The Virginia Beach Development Authority held its regular meeting on Tuesday, April 21, 2015, at 8:30 a.m. in the large conference room at 4525 Main Street, Suite 700, Virginia Beach, VA, pursuant to notice given by the Chair.

MEMBERS PRESENT: Elizabeth A. Twohy, Chair
Dorothy L. Wood, Vice Chair
Shewling Moy, Secretary
Robert L. Nicholson, Assistant Secretary
Bryan D. Cuffee, Treasurer
Linwood O. Branch, Commissioner
Michael H. Levinson, Commissioner
Stephen J. McNulty, Commissioner
Charles M. Salle’, Commissioner
Joseph E. Strange, Commissioner

ADVISORS PRESENT: Michelle Chapleau, Business Development Manager
Betty Clark, Executive Assistant to Director
Curtis Cobert, Jr., Business Development Manager
David Couch, Strategy Coordinator
Scott Hall, Business Development Coordinator
Warren D. Harris, Director
Steve Harrison, Business Development and Research Manager
Louis R. Jones, Vice Mayor
Sean Murphy, VBDA Accountant
Randy Royal, Kimley-Horn
Doug Smith, Deputy City Manager
Jerry Stewart, Workforce Development Coordinator
Alex Stiles, Senior City Attorney
Svetla Tomanova, Marketing Assistant
Mark Wawner, Project Development Coordinator
Ray White, Business Development Manager
Rosemary Wilson, Councilmember

REPORTED BY: Mark Wawner

RECORDED BY: Linda Assaid

The Authority convened into session and discussed the following:
REGULAR MEETING

Warren Harris introduced Kevin Sweeney who is serving as the Interim President & CEO for the Hampton Roads Economic Development Alliance (HREDA). Mr. Sweeney noted he anticipates the HREDA will be different and operate more effectively within a year. Working on re-establishing ties and noted all support and participation in board meetings and other events is greatly appreciated.

1. Approved minutes of regular meeting held on March 17, 2015.

   MOTION: Michael H. Levinson
   SECOND: Stephen J. McNulty
   APPROVED: 8-0

REVIEW OF FINANCIAL POSITION

2. Sean Murphy reviewed the Authority’s financial statements for the month of March.

   Monthly Cash Flows – Operating Account
   The beginning operating cash on hand for the month was $5,116,729 cash receipts for the month were $1,474,870, and cash disbursements for the month were $1,407,767 for a net increase in cash of $67,103. The end of month cash balance in the operating account was $5,183,832.
   - Received $1,007,726 from sale of Town Center Block 9 land, and receipt of real estate tax escrow;*
   - Received $39,834 in IRB fees from four bondholders. Schedule of bond recipients is incorporated into the minutes;
   - Received March rent from Priority in the amount of $21,855 which will be remitted to the city;
   - Received $1,270 in interest income on savings and CDs;
   - Received $8,600 from ten participants for Charity Golf sponsorships. As has been done in the past, these monies are set aside and an end of year appropriation will be made to the City Treasurer for disbursement to the charities;
   - Disbursed $2,750 for January engineering fees for Corporate Landing and Green Flash Brewery;
   - Remitted $353,618 to City Treasurer for: Priority rent (July-February) in the amount of $173,244, and Live Nation 2014 rent in the amount of $180,373;
   - Disbursed $24,225 for the 2015 box seat agreement for the first 21 shows;
   - Disbursed $8,887 for ODU-CITS for February and March sublease rent;
   - Disbursed $17,967 for December engineering fees for Green Flash roadway;

*This major land sale extinguished the bank loan, and made the Development Authority whole by reimbursing interest back into the Operating account.

The Authority discussed amending its 2015 budget by $5,000 for the Farm Bureau Live at Virginia Beach box. Staff noted this request is due to a universal change recently implemented. All box holders are guaranteed the first 21 announced shows as part of the annual box seat
agreement, and any additional shows must be purchased. The box is utilized as a marketing tool, for prospective clients/prospects, in addition to new and existing business relationships. This change caught us off guard, and the number of events has ranged from a low of 24 to a high of 40.

Mr. Murphy noted if the Authority wishes to make up the delta it is recommended to vote to increase this budget item by $5,000. This would accommodate all or some of the four additional announced concerts.

Linwood Branch made a substitute motion to table this item and discuss it at the Authority’s workshop immediately following this meeting. Additionally, he requested a list of who uses the box.

MOTION: Linwood O. Branch
SECOND: Shewling Moy
APPROVED: 8-0

Joe Strange arrived during discussion of this item.

Monthly Cash Flows – EDIP Account
Mr. Murphy reviewed the Reconciliation of Cash to EDIP Status Report.
- Reimbursed $399,962 for related expenses from Town Center PFRB sale proceeds;
- Disbursed $228,395 for partial payment of EDIP award to LoanCare Servicing ($4,925) and DOMA Technologies ($11,400) for workforce expansion, and IMS Gear Virginia ($212,501) for capital investment
- Disbursed $4,925 (January fees) for engineering studies related to London Bridge Commerce Center, Historic Kempsville, and Potters Road site;
- Disbursed $2,539 for Block 11 to Desman Associates peer review services in January.

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM

3. Approved a resolution granting $30,000.00 in Economic Development Investment Program, Part A, funds to Global Supply Solutions (GSS). Michelle Chapleau noted an entity was created to manage the $1.5 million real estate purchase (Whole Potential, LLC), which will be leased back to GSS. In addition to downsizing from 20,000 sq. ft. to 10,000 sq. ft., the company is modifying its business model and will drop ship purchases versus maintaining stock. Mrs. Chapleau’s PowerPoint presentation is hereby incorporated into these minutes.

MOTION: Dorothy L. Wood
SECOND: Shewling Moy
APPROVED: 9-0

4. Approved a resolution approving the modification and increase of a prior award in the amount of $75,000 to $150,000 of Economic Development Investment Program, Part A,
funds to Anderson’s Home & Garden Showplace. Due to the ITA Citizens Advisory Committee review, coupled with the timing of the Sandbridge Road widening project, the site plan was re-engineered to meet the city’s Transition Area development guidelines which significantly increased development costs. Jason Blanchett and Bobby Beasley were present at the meeting. The diversity entailed in this project will be a wonderful asset to the area. Mrs. Chapleau’s PowerPoint presentation is hereby incorporated into these minutes.

MOTION: Linwood O. Branch
SECOND: Dorothy L. Wood
APPROVED: 7-0-2
Steve McNulty and Bryan Cuffee recused themselves due to their relationship with Towne Bank, the lending institution for this project.

**TOWN CENTER**

5. Approved a resolution authorizing Tidewater Community College (TCC) use of VBDA office space. Warren Harris noted the TCC workforce program will occupy approximately half of the vacant space. The space will be rented at $14.25 per sq. ft. for 3 years, with two one-year extensions, and include a 3% escalator. Both parties will have a right to terminate. Doug Smith addressed the Authority and noted this request has strong support from the City Manager’s office. It is traditional for this locality to support higher education. Typically support entails infrastructure, but in this case the rent is being subsidized. This program is being relocated from Suffolk, and will provide many opportunities for collaboration with the department’s Workforce Coordinator. The close proximity will provide a synergy that will enhance our ability to have a qualified well trained workforce, which will play to our overall advantage. Although this space was initially intended to house an incubator for start-up businesses, utilization of some of this space for this purpose fulfills the original intent. The resolution was approved contingent upon changes being made to reflect the amount of square footage TCC will occupy, and the corresponding per square foot rent rate. Another tenant may be brought before the Authority to occupy some of the remaining space.

MOTION: Bryan D. Cuffee
SECOND: Dorothy L. Wood
APPROVED: 9-0

6. Mark Wawner noted the following regarding Town Center.
   - Armada Hoffler took title with deed restrictions upon Block 9 closing. All development must be approved by both the Development Authority and City Council. This land sale enabled the option land loan to be extinguished.
   - Tupelo Honey plans to open the latter part of the summer;
   - The Authority was provided a copy of the May entertainment schedule.

**ADMINISTRATIVE INFORMATION**

7. VBDA Priorities
a. VBDA Members Activity Update.

Shewling Moy noted Steve Harrison recently spoke to the Hampton Roads Realtors and did an awesome job.

Regarding the banking relationship, Rob Nicholson noted a meeting is scheduled with two candidates tomorrow. The Authority is looking at moving its escrow account.

The ViBe District report was tabled for this month, and will be provided next month.

8. Director’s Report

Warren Harris said he was excited and pleased to announce that Olivia O’Bry has been recognized as the 2015 Rotary Club City of Virginia Beach Employee of the Year. The recognition dinner is scheduled for May 7th. She is a real true professional that he appreciates and values as an important member of our organization. He commended the Rotary Club for digging deep into the organization to recognize her.

Taylor Chess with The Peterson Companies will be coming soon with updated concepts which embrace stakeholders input. Under consideration are a theater component, live entertainment component, and many more. Based on what is going on in the area, they are evaluating some of the original strategy. The company is entering into the financial assessment aspect. Mr. Harris noted this will come before the Authority to vote on the status of its relationship with The Peterson Companies at next month’s meeting.

Ray White noted the One Million Cups program will be launched on Wednesday, April 29th at 9:00 a.m. at Stratford University. This is an open meeting where two small businesses do a 6-8 minute presentation with time allotted for questions in a shark tank type component, and there is no charge. This is a great opportunity for small businesses, and all major cities in the United States have held this program. Stratford University is providing the space and coffee at no charge.

Mr. Harris noted ESRG Technologies Group, LLC, a previous Economic Development Gardening program participant, ‘hit the lottery’ and was recently acquired by Caterpillar Marine. ESRG acknowledged the support and assistance provided by the department.

Medical Facilities of America is holding a grand opening of its Princess Anne Health & Rehabilitation Center located in the Princess Anne corridor beginning at 4:30 pm, with a ribbon cutting at 5:30 pm, on April 28th. Dr. William Hazel, Secretary of Health & Human Resources, is the keynote speaker. Mr. Harris noted all Authority members are invited and invitations have been sent.

a. Prospect and Project Activity Report.

Scott Hall noted the following:

- Marketing activity – Currently 110 active projects, mix between existing and new business.
➢ Staff working with the Finance Department for small business workshops. SBDC is providing a moderator.
➢ The final Fortune wrap featured digital marketing campaign.
➢ VEDA Spring conference was co-chaired by Steve Harrison and it was very successful.
➢ Attended IEDC Conference.
➢ Attended ULI Forum.
➢ Attended Virginia’s Commonwealth Center for Advanced Manufacturing (CCAM).
➢ Attended Site Selection Consultants event in Dallas.
➢ Working on marketing Virginia Beach with existing business to the rest of the world.

Charlie Salle’ arrived during this item.

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:

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). (Rose Hall, Beach, Lynnhaven)

MOTION: Shewling Moy
SECOND: Linwood Branch
APPROVED: 9-0
Dot Wood stepped out of meeting prior to vote.

The Authority concluded its closed meeting and certified that to the best of each member's knowledge, only public business matters identified above and lawfully exempted from open meeting requirements under the Code of Virginia were heard, discussed or considered in the closed meeting of the Authority.

MOTION: Shewling Moy
SECOND: Robert L. Nicholson
APPROVED: 9-0
Linwood Branch stepped out of meeting prior to vote.

There being no further business, the meeting was adjourned.

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Dorothy L. Wood, Vice Chair

The Authority took a brief break before commencing the workshop.
VBDA WORKSHOP AGENDA

- Workshop Overview
- Review of themes from VBDA member interviews
- Discussion
- Recap and Next Steps
- Conflict of Interest
- Final comments and adjournment