

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
August 16, 2022, MINUTES

The City of Virginia Beach Development Authority (“VBDA”) held its regular meeting on Tuesday, August 16, 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
William Brunke, Treasurer
Taylor Franklin, Assistant Secretary
William Brown, Commissioner
Nneka Chiazor, Commissioner
Penny Morgan, Commissioner
Ronnie Parker, Commissioner
Michael J. Standing, Commissioner
Joseph Strange, 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
Devin Cowhey, Business Development Manager II
Katrina N. Flowers, VBDA Accountant
Paige Fox, Business Development Manager II
Steve Herbert, Consultant VBDA
Letitia Langaster, Business Development Manager II
Elisabeth D. Parker, Administrative Assistant
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, July 19, 2021.

MOTION: Joseph Strange

SECOND: Penny Morgan

APPROVED: 9-0-1

William Brunke abstained from the vote on the July 19, 2022 minutes as he was not in attendance at the July meeting.

FINANCIALS

2. Katrina Flowers presented financials for July 2022.

Operating Account Summary: July 2022

Beginning Cash – July 1, 2022 **\$4,305,612**

Significant Cash Receipts

- Grand Total of Significant Cash Receipts - \$33,568
- \$20,021 VB National for Operations Rent
- \$ 4,220 VA Restaurant Holdings, Inc. for Use Fees
- \$ 6,145 Bravo Brio Restaurant, LLC for Use Fees
- \$ 3,182 Interest Income

Significant Cash Disbursements

- Grand Total of Significant Cash Disbursements - \$75,269
- \$13,792 Globalinx for Monthly Conduit Management – July 2022
- \$ 3,510 CL-Southwest Design (BMP & Roadway)
- \$31,544 Vanasse Hangen Brustlin, Inc. (VHB)-Services for Rd. and Utilities Design
- \$10,000 Golf Charitable Donation for Begin Again in Support of Sepsis
- \$5,500 Facility Logix for Monthly Bio Accelerator Fee – June 2022 – Final Payment
- \$10,923 Olympia Bendix Two for Monthly Bio Accelerator Rent – August 2022
- Ending Cash – July 31, 2022 **\$4,301,080****

Incentive & Initiative Account Summary: July 2022

Beginning Cash – July 1, 2022 **\$3,269,841**

Significant Cash Receipts

- Grand Total of Significant Cash Receipts - \$ 280,481
- \$279,953 Reimbursement for Dome Site for July 2022
- \$528 Bank interest income

Significant Cash Disbursements

- Grand Total of Significant Cash Disbursements - \$1,413,276
- \$ 14,921 Singer Davis – May Legal Services for Dome Site
- \$ 30,126 Kimley Horn-Reimbursable for Dome Site
- \$ 90,730 Cooper Carry-Reimbursable for Dome Site
- \$ 56,720 Cooper Carry-Reimbursable for Dome Site
- \$102,377 Gensler – Reimbursable for Dome Site
- \$ 40,997 Cooper Carry-Reimbursable for Dome Site
- \$ 40,065 Accumark – Reimbursable for Dome Site
- \$ 92,815 Gensler – Reimbursable for Dome Site
- \$169,596 Venture Dome LLC-Reimbursable for Dome Site
- \$153,401 Cooper Carry-Reimbursable for Dome Site
- \$480,868 Kimley Horn-Reimbursable for Dome Site
- \$ 73,583 Kimley Horn-Reimbursable for Dome Site
- \$ 44,860 Accumark-Reimbursable for Dome Site
- \$ 16,220 GET Solutions-Reimbursable for Dome Site
- \$10,643 Olympia Bendix Two July-22 Bio Accelerator Rent
- \$ 5,997 B.H. Lewis Enterprises-Awning over outside 2nd Floor-FIG Grant
- Ending Cash – July 30, 2022 **\$2,120,440****

Incentive Summary Reporting: July 2022

Beginning VBDA EDIP Grant Balance	\$ 2.7 M
New EDIP Appropriation for FY23	+ \$ 1.97M
EDIP Grants Expired (Closed)	+ \$ 252 K
New Grants Approved by VBDA	- \$ 435 K
EDIP Grant Funds Available as of July 2022	\$ 4.5M

Discussion:

Chair Murphy thanked Ms. Flowers for the report.

DOME SITE

3. Approval of the Resolution Modifying Exhibit A of the Authority’s November 17, 2021, Resolution Regarding the Allocation of the Performance Grant Between the Phases of the Atlantic Park Project presented by Deputy City Manager Taylor Adams.

Discussion:

Deputy City Manager Taylor Adams explained this request is not for additional funds for the project. This is the right sizing of an already approved allocation of the performance grant. City Council, as part of our development agreement, approved the ability for the team at Venture to earn on “but for taxes” (which are taxes generated by the project that would not exist if the project didn’t happen). City Council allowed the developer to earn a performance grant of up to \$5 million based on the taxes generated by the product after construction stabilization. We anticipated 2 phases to the project we did an initial allocation of \$3 Million for phase I and 2 Million dollars for phase 2. This was very early in the process and just a projection which was before we advance the plan to what we have now. As we look forward, there have been significant changes to the construction market attributable to the Covid 19 pandemic. This has allowed us to project much more revenue for the City in the earlier phases. This request allows the City Manager to move money between Phases so we can “right size” the performance grant to what we believe will happen in Phase I. This item goes before City Council this afternoon and we wanted to make sure this Board heard it first.

Chair Lisa Murphy asked if this would require approval of a resolution provided by the Authority. Mr. Adams confirmed.

Ms. Murphy asked about the approximate timeline for Phase I versus Phase II. Mr. Adams replied that the developer claims Phase I will be opening in the summer of 2024.

Commissioner Taylor Franklin asked if this was moving funds allocated for Phase II over to Phase I. Mr. Adams confirmed it was and if the funds were moved from Phase II to Phase I, then the funds would no longer be available in Phase II.

Ms. Murphy stated that the funds were 100% taxes generated from the actual project. Mr. Adams confirmed. Mr. Adams noted the grant is to accomplish one specific thing, which is to contribute to debt service. Once that debt is retired, then the revenues will be to the benefit of the taxpayer. Ms. Murphy added that this was a great point.

MOTION: Taylor Franklin
SECOND: Guenter Weissenseel
APPROVED: 9-0-1

Michael Standing abstained from voting on this item and the letter of abstention is attached to these Minutes.

BUSINESS PARKS

4. Approval for the new road in the Corporate Landing Business Park to be named Landing Drive, presented by Emily Archer.

Discussion:

Chair Lisa Murphy stated the staff's number one choice was Landing Drive. Ms. Archer confirmed.

MOTION: Michael Standing
SECOND: Taylor Franklin
APPROVED: 10-0-0

5. Approval of a land sale of approximately 3.5 acres in Corporate Landing Business Park for \$200,000 per acre to BMKV Holding, LLC., presented by Ray White.

Discussion:

Ray White introduces 2 individuals representing BMKV Holding, LLC, Peter Campbell, and Mike Whetstone, and thanked them for joining the meeting today.

Chair Lisa Murphy asked if this company made the kits used by medical professionals. Mr. White confirmed.

MOTION: Nneka Chiazor
SECOND: Guenter Weissenseel
APPROVED: 10-0-0

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM (EDIP)

6. Approval of a Resolution authorizing an EDIP Part "A" award in the amount of \$169,000 for BMKV Holdings, LLC., presented by Ray White.

No Discussion:

MOTION: Nneka Chiazor
SECOND: Guenter Weissenseel
APPROVED: 10-0-0

Lisa Murphy asked if the individuals representing the company would like to say anything. CEO, Peter Campbell said he appreciated all the cooperation and support of the Department of Economic Development and that Mr. White and Mr. Bauman had been great to work with. He also added that this project and support will help the company grow and be able to assist the first responders with their job. Mr. Campbell announced that once this new building was complete that all the Kentucky offices would move permanently to Virginia Beach.

Mr. Whetstone thanked the Authority for its support and shared that this next phase of their project and the medical kits and simulations will assist with the critical need and will enhance the lifesaving capabilities of the first responders. We are proud of what we do and the support we give to the City of Virginia Beach.

Chair Lisa Murphy said we are happy they are staying and expanding in Virginia Beach.

7. Approval of a Resolution authorizing an EDIP Part "A" award in the amount of \$100,000 for Aslin Beer Company, presented by Devin Cowhey.

Discussion

Ms. Cowhey recognized the owners, Mark DeRoches and Dalton DeRoches that were in attendance. Chair Lisa Murphy asked if the individuals representing the company would like to say anything.

Mr. Mark DeRoches thanked the members of the Development Authority and shared that they are excited about the redevelopment of 17th Street and feel there is tremendous potential for the resort area and are excited to be leaders in this redevelopment with the sports center, wave park, and convention center.

MOTION: William Brunke
SECOND: Joseph Strange
APPROVED: 10-0-0

8. Approval of a Resolution authorizing an EDIP Part “C” award, APZ-1, in the amount of \$125,000 for Fortis Solutions Group, presented by Letitia Langaster.

Discussion

There was no discussion.

MOTION: Taylor Franklin
SECOND: William Brunke
APPROVED: 9-0-1

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

ADMINISTRATIVE INFORMATION

9. VBDA Priorities

- A. Chair Lisa Murphy appointed Guenter Weissenseel and William Brown to the nominating Committee and thanked them for serving.

10. Director’s Report:

Deputy City Manager Taylor Adams thanked the Development Authority for their support in the Business Community.

Ihsane and Autumn’s team have done a great job with the HIVE. They have published their first Newsletter which is published and was included in your Board Packets.

So much of what we do is for the larger companies in Virginia Beach. The purpose of the HIVE was to have a more robust service for our small business community. The Team is doing a great job setting up new programs, new grant opportunities, and access to funding.

City Council is back from its summer recess. Council appointed a new councilmember to fill Louis Jones’ seat. Mr. Adams thanked Louis Jones for the mentor he was to him personally as well as his support to this Board. Council appointed Delceno Miles last week to fill the remainder of Louis Jones’ term until the November election.

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). (*Districts 2 and 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 2*)

MOTION: Taylor Franklin
SECOND: Penny Morgan
APPROVED: 10-0-0

RECONVENED INTO OPEN SESSION

CERTIFIED CLOSED SESSION

MOTION: William Brunke
SECOND: Joseph Strange
APPROVED: 9-0-0

Taylor Franklin left the meeting before the Certification vote.

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

A handwritten signature in cursive script, appearing to read "Lisa M. Murphy", written in black ink. The signature is positioned above a horizontal line.

Lisa M. Murphy, Chair



August 16, 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 § 2.2-3114(E)

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 City of Virginia Beach Development Authority's discussion and/or vote related to the Dome Site Project at its August 16, 2022 meeting.
2. I have a personal relationship with the owners of property located at 324 Virginia Beach Boulevard (the "Property") which may be impacted by the proposed development.
3. Although the City Attorney has advised me that because I do not own the Property, nor have a personal interest as that term is defined by the Act., and although I am able to participate in this transaction fairly and in the public interest, as provided by Virginia Code Section 2.2-3115(I), I am nonetheless electing to abstain from this vote.

Please include this disclosure in the official records of the Development Authority. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael J. Standing". The signature is stylized with a large loop and a long horizontal stroke.

Michael J. Standing
Commissioner

MJS/AWS/csk



August 16, 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

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 regarding the potential Economic Development Investment Program (EDIP) grant to Fortis Solutions Group, LLC (the "Applicant").
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 the Applicant; therefore, I will abstain from voting on the proposed EDIP award.

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 black ink that reads 'Lisa M. Murphy'.

Lisa M. Murphy
Chair

LMM/AWS/csk