|
| \$11,065 | VB National Golf Club for Mar. Operations Rent |
| \$12,160 | Charity Donation for Annual Business Appreciation Golf Tournament |
| \$ 918 | Interest income |

Significant Cash Disbursements

- Grand Total of Significant Cash Disbursements - \$153,532

\$13,792	Globalinx for May Conduit Management Fee	
\$46,765	Globalinx for approved 2021 Annual Maintenance Management Agreement	
\$ 6,125	Cherry Bekaert for Audit Fee for June 30, 2021 final payment	
\$23,799	Vanasse Hangen Brustlin (VHB) for CL – New Roadway Design	
\$14,978	VB National Golf Club – Charity Golf Tournament - Golf Clubs, Gift Cards, Cart Fee etc.	
\$34,281	City Treasurer – Balance Due to the City for VBCDC Loan	
Ending Cash – May 31, 2022		\$4,289,290

Incentive & Initiative Account Summary: May 2022

Beginning Cash – May 1, 2022	\$3,839,448
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Significant Cash Receipts

- Grand Total of Significant Cash Receipts - \$ 425

\$425	Bank interest income
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Significant Cash Disbursements

- Grand Total of Significant Cash Disbursements - \$248,453

\$21,968	Singer Davis – Mar. Legal Services for Dome Site	
\$33,681	Cooper Carry – Reimbursable Expense for Dome Site	
\$ 2,400	WPL – Reimbursable Expense for Dome Site	
\$ 26,369	Cooper Carry – Reimbursable Expense for Dome Site	
\$21,153	Kimley Horn – Reimbursable Expense for Dome Site	
\$10,643	Olympia Bendix Two for June Bio Accelerator Rent	
\$ 5,500	Facility Logix – April Bio Management Fee	
\$ 7,500	Facility Logix – Approved Operating Budget to 6/30/2022	
\$19,793	Singer Davis – May Legal Services for Dome Site	
\$18,556	Hunton Andrews Kurth – Oct-21to May-22 Legal Services for Dome Site	
\$ 5,513	City Treasurer – Balance Due to City for Vibes Grant	
\$49,771	City Treasurer – Balance Due to City for Cares Grant	
\$10,000	Sweet Spot LLC – FIG Grant, formerly known as DIP Grant	
\$ 5,606	A Touch of Class Catering – FIG Grant, formerly known as DIP Grant	
\$10,000	Waves Motel Inc – FIG Grant, formerly known as DIP Grant	
Ending Cash – May 31, 2022		\$3,590,200

Incentive Summary Reporting: May 2022

Beginning VBDA EDIP Grant Balance	\$ 2.682 M
EDIP Grants Expired (Closed)	+ \$ 50 K
New Grants Approved by VBDA	- \$ —
EDIP Grant Funds Available as of May 2022	\$ 2.732 M

Accountant Katrina Flowers shared with the Board that there will be a new appropriation of \$1.9 Million Dollars for the EDIP program for the new fiscal year effective July 1st.

3. Presentation and vote of the approval of the FY 2022/2023 Annual Operating Budget was deferred until the July VBDA Board meeting.

MOTION: William Brunke
 SECOND: Nneka Chiazor
 APPROVED: 10-0-0

CONTRACTS

- 4. Approval Resolution extending the Authority’s forbearance under the loan to Vanguard Landing until December 31, 2022.

Discussion:

Deputy Director Taylor Adams explained we are at the end of the forbearance period with Vanguard Landing as contemplated by the VBDA’s June 2021 resolution.. The major milestone was to secure site-plan approval to continue our relationship. Vanguard Landing’s team has provided quarterly reports that were required, and they have made a reduction in principle, also required in the agreement. Vanguard has also put forth effort in obtaining site plan approval but has not achieved that milestone. They are requesting an extension until the end of the year to acquire a site plan approval.

Mr. Adams stated we have had a discussion with members of City Council and believe it is a reasonable request and ask the Board to approve an extension until the end of this year, December 31, 2022.

Mr. Brunke made the motion to extend the term of forbearance until December 31, 2022, and in addition, would require Vanguard Landing to obtain loan approval by December 31, 2022.

MOTION: William Brunke
SECOND: David Bernd
APPROVED: 10-0-0

BUSINESS PARKS

- 5. Approval of a waiver of a buyback provision and right of first refusal for Norfolk-Virginia Airport, Inc at Airport Industrial Park.

Discussion:

Vice-Mayor Rosemary Wilson asked what they were planning to build, and Senior City Attorney Alex Stiles stated some type of warehouse.

MOTION: William Brunke
SECOND: Penny Morgan
APPROVED: 9-0-1

Chair Lisa Murphy abstained from voting on this item and the letter of abstention is attached to these Minutes.

BIO

- 6. Approval to not exercise renewal term of agreement with Facilities Logix, and prepare an RFP for the management of the Bio Lab.

Discussion:

Commissioner David Bernd asked how many tenants we currently have and Ms. Devin Cowhey explained currently there were no tenants, but the staff has been working with a few companies that are interested.

Chair Lisa Murphy indicated that performance has not been as expected, and that the best course of action would be an RFP to see what other opportunities might be available.

MOTION: William Brunke
SECOND: Ronnie Parker
APPROVED: 10-0-0

TOWN CENTER

7. Approval to exercise the final one-year renewal option for the Town Center Security Agreement with Divaris Property Management Corp.

MOTION: Nneka Chiazor
SECOND: Taylor Franklin
APPROVED: 10-0-0

8. The request for approval of a Resolution Amending the Development Agreement for the Hampton Inn at Town Center (located at 4595 Columbus Street) was deferred until the next VBDA Meeting.

Discussion:

Senior City Attorney Alex Stiles shared the details have not been solidified and would like to wait until the July VBDA Meeting to finalize this request.

MOTION (to defer): Joseph Strange
SECOND: Nneka Chiazor
APPROVED: 10-0-0

ECONOMIC DEVELOPMENT

9. Approval of a Resolution authorizing an EDIP Part “A” award in the amount of \$20,000 to United Property Associates, Inc.

MOTION: Penny Morgan
SECOND: Guenter Weissenseel
APPROVED: 10-0-0

10. Approval of a Resolution authorizing an EDIP Part “A” award in the amount of \$54,200 to Cavalier Ventures, LLC (d/b/a Tarnished Truth Distilling Company).

Discussion:

Ray White introduced Mr. Andrew Yancey with Cavalier Ventures before giving the presentation.

Chair Lisa Murphy asked what the company’s most popular cocktail was. Mr. Yancey stated the Orange Crush in the can was the most popular currently among the six flavors and we plan on adding more flavors over the next few months.

MOTION: Penny Morgan
SECOND: Ronnie Parker
APPROVED: 10-0-0

ADMINISTRATIVE INFORMATION

11. There were no VBDA Priority items for discussion
12. There were no VBDA Member comments
13. Director’s Report:

Deputy City Manager Taylor Adams shared his appreciation from the staff and entire city for the moment of silence for Council Member Jones. Mr. Adams continued to share that Mr. Jones was a real mentor to him and a tremendous resource in the seven years Mr. Adams has been with the City. Council Member Jones has been a real pillar to this community for a long time and again thank you for the formal recognition the body gave him this morning.

Mr. Adams announced Economic Development has new employees that he would like to introduce.

Autumn Bailey, an Economic Development new staff member that will be working with The Hive assisting and training small businesses to ensure they receive all the resources they need to grow and expand.

Emily Archer introduced Michael Anaya, a new Planner on the Project Delivery Team with Economic Development.

Mr. Adams also announced that Kathy Warren has accepted the position as the Deputy Director of Economic Development. He complimented Kathy on her contributions to the City and the community and lauded her efforts in integrating the SGA Office into the Department of Economic Development.

RECESS TO CLOSED SESSION

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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). *(District 4)*

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). *(District 4)*

MOTION: Taylor Franklin
SECOND: William Brunke
APPROVED: 10-0-0

RECONVENED INTO OPEN SESSION

CERTIFIED CLOSED SESSION

MOTION: Taylor Franklin
SECOND: William Brunke
APPROVED: 10-0-0

Chair Lisa Murphy adjourned the meeting at 9:50 am.



Lisa M. Murphy, Chair



June 21, 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:

1. I am executing this written disclosure and abstention regarding the City of Virginia Beach Development Authority's discussion and/or vote on a request by Norfolk-Virginia Beach Airport, LLC (the "Company") for a waiver of a buy-back provision and right of first refusal on property located in the Airport Industrial Park.

2. I have a personal interest in Willcox & Savage, P.C. located at 440 Monticello Avenue Suite 2200 Norfolk, Virginia 23510.

3. As a part of my employment with Willcox & Savage, P.C. I provide legal services to the Company, whose address is 2859 Virginia Beach Blvd., #106, Virginia Beach, Virginia 23452.

4. Therefore, I will abstain from voting on the proposed request for waiver by the Company.

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".

Lisa M. Murphy
Chair

LMM/AWS