

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
July 19, 2022, MINUTES

The City of Virginia Beach Development Authority (“VBDA”) held its regular meeting on Tuesday, July 19, 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
David Bernd, Secretary
Nneka Chiazor, 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, Deputy Director of Economic Development
Charles Bauman III, Business Development Manager
Kaitlen Alcock, Planner II
Michael Anaya, Planner III
Emily Archer, Project Development Manager
Autumn Bailey, Business Development Manager II
Devin Cowhey, Business Development Manager II
Katrina N. Flowers, VBDA Accountant
Ashley Gilmartin, Development Specialist
Laura D. Hayes, Business Development Coordinator
Letitia Langaster, Business Development Manager II
Bellamy McCollins, Student Intern
Ihsane Mouak, Business Development Coordinator
Elisabeth D. Parker, Administrative Assistant
Jeffrey Smith, Business Development Coordinator
Svetla Tomanova, Business Development Rep
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

REGULAR MEETING

MEETING MINUTES

1. Approval of Meeting Minutes, June 21, 2021.

MOTION: David Bernd
SECOND: Penny Morgan
APPROVED: 6-0-0

SANJO EXPANSION

- 2. Approval of a Resolution authorizing a Land Swap between the Miller Group and VBDA to Facilitate the Sanjo Expansion, presented by Devin Cowhey.

MOTION: David Bernd
SECOND: Nneka Chiazor
APPROVED: 6-0-0

- 3. Approval of a Resolution authorizing an EDIP Part “A” award in the amount of \$350,000 to Sanjo Inc.

MOTION: David Bernd
SECOND: Nneka Chiazor
APPROVED: 6-0-0

Discussion:

Chair Lisa Murphy thanked Ms. Cowhey for breaking down the presentation and for an excellent job explaining it.

Deputy City Manager Taylor Adams said we were fortunate to have Vice-Mayor Wilson join the trip to Spain where she got to meet the Company. Mr. Adams asked if she would like to share any comments.

Vice-Mayor Wilson shared that it was an amazing trip, and it was money and time well spent. She shared how proud of the team she was. Our team was there including Councilmember Aaron Rouse and had the chance to visit with 30 companies who attended to check us out.

Ms. Wilson said that Sanjo has been somewhat of an ambassador for us as they have shared their experience with other companies. As a result, we have at least five companies from that area visiting Virginia Beach in September who are considering opening offices here.

Ms. Wilson said that she and councilmember Rouse had a chance to sit with the Prime Minister, and had the chance to talk with him, the Mayor of Barcelona, and the Governor of Catalonia and talk with them at the evening event.

Ms. Wilson commended the Team for such an amazing job and gave a shout-out to Paige Fox, as she came in from a symposium for wind products in Manchester and was the only representative attending that from the entire east coast of the United States. I believe we will get some good businesses here out of that as well.

Ms. Wilson stated that the team is doing a tremendous job with the International Market and does not believe any other region is doing as well as ours with this.

Ms. Wilson also commended Laura Hayes on a great job and thanked everyone.

Ms. Murphy asked Devin if there were any other opportunities that were competing for Sanjo in other states. Ms. Cowhey stated there were other states competing to have them relocate, but the expansion would keep them in Virginia Beach. Mr. Adams shared the other two states competing were Florida and Tennessee.

FINANCIALS

- 4. Katrina Flowers presented financials for June 2022.

Operating Account Summary: June 2022

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

Significant Cash Receipts

- Grand Total of Significant Cash Receipts - \$41,104

| | |
|----------|---|
| \$18,506 | Norfolk EDA for Industrial Revenue Bond |
| \$17,830 | VB National for Apr-22 Operating Rent |
| \$ 2,980 | Charity Donation for the Annual Business Appreciation Golf Tournament |
| \$ 1,788 | Interest Income |

Significant Cash Disbursements

- Grand Total of Significant Cash Disbursements - \$18,131

| | |
|------------------------------------|--|
| \$ 3,781 | VB National for Luncheon for Golf Tournament Sponsorship |
| \$13,300 | Kimley Horn for CL Southwest Design |
| \$ 1,050 | Kimley Horn for CL Northeast Design |
| Ending Cash – June 30, 2022 | \$4,305,612 |

Incentive & Initiative Account Summary: June 2022

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|-------------------------------|-------------|
| Beginning Cash – June 1, 2022 | \$3,590,200 |
|-------------------------------|-------------|

Significant Cash Receipts

- Grand Total of Significant Cash Receipts - \$ 215,696

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|-----------|---|
| \$ 83,602 | Reimbursement for Dome Site for May 2022 |
| \$131,677 | Reimbursement for Dome Site for June 2022 |
| \$417 | Bank interest income |

Significant Cash Disbursements

- Grand Total of Significant Cash Disbursements - \$535,985

| | |
|------------------------------------|---|
| \$ 86,688 | Cooper Carry-Reimbursable for Dome Site |
| \$ 31,600 | Cooper Carry-Reimbursable for Dome Site |
| \$ 13,389 | Kimley Horn-Reimbursable for Dome Site |
| \$317,587 | IMS Gear Virginia-EDIP Part A-Partial Payment |
| \$ 45,000 | Point One USA, LLC-EDIP Part A-Final Payment |
| \$17,500 | Desman Associates for Atlantic Park Development Parking Study |
| \$ 5,500 | Facility Logix – May-22 Bio Accelerator Rent |
| \$10,643 | Olympia Bendix Two July-22 Bio Accelerator Rent |
| \$ 8,078 | Katherine Holdings LLC for RIG Grant |
| Ending Cash – June 30, 2022 | \$3,269,841 |

Incentive Summary Reporting: June 2022

| | |
|---|-----------------|
| Beginning VBDA EDIP Grant Balance | \$ 2.732 M |
| EDIP Grants Expired (Closed) | + \$ 42 K |
| New Grants Approved by VBDA | - \$ 74 K |
| EDIP Grant Funds Available as of June 2022 | \$ 2.7 M |

Discussion:

Chair Lisa Murphy asked Ms. Flowers if the closed Grants included Sanjo. Ms. Flowers stated that would be reflected in next month's report.

5. Approval of the FY 2022/2023 Annual Operating Budget, presented by Katrina Flowers.

MOTION: Guenter Weissenseel
 SECOND: Michael Standing
 APPROVED: 6-0-0

Discussion:

Chair Lisa Murphy asked Mr. Adams if the difference is how we are getting the allocated city funds this year. Mr. Adams confirmed and stated the only thing changing is it is going back to the way the funds were distributed to the VBDA prior to last year. In the last two years, the previous City Manager and Deputy City Manager decided to allocate the funds and move them over to our Operating Account. We were

operating out of a Capital Improvement Account which made it possible to use year after year. We liked that better as it was easy to track the money and were not bound by a fiscal year. The other advantage was building up a fund balance as this Board requested to be able to assist with larger grants as they become available.

This Budget takes us back to the traditional framework that we like. We believe the City Auditor will like this better too.

TOWN CENTER

6. Approval for the City of Virginia Beach Department of Emergency Management to temporarily utilize 110 S. Independence (Circuit City) for storage, presented by Senior City Attorney Alex Stiles.

Discussion:

Mr. Stiles explained the Virginia Beach Department of Emergency Management has requested to use this building to store some Personal Protective Equipment.

Mr. Stiles explained the building is empty and this would be a short-term agreement that would not impact our decisions to do something else with the building. Chair Lisa Murphy asked how long the agreement was for. Mr. Stiles said it was not defined, but probably 6 months.

Deputy City Manager Taylor Adams states this was a surplus of PPE, and they needed the space until it was all distributed. Mr. Adams agreed to make sure that this would not affect the VBDA use of the building in any way.

Chair Lisa Murphy asked if we were ready to bid this property out. Mr. Adams stated yes.

MOTION: Michael Standing
SECOND: Guenter Weissenseel
APPROVED: 6-0-0

7. Approval of a Resolution authorizing the Hampton Inn at Town Center(located at 4595 Columbus Street) to use an additional twenty parking spaces (165 total), presented by Senior City Attorney Alex Stiles.

MOTION: Nneka Chiazor
SECOND: Penny Morgan
APPROVED: 6-0-0

Discussion:

Mr. Stiles explained that last Summer the Board approved 145 non-reserved parking spaces available for the hotel to use. The Hotel has gone through a redesign and added 20 more rooms. They are now requesting the use of up to 20 more parking spaces.

Commissioner Michael Standing asked about future development in that area, and whether this action is just committing to long-term free parking spaces.

Deputy City Manager Taylor Adams explained this was a small remnant parcel that someone is trying to develop. We do not believe this will impact anything around it and when the deal first came forward, we did a complete rework of the parking study to make sure it did not adversely impact parking anywhere else in the system. It was a requirement that the property being developed be submitted to the special tax district so they would be contributing to the maintenance of the Town Center infrastructure as well, including the parking garages.

BUSINESS PARKS

8. Approval of a Resolution granting an option to purchase 13 acres in Corporate Landing Business Park to Michael D. Sifen, Inc., presented by Deputy Director Taylor Adams

Discussion:

Mr. Adams thanked Alex for taking some of the items to the Board as he wasn't sure he would make it to the meeting this morning. Mr. Adams also commended Devin Cowhey on the great job she did presenting the Sanjo request.

Mr. Adams explained that we have been developing 12 acres of land in Corporate Landing Business Park that starts at the corner of General Booth and Corporate Landing Way. We have general terms with Mr. Sifen, and the concern the Board had was retaining approval rights over the anchor tenant for the property subject to the option.

Mr. Sifen is asking for the ability to have control of the Real Estate. This would be a nonbinding agreement with the option of VBDA approval of the tenant. Mr. Stiles added this would be a one-year agreement with a one-year renewal option.

MOTION: David Bernd
SECOND: Michael Standing
APPROVED: 5-0-1

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

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM (EDIP)

9. Approval of a Resolution authorizing an EDIP Part "A" award in the amount of \$85,000 to Vectrona, LLC presented by Letitia Langaster.

MOTION: David Bernd
SECOND: Penny Morgan
APPROVED: 6-0-0

Ms. Langaster introduced the owner of Vectrona, LLC, Mr. Joe Gelardi.

ADMINISTRATIVE INFORMATION

10. VBDA Priorities:

Chair Lisa Murphy announced that she, William Brunke, and Alex Stiles are working on revising the EDIP Policy as far as job retention to have it line up more with the state Economic Development Policy and asked the other members to stay tuned for that.

Senior City Attorney Alex Stiles stated that all awards going forward will follow the revised policy, which is intended to be consistent with state incentive programs.

11. There were no VBDA Member comments
12. Director's Report:

Deputy City Manager Taylor Adams thanked Vice-Mayor Rosemary Wilson for her kind words about the Teams work and he was thankful for the time we had a City Official to showcase the great work the Team is putting forth.

Mr. Adams also shared he had the opportunity to share with past presidents of HRACRE including your Chair who is a past president and am thankful to have her there for support.

Mr. Adams shared an update on the zoning ordinance that City Council has been working on for some months concerning Battery Storage facilities that are needed in the offshore wind energy delivery. Mr. Adams thanked Vice-Mayor for her leadership in Council passing that approval.

Mr. Adams explained these will be \$100 to \$300 million-dollar investments to the real estate tax base.

Chair Lisa Murphy added that this was a critical component to having storage for the energy coming from the offshore wind. Mr. Adams agreed and shared that we have a 19-mile easement through our city, some on City, Navy as well as private land.

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:

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 5 and 6)*

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 5)*

MOTION: Guenter Weissenseel
SECOND: Penny Morgan
APPROVED: 6-0-0

RECONVENED INTO OPEN SESSION

CERTIFIED CLOSED SESSION

MOTION: Guenteer Weissenseel
SECOND: Nneka Chiazor
APPROVED: 6-0-0

Chair Lisa Murphy adjourned the meeting at 10:10 am.



Lisa M. Murphy, Chair



July 19, 2022

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 § 2.2-3112(A)

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 the Development Authority's discussion and/or vote on the request by Michael D. Sifen, Inc. to be granted an option to purchase Authority-owned property in the Corporate Landing Business Park.
2. I have a personal interest in Willcox & Savage, P.C. located at 440 Monticello Avenue Suite 2200 Norfolk, Virginia 23510.
3. Willcox & Savage, P.C. provides services to Michael D. Sifen, Inc.; therefore, I will abstain from voting on this matter.

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
Chair

LMM/AWS/csk