CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
July 9, 2024, MINUTES

The City of Virginia Beach Development Authority ("VBDA" or "Authority") held its regular meeting on Tuesday, July 9, 2024, 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 each item presented and discussed at this meeting can be viewed on the Economic Development 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 Brunke, Treasurer William Brown, Assistant Secretary Ronnie L. Parker, Commissioner Michael J. Standing, Commissioner David Weiner, Commissioner
MEMBERS ABSENT:	Linda Garris-Bright, Commissioner Penny Morgan, Commissioner Eric Keplinger, Commissioner
CITY COUNCIL:	Vice Mayor Rosemary Wilson Council Member Michael Berlucchi
ADVISORS PRESENT:	Amanda Jarratt, Deputy City Manager Charles E. Rigney, Director, Economic Development Laura Chalk, Deputy Director, Economic Development Kathy M. Warren, Director, Planning & Community Development Dana R. Harmeyer, Deputy City Attorney Emily L. Archer, Project Development Administrator Charles J. Bauman, III, Business Development Coordinator Henry W. Cobb, Business Development Manager II Dominique DeBose, Business Development Representative I Kayla Dotson, Administrative Technician Roosevelt Grandberry, TownCenter Planning Coordinator Paige M. Fox, Business Development Manager II Jadon Gayle, Business Development Representative II Blake Huffman, VBDA Senior Accountant J.D. Hines, Senior Project Manager Letitia E. Langaster, Business Development Manager II Vicki Kelley, Administrative Specialist I Matt Mader, Senior Land Development Engineer Howie McEntee, Accountant II Tecora McIntyre-Catlett, Executive Assistant II Samantha Renaud, Executive Assistant I Paul J. Scully, Development Liaison Coordinator

Annagid Walker, Account Clerk III
Pamela D. Witham, Project Development Planner III

REPORTED BY: Charles E. Rigney

RECORDED BY: Kayla B. Dotson

Chair Lisa Murphy began the meeting at 8:30 a.m. and opened the floor for public comment.

OPEN FLOOR
No public speakers.

REGULAR MEETING

MEETING MINUTES

1. Approval of Meeting Minutes, June 18, 2024

MOTION: William Brunke
SECOND: Michael Standing
APPROVED: 8-0-0

FINANCIALS

2. Review of Financial Statements for June 2024 presented by Blake Huffman.

Operating Account Summary: June 2024
Adjusted Beginning Cash – June 1, 2024 **$10,155,063**

Cash Receipts Detail

- Grand Total of Cash Receipts
  - $ 22,343 Interest Income
  - $ 119,543 City Reimbursement for CDA Legal Services
  - $ 7,210 FY24 Annual TC Open Air Café fees – Nando's Peri-Peri

Cash Disbursements Detail

- Grand Total of Significant Cash Disbursements
  - $ 59,853 Atlantic Park Construction and support services through May 31st – MBP
  - $ 25,480 Wetland Mitigation Credit Purchase – Corporate Landing Business Park
  - $ 8,348 Legal Services for Atlantic Park May 2024 - Davis Commercial Law Group
  - $ 6,873 Legal Services for Atlantic Park August 2023 – Signer Hoffman LLC
  - $ 4,859 Wetland Reverification for Innovation Park – Paid by the City

Ending Cash – June 30, 2024 **$10,195,703**

- Payments Reimbursed by City of VB – June
  - $ 2,347,913 Atlantic Park -Venture Waves Draw #16– Entertainment Venue
  - $ 777,612 Atlantic Park -Venture Waves Draw #16 – Offsite Infrastructure (City Asset)

$ 349,288 Innovation Park – Architectural Graphics – Offsite Infrastructure Draw #8 Reimbursable from GO VA Grant Funds
$ 175,075 Innovation Park – Architectural Graphics – Offsite Infrastructure Draw #8 – Reimbursable from City Project
$ 3,485 Innovation Park – Kimley Horn – Offsite Infrastructure Construction Phase Services
$ 10,080 Corporate Landing – VHB – Pond C Final Design & New Roadway Design

Capital Maintenance: June 2024

- Amphitheater - $615,959
- Human Services Building - $3,333,013
  $ 47,911 Monthly Lease – July
- VB National Golf Course - $255,070
  $ 25,682 Revenue Agreement
  $ (10,342) VB National – Toro NSN Contract
  $ (31,950) Adrian Builders Group 10 Ton Air Handler and heat Pump replacement

Incentive & Initiative Account Summary: June 2024

Beginning Cash – June 1, 2024	**$1,267,582**

Cash Receipts Detail

- No Significant Receipts

Cash Disbursements Detail -

- No Significant Receipts

Ending Cash – June 30, 2024	**$1,267,595**
Beginning VBDA EDIP Grant Balance	**$4,770,560**
Interest Less Finance Charge	**$ 14**
EDIP Grant Funds Available as of June 2024	**$4,770,574**

Construction in Progress**

- Atlantic Park – Entertainment Venue - $23,173,258 (Paid to date)
  $ 1,746,346 Venture Waves Draw #16
- Atlantic Park – Parking - $13,480,789 (Paid to date via CDA)

No Discussion

VBDA ASSETS

3. Virginia Beach National Golf Course final Assessment Report and Project Approvals Presented by Project Development Planner III, Pamela Witham

Presentation: Project Development Planner, Pamela Witham presented the findings of the facility condition assessment on the Virginia Beach National Golf Course and the operator's recommended repairs. The priority requested repairs include stormwater lake #1, structural repairs to the clubhouse, and completion of HVAC system work throughout the clubhouse.

Full Presentation located at minute 5:10 of the meeting video.

Discussion: Chair Lisa Murphy began the conversation by asking if this request needed to be voted on at the current meeting. Deputy City Attorney Dana Harmeyer advised that staff would solicit quotes and then the VBDA would vote to approve a contract based upon the offered quotes. Chair Murphy noted that the Authority will wait on a recommendation from the VBDA asset manager on any quotes for the presented repairs.

TOWN CENTER

4. Request approval of a Resolution authorizing the City of Virginia Beach to temporarily use a laydown area at 110 S. Independence Blvd. (former Circuit City Building) Presented by Project Development Planner, Pamela Witham

Presentation: Project Development Planner, Pamela Witham requested that a portion of the newly vacant lot on 110 South Independence Blvd be used as a laydown yard by the City's Department of Parks and Recreation for construction materials being used in Phase III of the Thalia Creek Greenway Project.

Full Presentation located at minute 10:41 of the meeting video.

Discussion: Chair Murphy asked how long the site would be used for the laydown yard. Ms. Witham responded that Parks and Recreation expects to use the site for 300 days. Treasurer William Brunke asked if the VBDA would receive any fees for this property usage. Ms. Witham stated that no collection fees were included in the proposed contract. Chair Murphy then asked if this would impact the potential sale of the property. Economic Development Executive Director Charles Rigney responded by saying that the agreement includes a 30-day notice to vacate, should this property be sold to a developer. Commissioner David Weiner asked if the area would include fencing. Ms. Witham confirms the laydown area will have fencing with opaque screening around the site.

MOTION: Guenter Weissenseel
SECOND: Michael Standing
APPROVED: 8-0-0

PEMBROKE SQUARE

5. Request approval of a Resolution approving a Term Sheet relating to the redevelopment of Pembroke Square and authorizing the execution of Definitive Project Documents consistent with the Term Sheet. Presented by Planning Director, Kathy Warren

Presentation: Planning and Community Development Director, Kathy Warren presented information on the Pembroke Square Redevelopment Project. This project was voted on and approved by City Council on July 2, 2024. Ms. Warren shared historical information on the previous mall site, future construction plans, and the request of the VBDA to participate in the ownership and management of two public parking structures containing a total of 745 parking spaces in Pembroke Square, similar to the parking garages in Town Center.

Full Presentation located at minute 14:02 of the meeting video.

Discussion: Chair Lisa Murphy began the conversation by asking to be reminded of where the funds come from to support garage operations and maintenance. Ms. Warren responded that those costs are covered by the Special Service District (SSD). Commissioner Mike Standing asked if the carrying costs of $2,750 per parking space was funded from the SSD or the General Fund. Ms. Warren stated that the costs per parking space will all come from the General Fund, but those specific numbers are not completely accurate as interest rates are subject to change. Ms. Warren shared that the intention is to have the developer build the garages and the Authority acquire them once complete. Mr. Standing asked why the Authority would not charge for parking in these new garages, he noted that $2,750 coming out of the General Fund could potentially be a burden and asked if the Tourism Development Financing Program (TDFP) had been considered as a funding source for this project. Ms. Warren stated no other funding plan had been explored and that all the spaces would be publicly accessible not just for the apartment residents or hotel guests. Mr. Standing continued by saying he felt that building public garages primarily for use by the apartment complex and hotel is out of the ordinary as many other locations would charge residents and hotel visitors. Chair Murphy made a point to say that the redevelopment of Pembroke Square adds to the attractiveness of Town Center as a destination for dining, retail, and hotel stays. She sees the benefit to the public and asked the Commissioners to view the redevelopment considering all parts of Town Center. Mr. Standing expressed that he felt this plan was presented with a focus on benefits to the City and not members of the public. He stated that creating a precedent of funding a $20 million parking structure for one site leads to the expectation for additional development elsewhere. Ms. Warren acknowledged Mr. Standing's thoughts but added that this proposal is in line with the Town Center Strategic Growth Area plan and the plan has clearly defined boundaries. The goal is to build structured parking now to help build out all of Town Center in the future. This is an opportunity to avoid an empty mall like many cities across the US.

MOTION: Guenter Weissenseel
SECOND: Taylor Franklin
APPROVED: 7-1-0 (Commissioner Standing voting no)

INTERNATIONAL INCUBATOR

6. Request approval of a Resolution authorizing a sublease in the International Incubator to Nose Corporation of America presented by Business Development Manager II, Paige Fox.

Presentation: Business Development Manager, Paige Fox shared with the VBDA that Nose Corporation of America is a Japanese subsidiary company currently headquartered in Seattle hoping to transition to Hampton Roads. Nose Corporation produces small metal parts for major customers including Boeing and has seen interest from the US Navy. Ms. Fox gave a reminder that the International Incubator was created to serve as a soft landing spot for international companies expanding to the Virginia Beach area. Ms. Fox shared there will be five offices remaining in the International Incubator if this sublease is approved.

Full Presentation located at minute 30:55 of the meeting video.

Discussion: Chair Murphy asked Ms. Fox to share information on Chorus Intelligence, the first company that joined the International Incubator. Ms. Fox stated that Chorus Intelligence has outgrown the incubator and is successfully operating out of an office in Town Center, with the Virginia Beach Police Department being a major customer of their analytic software programs. This success is a reflection of the importance of programs like the International Incubator.

MOTION: Taylor Franklin
SECOND: William Brunke
APPROVED: 8-0-0

ADMINISTRATIVE INFORMATION

7. VBDA Priorities: *VBDA Members*

Discussion: Chair Murphy gave a reminder that at June's VBDA meeting, Commissioners received an update on the Virginia Beach Comprehensive Plan, and Vice Chair Taylor Franklin, and Commissioner Mike Standing subsequently worked to compile feedback on behalf of the VBDA. Mr. Franklin shared a brief update regarding some of the points they found to be important and asked Commissioners to review and share any additional thoughts. Chair Murphy will complete a draft of the letter in the coming weeks and circulate the letter to Commissioners.

8. VBDA Members: *L. Murphy*

Discussion: Chair Murphy shared that Commissioner William Brown's term on the VBDA will be ending in August 2024. Dr. Brown is currently the VBDA representative for both the Oceana Land Use Conformity Committee (OLUCC) and the Transition Area/Interfacility Traffic Area Citizen Advisory Committee (TA/ITA). Chair Murphy requested volunteers to represent the VBDA on these boards. Mr. Weissenseel offered to serve on OLUCC. Chair Murphy asked Commissioner to review information on TA/ITA and let her know if they have interest in serving.

9. Directors Report: *C. Rigney*

Discussion:

- Economic Development Executive Director Charles Rigney began his report by thanking Commissioners for their feedback on the survey to help plan the VBDA Retreat. Mr. Rigney shared that a save-the-date invitation for September 6, 2024 would be sent by the clerk. This save-the-date would include a full-day retreat with a tour of properties in Virginia Beach. Mr. Rigney also noted that the current plan is to hold the September VBDA meeting on the afternoon of the 6th to best respect the time and schedule of all members.
- Mr. Rigney shared that ZIM American Integrated Shipping Services will be holding a ribbon cutting on July 29, 2024. Acoustical Sheetmetal Phase II will be hosting a ribbon cutting on July 31, 2024. Mr. Rigney invited VBDA members to attend both ceremonies and thanked staff members for their hard work on those projects.
- Avangrid will be selling Kitty Hawk North LLC to Dominion Energy. Avangrid informed Mr. Rigney that Kitty Hawk South LLC will still be continuing development efforts in Virginia Beach. Mr. Rigney noted he would bring any changes to the Authority for review if needed.
- Mr. Rigney presented Deputy Director Laura Chalk with her five-year service pin and thanked her for her service to the City of Virginia Beach as this is her last week serving with the City. Chair Murphy echoed praise for Ms. Chalk's hard work and service to Economic Development and the VBDA.

Chair Lisa Murphy moved to recess into a closed session.

RECESS TO CLOSED SESSION

The VBDA moved to recess into a closed session pursuant to the exemptions from open meeting 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). *(District 5)(District 6)*

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 6)*

MOTION: William Brunke
SECOND: Guenter Weissenseel
APPROVED: 8-0-0

RECONVENED INTO OPEN SESSION

CERTIFIED CLOSED SESSION

MOTION: Taylor Franklin
SECOND: Guenter Weissenseel
APPROVED: 8-0-0

Chair Lisa Murphy adjourned the meeting at 9:36 a.m.

Lisa M. Murphy, Chair