

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY  
December 19, 2023 MINUTES

The City of Virginia Beach Development Authority (“VBDA”) held its regular meeting on Tuesday, December 19, 2023, 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  
W. Taylor Franklin, Vice-Chair  
Guenter H. Weissenseel, Secretary  
William Brown, Assistant Secretary  
William Brunke, Treasurer  
Michael J. Standing, Commissioner  
Linda Garris-Bright, Commissioner  
Penny Morgan, Commissioner  
David Weiner, Commissioner  
Ronnie L. Parker, Commissioner

MEMBERS ABSENT: Eric Keplinger, Commissioner

CITY COUNCIL: Vice Mayor Rosemary Wilson  
Council Member Michael Berlucchi

ADVISORS PRESENT: Alexander W. Stiles, Senior City Attorney  
Kathy M. Warren, Director, Planning & Community Development  
Charles E. Rigney, Interim Director of Economic Development  
Emily L. Archer, Project Development Administrator  
Michael R. Anaya, Planner III  
Charles J. Bauman, III, Business Development Coordinator  
Blake Huffman, VBDA Senior Accountant  
Paige M. Fox, Business Development Manager II  
J. D. Hines, Senior Land Development Engineer  
Deborah Zywna, Planner III  
Elisabeth D. Parker, Executive Assistant II  
ShiKim Holden, Administrative Technician  
Jeffrey L. Smith, Business Development Coordinator  
Deborah Zywna, Planner III  
Ihsane Mouak, Business Development Coordinator  
Annagid Walker, Account Clerk III  
Pamela D. Witham, Senior Planner  
Kevin Kielbasa, Controller  
Howie McEntee, Accountant II

REPORTED BY: Charles E. Rigney

RECORDED BY: ShiKim Holden

Chair Lisa Murphy began the meeting at 8:30 a.m. and read the special meeting letter.

**OPEN FLOOR**  
No public speakers.

**REGULAR MEETING**

**MEETING MINUTES**

1. Approval of Meeting Minutes, December 19, 2023

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

**FINANCIALS**

2. Review of Financial Statements for November of 2023 presented by Blake Huffman.

**Operating Account Summary: November 2023**

Beginning Cash – November 1, 2023 **\$4,321,352**

*Significant Cash Receipts*

- Grand Total of Significant Cash Receipts - \$3,048,079
  - \$1,236,780 Atlantic Park Entertainment Venue to Venture Waves LLC (Reimbursement from City CIP)
  - \$1,325,150 Atlantic Park Offsite Infrastructure to Venture Waves LLC (Reimbursement from City CIP)
  - \$ 425,825 Corporate Landing Business Park Offsite Infrastructure (Reimbursement from City CIP)
  - \$ 22,734 Corporate Landing Stormwater Construction (Reimbursement from City CIP)
  - \$ 16,608 Innovation Park Sewer Construction Design Task – GoVA Grant
  - \$ 20,983 Interest Income

*Significant Cash Disbursements*

- Grand Total of Significant Cash Disbursements - \$3,178,934
  - \$1,236,770 Atlantic Park Entertainment Venue to Venture Waves LLC (To be reimbursed by City CIP)
  - \$1,325,150 Atlantic Park Offsite Work to Venture Waves LLC (Reimbursed by City CIP)
  - \$ 110,575 Atlantic Park Construction Professional Services for the month of October 2023 - MBP
  - \$ 425,825 Corporate Landing Park Business Park Offsite Infrastructure (To be reimbursed by City CIP)
  - \$ 29,043 Innovation Park Infrastructure (Reimbursed by City CIP)
  - \$ 14,205 Monthly recurring charge conduit management for Globalinx-November '23
  - \$ 14,632 Monthly recurring charge conduit management for Globalinx-December '23
  - \$ 22,734 Administrative Services for Corporate Landing Business Park Construction (Reimbursed from City CIP)

**Ending Cash – November 30, 2023 **\$4,170,679****

**Incentive & Initiative Account Summary: November 2023**

Beginning Cash – November 1, 2023 **\$2,890,003**

*Significant Cash Receipts*

- No Significant Receipts

*Cash Disbursements Detail*

- Grand Total of Significant Cash Disbursements - \$78,829
  - \$ 11,329 Olympia Bendix Two (Bio Accelerator Lease Payment to include Pro-rata Real

	Estate Taxes-November 2023)
\$ 10,000	Assisi Medical Services, Inc (FIG Grant)
\$ 57,500	Valkyrie Enterprises EDIP Part A Grant (Final Payment)

**Ending Cash – November 30, 2023** **\$2,811,309**

**EDIP Grant Summary Reporting: November 2023**

<b>Beginning VBDA EDIP Grant Balance</b>	<b>\$3,220,814</b>
<b>Earned Interest and Activity Analysis Fee</b>	<b>+\$ 98</b>
<b>New Grants Approved by VBDA (DOMA)</b>	<b><u>-\$ 167,000</u></b>
<b>EDIP Grant Funds Available as of November 2023</b>	<b>\$3,053,912</b>

**AUTHORITY BYLAWS**

3. Request approval to amend the Authority’s Bylaws to change the regular meeting day to the second Tuesday of each month presented by Senior City Attorney Alexander Stiles.

Mr. Stiles informed the Authority that the process to change the Bylaws was simple. He asked the members to agree upon an effective date for the change.

*Discussion:*

Mr. Brunke began the discussion expressing the possibility of starting before another budget season to accommodate the request of the Councilmembers on the Authority. Mr. Standing did not oppose, however he stated that some members may have a conflicting schedule due to proactive planning surrounding the original meeting date. Mr. Standing and Mr. Weiner informed the Chair that they would miss multiple meetings if the change took effect in January. Councilmember Wilson expressed gratitude for the consideration and informed the Authority that she doesn’t mind waiting until the summer. Councilmember Wilson spoke about the toll it can put on the members due to long meeting days. Mr. Brunke suggesting starting July 1, 2024, at the beginning of the new fiscal year. The Authority agreed. Mr. Brunke inquired about the second Tuesday being enough time to prepare previous month financials. Mr. Huffman assured him the presentations would be completed before the meetings.

MOTION: Taylor Franklin  
 SECOND: Guenter Weissenseel  
 APPROVED: 10-0-0

**ECONOMIC DEVELOPMENT INVESTMENT PROGRAM (EDIP)**

4. Authority’s EDIP Policy updates presented by Interim Director, Charles Rigney, and Senior City Attorney Alexander Stiles.

Ms. Murphy informed the Authority of Mr. Standing and Mr. Brunke working on amendments to the EDIP Policy. Mr. Rigney informed the Authority that the intent of the amendments to the EDIP Policy is to align the program better with state requirements and to raise the average wage levels of programs the Authority would incent on a two-tier basis. A main focus is the occasional situation where the Commonwealth has a longer performance period than the Authority. Language has been put into the EDIP Policy to account for this situation. That change eliminates having to amend awards in those circumstances where the Commonwealth matching funds allow for a longer performance period. The Authority will be given a month to consider the changes before voting. A blackline and original copy of the policy was provided to each Authority member. The policies highlight two definitions used by the State regarding qualifying jobs. Mr. Standing and Mr. Brunke have helped to come up with job levels to tie the average annual wage in Virginia Beach.

*Discussion:*

Ms. Murphy expressed the importance of adjusting the floor so that it is tied to the State and the average on an annual basis. This means it will be continually adjusted without further action on the part of the Authority. Raising the floor on the minimum average wages where the Authority is incentivizing companies to expand or bring new jobs to the area is also an important focus. Mr. Stiles informed the Authority that they will be given the month to review the blackline copy before voting on a resolution at the January VBDA meeting. Upon approval, the resolution will be taken to City Council. Mr. Stiles encouraged the Board to reach out to himself or Mr. Rigney if they have any follow-up questions. Mr. Parker inquired about the EDIP Policy change affecting a lower demographic due to them not being able to compete with the raised average wage levels. Mr. Brunke spoke about that not being considered initially due to his personal focus on adjusting the current wages; however he believes that the concern is valid and should be looked further into. Mr. Rigney informed the commissioners that he is working with Ihsane Mouak to look into a grant program specific to small businesses at lower levels. The request has been made, but Mr. Rigney is still waiting on the process to move forward. Ms. Murphy suggested adding a separate category to the EDIP program just for small business incentives. Mr. Rigney informed her that this could be done. He expressed wanting it to be a grant program, not a loan program.

**CORPORATE LANDING BUSINESS PARK**

5. Request approval of a Resolution authorizing extending the term of the lease with Globalinx Data Center LLC for a portion of the Authority's Corporate Landing Conduit System presented by Senior City Attorney Alexander Stiles.

Mr. Stiles reminded the Authority that it had approved a lease for a portion of the Authority's conduit along Corporate Landing Park at the October meeting. The term was 20 years with a single five-year renewal. Since the vote, Globalinx has identified a potential client that needs a 20-year term with three five-year renewals. Mr. Stiles informed the Authority that all other terms would remain the same, and there are escalators for the extra terms. A clause within the agreement states that if Globalinx has not begun utilizing the conduits within 10 years then the Authority can terminate the agreement. The only addition to the previously approved agreement would be the addition of two five-year terms.

*No Discussion*

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

**ADMINISTRATIVE INFORMATION**

7. VBDA Priorities: *No Discussion*
8. VBDA Members: *No Discussion*

*Discussion:*

Mr. Weiner informed the Authority that the City's Parks and Recreation Department received a gold medal award as the number one Parks and Recreation Department in the country. Ms. Murphy also spoke about the approval of funding for a new trail system from the federal government. The trail system will run from the City line through Town Center. It will include the Pedestrian Bridge over Independence Boulevard

9. Interim Director's Report: *C. Rigney*

*Discussion:*

Interim Director, Charles Rigney, spoke about opportunities for redevelopment ranging from Newtown Road to Town Center. The Economic Development Department has been looking at the properties in that area. The \$14.9 Million grant announced by Senator Kane and Senator Warner is a great step in the right direction. Mr. Rigney also informed the Authority that Sentara had wired \$1.2 Million to the

Authority to acquire the note that the Authority was holding from Vanguard Landing. The note was secured by that the real estate Vanguard Landing owned in the City. This results in Sentara being Vanguard Landing's new lender. Mr. Rigney informed the Authority of the completion of the reverter of land previously sold to YCH, LLC (YNOT Pizza). The Authority now owns those 14 acres again. There are currently several prospects looking to develop that land. Mr. Rigney welcomed the arrival of Laura Chalk's new bundle of joy, Charlotte Chalk, and informed the board of her return in eight weeks. Henry Cobb will be starting employment at The HIVE on January 4th. Mr. Rigney gave Mr. Cobb's professional background. Mr. Rigney informed the Authority of ShiKim Holden relocating and Elisabeth Parker assuming the role of VBDA Clerk. New VBDA Accountant, Blake Huffman, was formally introduced to the Authority. Mr. Huffman has assumed the role as Katrina Flower's replacement. Mr. Huffman has held this position previously and is eager to be back. There are currently two vacancies in Economic Development, which need to be filled.

Chair Lisa Murphy moved to recess into a closed session.

**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 purpose:

**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)*

**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)*

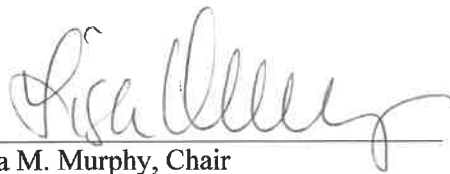
MOTION: William Brunke  
SECOND: Linda Garris-Bright  
APPROVED: 10-0-0

**RECONVENED INTO OPEN SESSION**

**CERTIFIED CLOSED SESSION**

MOTION: Guenter Weissenseel  
SECOND: Linda Garris-Bright  
APPROVED: 10-0-0

Chair Lisa Murphy adjourned the meeting at 10:26 a.m.

  
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Lisa M. Murphy, Chair