

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY

September 20, 2022, MINUTES

The City of Virginia Beach Development Authority (“VBDA”) held its regular meeting on Tuesday, September 20, 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  
Penny Morgan, Commissioner  
Ronnie Parker, Commissioner  
Michael J. Standing, Commissioner  
Joseph Strange, Commissioner  
Guenter H. Weissenseel, Commissioner

COUNCIL LIAISONS: Vice Mayor Rosemary Wilson  
Councilmember Michael Berlucchi

ADVISORS PRESENT: Taylor V. Adams, Deputy City Manager  
Alexander W. Stiles, Senior City Attorney  
Dana Harmeyer, Senior City Attorney  
Kathy Warren, Deputy Director of Economic Development  
Kaitlen Alcock, Planner II  
Michael Anaya, Planner III  
Emily Archer, Project Development Manager  
Katrina N. Flowers, VBDA Accountant  
Paige Fox, Business Development Manager II  
Steve Herbert, Consultant VBDA  
Letitia Langaster, Business Development Manager II  
Olivia O’Bry, Executive Assistant II  
Elisabeth D. Parker, Administrative Assistant  
Josh Spicer, Economic Development Intern  
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

**ANNUAL MEETING**

1. Chair Murphy asked Commissioner William Brown and Commissioner Guenter Weissenseel for nominations for Officers for the coming year.
  - a. Commissioner Brown made the motion to keep the current officers in place:

Lisa Murphy – Chair  
Joseph Strange – Vice Chair  
William Brunke – Treasurer  
David Bernd – Secretary  
Taylor Franklin – Assistant Secretary  
Taylor Adams – 2<sup>nd</sup> Assistant Secretary

MOTION: William Brown  
SECOND: Guenter Weissenseel  
APPROVED: 10-0-0

## **REGULAR MEETING**

### **MEETING MINUTES**

1. Approval of Meeting Minutes, August 16, 2021.

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

2. Approval of Special Called Meeting Minutes, August 24, 2021.

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

### **FINANCIALS**

3. Katrina Flowers presented financials for August 2022.

#### **Operating Account Summary: August 2022**

Beginning Cash – August 1, 2022 **\$4,301,080**

#### *Significant Cash Receipts*

- Grand Total of Significant Cash Receipts - \$44,442
- |           |   |
|-----------|---|
| \$ 38,579 | Virginia Wesleyan University for Annual Administrative Bond Fee |
| \$ 684    | Cantina of Virginia, LLC for Use Fees                           |
| \$ 4,179  | Interest Income   |
| \$ 1,000  | SimIS Data for Charity Golf Tournament Sponsorship              |

#### *Significant Cash Disbursements*

- Grand Total of Significant Cash Disbursements - \$58,111
- |           |  |
|-----------|--|
| \$ 26,595 | Annual Landscaping Maintenance Budget for Corporate Landing – FY22-23  |
| \$ 13,792 | Globalinx for Monthly Conduit Management Fee for August 2022   |
| \$ 17,724 | Vanasse Hangen Brustlin, Inc. (VHB)- for Corporate Landing New Roadway Design, Preliminary, and Final Subdivision Plat |

**Ending Cash – August 31, 2022** **\$4,301,080**

#### **Incentive & Initiative Account Summary: August 2022**

Beginning Cash – August 1, 2022 **\$2,120,440**

#### *Significant Cash Receipts*

- Grand Total of Significant Cash Receipts - \$1,112,741
- |             |   |
|-------------|---|
| \$1,112,405 | Reimbursement for Dome Site for August 2022 |
| \$ 336      | Bank interest income                        |

*Significant Cash Disbursements*

- Grand Total of Significant Cash Disbursements - \$309,647

\$ 10,366	United Property Associates for EDIP Grant – Part A	
\$ 32,310	Singer Davis – Reimbursable for Dome Site (June– July 2022)	
\$250,000	Commonwealth Opportunity Fund State Fund – for closing the grant	
\$ 6,048	Virginia George Company for FIG Grant formerly known as DIP	
\$ 10,923	Olympia Bendix Two for Monthly Bio-Accelerator for Sept.	
<b>Ending Cash – August 31, 2022</b>		<b>\$2,955,125</b>

**Incentive Summary Reporting: August 2022**

<b>Beginning VBDA EDIP Grant Balance</b>	<b>\$ 4.5 M</b>
<b>EDIP Grants Expired (Closed)</b>	<b>+\$ 155 K</b>
<b>New Grants Approved by VBDA</b>	<b>- \$ 1.2 M</b>
<b>EDIP Grant Funds Available as of August 2022</b>	<b>\$ 3.5M</b>

**Atlantic Park Bonds**

4. Approval of the Resolution for Atlantic Park Surf Park 501(c) (3) bonds, presented by Senior City Attorney Dana Harmeyer.

*Discussion:*

Mr. Harmeyer asked the Commissioners if they had any questions concerning the letter and resolution they received.

Commissioner William Brunke asked if Mr. Harmeyer could provide more background on the non-profit P3 entity. Mr. Harmeyer shared that P3’s mission was to partner with governments to finance projects that may not otherwise fit traditional financing models. He also shared that you would see this more if the City did not have the VBDA, as it would have to look for a non-profit or another government entity to do larger projects.

Commissioner Bernd asked if P3 was a local or national entity. Mr. Harmeyer asked Mr. Culpepper of Venture Realty to answer this question. Mr. Culpepper stated that P3 was a licensed 501(c) (3) doing business out of Charlotte North Carolina. The public mission is to reduce the burdens of government and contribute to charitable causes by partnering with local developers and developing assets.

Chair Lisa Murphy asked if this required action by City Council as well. Mr. Harmeyer explained this was just through the VBDA and then the bonds will be issued by the Virginia Small Business Financing Authority.

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

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

**VBDA Facilities**

5. Approval of a Resolution awarding the contract for the roof restoration of the Human Services Building located at 3432 Virginia Beach Blvd. to TST Roofing. The presentation was given by Svetla Tomanova.

*Discussion:*

Chair Lisa Murphy asked Ms. Tomanova to clarify that the \$2.2 million that we are holding is the rent we have taken in over the years. Ms. Tomanova clarified. Commissioner William Brunke asked for the history of the Human Services Building to be shared with the group. Dana Harmeyer explained that the City needed to finance a building. To secure the use of federal funds, the City needed the lease payment to go to the

VBDA for the debt service. During the initial term of the Lease, the payments from the City to the VBDA paid the debt on the building. This project in the late 1980's was one of the first endeavors by the City to use the VBDA or a third party to finance a badly needed building.

Commissioner Mike Standing asked how the \$2.2 million is accounted for. Accountant Katrina Flowers explained that we collect money from the Department of Human Services for maintenance, which is in a maintenance account reserved strictly for the maintenance of the building and is not the actual rent. Chair Murphy asked if we were still paying the debt service. Mr. Harmeyer stated the building was paid off about ten years ago.

Commissioner David Bernd asked how old the roof is. Ms. Tomanova stated it was the original roof.

MOTION: Ronnie Parker  
SECOND: Penny Morgan  
APPROVED: 10-0-0

6. Approval of a Resolution modifying the terms of the land acquisition from Miller Group, presented by Senior City Attorney Alexander Stiles.

*Discussion:*

Mr. Stiles explained to the Board that they approved a Land Swap as part of an Incentive to keep Sanjo here in July. As you recall the VBDA would receive lot 2 and the Miller Group would receive about 12 acres in Corporate Landing. Sanjo has requested to amend the terms of the transaction to allow lot 2 to be sold to the VBDA as a land condominium. This structure will allow construction to commence more quickly as the property would not need to be subdivided before the sale. No other terms of the deal would change, and the VBDA's interest is essentially unimpacted.

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

**BUSINESS PARKS**

7. Approval of a Resolution authorizing the sales of up to 5 acres of land in the Innovation Park to Acoustical Sheetmetal, presented by Paige Fox.

*Discussion:*

Chair Lisa Murphy stated it was good to hear the company is expanding sooner than they thought.

MOTION: William Brunke  
SECOND: Penny Morgan  
APPROVED: 10-0-0

8. Approval of Forbes Candy Construction Design, presented by Emily Archer.

*Discussion*

Chair Lisa Murphy asked if the side of the façade with less architectural articulation would be seen. Ms. Archer explained this was a temporary road on this specific side of the building that is only utilized by 2 businesses. Ms. Murphy stated the side of the building people would see was on General Booth.

MOTION: David Bernd  
SECOND: Joseph Strange  
APPROVED: 10-0-0

9. Approval of a new Road name in Corporate Landing Business Park, presented by Emily Archer.

*Discussion*

Ms. Archer noted that Point Place was also requested but the response was there were too many “points” in road names. She stated that staff recommends Global Way as the name and that it has been approved by the City’s Planning Department.

Commissioner Michael Standing asked if this was replacing the name Central Plaza, and Ms. Archer confirmed.

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

**ADMINISTRATIVE INFORMATION**

**10. VBDA Priorities**

- A. Chair Lisa Murphy announced our Holiday Party will be on December 7, 2022, at the Westin at 5:00 pm and we are looking forward to recognizing our new businesses and all our partners in the Community.
- B. Ms. Murphy shared she had sent a letter providing our support to acquire funding support for the Trail System that starts at the City line and is a multi-use trail that would provide a nice amenity for the businesses, multifamily, and residents as well as help us move forward on our comprehensive plan initiative. She wanted to share with the Board in case questions came up on the subject. Commissioner David Bernd asked if this was a grant application. Ms. Murphy stated it was a series. Deputy Director Kathy Warren added that this would not affect this group in putting transit in that corridor should City Council so decide.

**11. Director’s Report:**

- A. In the absence of Deputy City Manager Taylor Adams, Paige Fox shared an update on the International Incubator. Three Spanish Delegations were visiting last week which was partially a result of the work that the Vice Mayor helped with back in June. Thank you to the VBDA Members that participated and supported us during that visit. During the visit, they looked at our International Incubator.

Currently, there are two UK Companies leasing that space with one office remaining. We are currently discussing a Scottish Company, a German Company as well as others. We anticipate the need for additional space and have begun to explore more options. We will have a more concrete plan at the next meeting to discuss plans for addressing that need. Ms. Murphy asked if that would give us more opportunities to house foreign companies. Ms. Fox confirmed.

Ms. Fox also shared that one of the companies that the Board approved to lease the space has grown exponentially and will be out of the Incubator space by the end of the year. Ms. Fox stated that the Incubator has been working great. Commissioner David Bernd asked what the company does that is expanding. Ms. Fox stated they do Data Analytics for Law Enforcement and have a contract with our City Police Department.

Vice Mayor Rosemary Wilson commented that Ms. Fox has been doing an amazing job here with our International as she went to Manchester England, being the only East Coast representative there for the Wind Energy Conference. Then she went from there to Barcelona, spending time away from her family to do work for our City.

Chair Lisa Murphy announced that Councilmember Berlucchi had joined us for the first time as he has just been appointed to be our liaison. Councilmember Berlucchi thanked Ms. Murphy for the welcome and he stated he was very grateful to be here and is looking forward to the opportunity to work with the group.

**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:

**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)(29). (*Districts 2,5 and 7*)

**LEGAL MATTERS:** Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, pursuant to Va. Code § 2.2-3711(A)(7). (*District 2*)

MOTION: Taylor Franklin  
SECOND: Guenter Weissenseel  
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 10:15 am.

  
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Lisa M. Murphy, Chair



September 20, 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 September 20, 2022.
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. Furthermore, I have a financial interest in the Dome Site Project; therefore, I will abstain from participating in the discussion and/or vote on this matter.

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 black ink, appearing to read 'Michael J. Standing', is written over a horizontal line.

Michael J. Standing  
Commissioner

MJS/AWS/csk