The Virginia Beach Development Authority held its regular meeting on Tuesday, December 15, 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:  
Dorothy L. Wood, Chair  
Robert L. Nicholson, Vice Chair  
Shewling Moy, Secretary  
Michael H. Levinson, Assistant Secretary  
Bryan D. Cuffee, Treasurer  
David Bernd, Commissioner  
Linwood O. Branch, Commissioner  
Stephen J. McNulty, Commissioner  
Joseph E. Strange, Commissioner

ADVISORS PRESENT:  
Ron Berkebile, Strategic Growth Area  
Michelle Chapleau, Business Development Manager  
Betty Clark, Executive Assistant to Director  
Curtis Cobert, Jr., Business Development Manager  
David Couch, Strategy Coordinator & Business Development Mgr.  
Bob Dyer, City Councilmember  
Scott Hall, Business Development Coordinator  
Warren D. Harris, Director  
Steve Harrison, Business Development and Research Manager  
Rob Hudome, Project Development Manager  
Lloyd Jackson, Business Development Manager  
Louis Jones, Vice Mayor  
Karen Kehoe, GrowSmart Coordinator  
Sean Murphy, VBDA Accountant  
Patti Phillips, Finance Director  
Ron Ripley, Planning Commission  
Dr. Amelia Ross-Hammond, City Councilmember  
Randy Royal, Kimley-Horn  
Brian Solis, Strategic Growth Area  
Douglas L. 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, City Councilmember

REPORTED BY:  
Mark Wawner

RECORDED BY:  
Linda Assaid
The Authority convened into session and discussed the following:

**REGULAR MEETING**

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

   MOTION: Linwood O. Branch  
   SECOND: Shewling Moy  
   APPROVED: 7-0

**REVIEW OF FINANCIAL POSITION**

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

   **Monthly Cash Flows – Operating Account**
   The beginning operating cash on hand for the month was $5,120,598 cash receipts for the month were $270,089, and cash disbursements for the month were $206,438 for a net increase in cash of $63,651. The end of month cash balance in the operating account was $5,184,249.

   ➢ Received $69,659 in IRB fees from three bondholders. Schedule of bond recipients is incorporated into the minutes.
   ➢ Received December’s monthly rent from Priority in the amount of $22,511. Received semi-annual rent payment from the City of Virginia Beach in the amount of $50,000.
   ➢ Received $38,931 from Virginia Beach National for August and September operations and capital maintenance.
   ➢ Received $2,247 in interest income on savings and CDs.
   ➢ Special Project Receipts received $86,103 for ‘Reimbursements from Restricted Cash’.
   ➢ Disbursed $8,000 for final FY15 independent audit fees.
   ➢ Remitted $42,484 rental fees to the City Treasurer’s Office for:
     - Virginia Beach National April-July in the amount of $39,497.70;
     - Heron Ridge 2014 basic rent in the amount of $2,985.78.
   ➢ Disbursed $7,000 for Virginia Beach National hot water tank replacement.
   ➢ Disbursed $33,854 for architectural fees for Human Services building planned renovation.
   ➢ Disbursed $2,765 to Kimley-Horn for September engineering fees for services provided in Corporate Landing:
     - Green Flash Brewery roadway;
     - Fountain pump service call.

   The spreadsheet itemizing the individual transactions is hereby incorporated into these minutes.

   **Monthly Cash Flows – EDIP Account**
   Mr. Murphy reviewed the Reconciliation of Cash to EDIP Status Report.
Disbursed $23,613 of EDIP Awards as follows:
- $3,889 for final payment to Advanced Engineering Consultants for workforce expansion;
- $1,579 for final payment to Mission Enterprises for capital investment;
- $18,145 partial payment to Cataldo Builders for capital investment;
- Part ‘D’ disbursements in the amount of $663 for NE Historic Kempsville September engineering fees.

Michael Levinson and David Bernd arrived during the presentation of this item.

Dot Wood welcomed David Bernd as the newest Commissioner on the Development Authority. Mr. Bernd will be the Authority’s liaison for Bioscience business development.

**BIO INITIATIVE**

3. Approved transfer of $790,000 from Economic Development Department budget to Virginia Beach Development Authority Operating budget for Bioscience Business Development. City Council approved this transfer last Tuesday, and the resolution is incorporated into these minutes. David Couch noted a recent article published addressing Virginia Beach’s efforts to attract biomedical business. Biomedical is one of the department’s target industries. A great amount of interest has been expressed from biomedical companies outside of the area, and it is anticipated funding will be provided for this business sector in the upcoming Commonwealth’s budget.

MOTION: Shewling Moy
SECOND: Bryan D. Cuffee
APPROVED: 9-0

4. Approved Bioscience Business Development budget. David Couch noted the TCC 1500 sq. ft. accelerator, located on the Virginia Beach campus in the Regional Health Professions Building, is established and keys were obtained last week. This space will be outfitted and programming will be established prior to showing it to potential tenants. In partnership with ODU, a larger accelerator space is planned to be located within the Bio Park. The budget indicates the various components and the corresponding amount to be expended, and is hereby incorporated into these minutes.

MOTION: Stephen J. McNulty
SECOND: Shewling Moy
APPROVED: 9-0

5. Approved a resolution granting $50,000.00 to Hampton University for minority contract participation assistance. The Development Authority will be engaging with Hampton University to further SWaM business promotion, including bio-sciences and emerging cancer therapies – two areas the University has extraordinary expertise. Warren Harris noted this item was discussed in Closed Session at the November 17th meeting.

Patti Phillips recognized: Amma Guerrier, the current Chair of the Minority Business Council; Carla Bailey, past MBC Chair; John Waddell; Taylor Adams; Councilmember
Bob Dyer; and Councilmember Dr. Amelia Ross-Hammond. Mrs. Phillips noted Councilmember Shannon Kane, City Council’s liaison to the MBC along with Councilmember Bob Dyer, was unable to attend due to a conflict.

**MOTION:** Shewling Moy  
**SECOND:** Linwood O. Branch 
**APPROVED:** 9-0

### ARENA

6. Approved a resolution authorizing the Virginia Beach Development Authority’s role in the Arena transaction. Doug Smith brought this item before the Development Authority at its November 17th meeting. On December 8th City Council approved the execution of Arena Project Documents, and authorized the transfer of Arena land to the Development Authority. Upon execution of the lease the Development Authority will re-convey the Arena land to the City. The next step is to go before the General Assembly.

**MOTION:** Stephen J. McNulty  
**SECOND:** Linwood O. Branch 
**APPROVED:** 9-0

### TOWN CENTER

7. Approved a resolution authorizing execution of Town Center Phase VI Term Sheet and development of project documents. Mark Wawner gave a quick overview of Phase VI (Block 9) plans. Clark Nexsen is the architectural firm.

**Components are:**
- Nine level structure
  - Level 1: Retail
  - Level 2: Zeiders American Dream Theater
    - Restaurant(s)
    - Public Plaza
  - Levels 3 – 9: 120+ luxury apartments
- Pedestrian Bridge
  - Connects Cosmopolitan parking garage to Block 9 over Central Park Avenue

**Zeiders American Dream Theater:**
- Donating $7.6 million
- Has ongoing foundation
- Will operate programs and maintain
- Will be dedicated to City when no longer used
- Begin construction early Spring 2016
- Contract between Armada Hoffler and Zeider will address donation
- Temporarily leasing space on Sandler Center block, and operational.
- Will relocate once building is complete
Virginia Beach Development Authority contribution:

- Total VBDA Cost $2,933,374 (TIF Funded)
  - Podium (foundations, etc.); Vertical Transportation (Monumental Public Stair, Stairs, Elevators); Public Plaza; Soft Costs (Design & Legal)
- Infrastructure Cost $1,000,000 (EDIP Funded)
  - Streetscapes & Pedestrian Bridge

MOTION: Linwood O. Branch
SECOND: Michael H. Levinson
APPROVED: 9-0

Mr. Wawner’s PowerPoint presentation is hereby incorporated into these minutes.

8. Approved a Resolution Renaming the Town Center Fountain Plaza in Honor of James K. Spore and approval of expenditures related to same. As the Development Authority is aware, in order to maintain the surprise element to Jim Spore, prior discussion took place in Closed Session regarding the renaming and the plaque itself. The formal notification to Mr. Spore was made at the Development Authority’s Annual Holiday Reception. The Town Center video that played at the reception was shared with the Authority.

MOTION: Shewling Moy
SECOND: Joseph E. Strange
APPROVED: 9-0

Mark Wawner noted the following additional activity regarding Town Center:

Town Center City Club

- The Town Center City Club balcony will be extended above California Pizza Kitchen, and will look similar to Ruth Chris’ balcony.
  - Will be tastefully done and will not look as an afterthought.
- City Council has approved this extension.
- TCCC is paying all costs.
- City parking administrators will be installing the same blue ‘P’ signs at the parking garages throughout Town Center that are installed at the oceanfront garages after the first of the year.
- Major New Year’s Eve Last Night on the Town event scheduled.

**ADMINISTRATIVE INFORMATION**

9. VBDA Priorities
   a. SGA Incentive Policy Discussion

Doug Smith noted City Council considered re-adoption of the “Policy Regarding Evaluation of Investment Partnerships for Economic Development” at its December 8, 2015 meeting in connection with the Old Beach Village II project on the agenda. This policy has been around since the late 90s, and has evolved over time. City Council is getting pushback from the development community because they do not understand or believe this policy is appropriate. The Old Beach Village II item was deferred indefinitely for the Development Authority to
review and provide input to City Council. Staff is compiling a report that will review projects within the SGA that have or have not had city support. This report will also recap the background and process relative to this policy.

On the neighborhood side, Jack Pope and some staff will be at the Resort Beach Civic League. Councilmember Rosemary Wilson this is a ‘new door city is walking through’, and more information needs to get out to the community.

Dot Wood appointed Linwood Branch as Chair of the Working Group with Charlie Salle’ as an alternate, and Joe Strange as the second Development Authority representative. The task at hand is to review the policy for appropriateness and consider the Old Beach Village II project a case study. The Working Group will report back in January 2016.

Linwood Branch noted his disclosure letter on file that addresses his ownership of two properties within a Strategic Growth Area. This letter is hereby incorporated into these minutes and will be maintained by the Clerk. Mr. Branch said he and Mr. Strange will meet with developers to discuss the policy, receive feedback, and make sure they understand the policy. Mr. Strange noted the developer’s attorneys should also be included. The results will be brought back to the Development Authority, and ultimately to the City Council. Brian Solis and Ron Berkebile of the SGA office are the staff representatives that will provide the needed technical expertise.

b. VBDA Members Activity Update
   Warren Harris noted Shewling Moy was recently recognized as one of the rising stars within the real estate community.

c. VBDA Annual Holiday Reception Recap

Warren Harris noted this year’s reception was one of best thus far, and was attended by 225 people. The reception was more elaborate than normal because of the support for Jim Spore due to his retirement. The Commissioners who attended were very pleased with all aspects of the reception.

In recognition of the Development Authority’s support over the last year, Warren Harris noted the annual token of appreciation comes from Blue Ridge Vodka which is manufactured by Chesapeake Bay Distillery. The Distillery is now located in the newly created ViBe District. Chris Richeson was in attendance and noted the first batch at the new location came out a little over a week ago, and again expressed his appreciation for the Development Authority’s support.

d. 2016 Meeting Schedule
   Meeting schedule letter uploaded on iPads.

e. Statement of Economic Interests
   Dot Wood noted these are due in the City Clerk’s office today.
10. Director’s Report

Warren Harris noted the following:

 He had a meeting with Dr. Aaron Spence, Virginia Beach City Public Schools Superintendent. Dr. Spence plans to designate Kempsville High School as an entrepreneurial academy. He is looking for our participation to assist with and share guidance and technical expertise regarding start-ups and entrepreneurs.

 Regarding the HREDA’s search for a new CEO, a meeting is scheduled for Monday to begin interviewing candidates, hoping to have the new CEO announcement by the first of the year.

 The Economic Development Department has received a lot of local and international media and press promoting the city’s business advantages in addition to how we are viewed and seen by industries around the globe.

a. Scott Hall presented the Marketing Activity Update.

Activity

 Prospect activity remains strong.
 Existing business retention was down a bit due to Thanksgiving and staff travel.

 Trips/Events
  o Lloyd Jackson attended I/ITSEC, which is the largest Modeling & Simulation Trade Show.
  o Scott Hall traveled on a marketing mission to Spain with the HREDA.
    ▪ While in Europe met with Michael Dusseldorf.

 Existing companies going gangbusters:
  o EIMSKIP USA launched ShopUSA.com, shipping to 84 countries.
  o GEICO expects to hire 300 net new jobs in 2016. Scott noted that Joe Thomas is retiring. The Virginia Beach Center will be managed by a Senior Regional Manager out of Northern Virginia until Mr. Thomas’ replacement is hired.

 European Consultant
  o Continues strong activity on a daily business.
  o Expanded Public Relations/Advertising activities.
  o Expanded relationship with Commerzbank in Germany, and Santander Bank in Spain.
  o Assisting with BIO marketing.

Market Intel

 Scott’s Spanish marketing trip:
  o Met with small and large companies that are serious about establishing a presence in the U.S.
  o All companies understood strategic advantage that mid-Atlantic region offered.
  o Understands export growth = survival.
  o 2% unemployment in major industrial areas.
  o Willing to bring us into the network, make introductions, and support our efforts.
  o Minimal US Economic Development competition.
➢ Of the fastest growing industries, healthcare is #1 in the South Atlantic Market as well as the West South Central, Mountain, Pacific, East South Central and New England Markets.
➢ Projected Salary Growth for 2016 in 5 professions has an overall increase of 4.1%.

**Project Announcement**
➢ TAG America, Inc.
   - Germany-based industrial non-toxic chemicals manufacturer.
   - Worked with the HREDA and Harvey Lindsay CRE.
   - No incentives.

Mr. Hall’s PowerPoint presentation is hereby incorporated into these minutes.

Rob Nicholson and Michael Levinson left the meeting prior to going into Closed Session.

**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:

**CONTRACTS:** 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).

(Oceanfront)

(MOTION: Shewling Moy
SECOND: Joseph E. Strange
APPROVED: 7-0)

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: Joseph E. Strange
APPROVED: 7-0)

There being no further business, the meeting was adjourned.

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Dorothy L. Wood, Chair