

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY  
January 17, 2023 MINUTES

The City of Virginia Beach Development Authority (“VBDA”) held its regular meeting on Tuesday, January 17, 2023, 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 Brown, Commissioner  
William Brunke, Treasurer  
Nneka Chiazor, Commissioner  
Penny Morgan, Commissioner  
Ronnie L. Parker, Commissioner  
Michael J. Standing, Commissioner

MEMBERS ABSENT: David Bernd, Secretary  
W. Taylor Franklin, Assistant Secretary  
Joseph E. Strange, Vice-Chair  
Guenter H. Weissenseel, Commissioner

CITY COUNCIL: Vice Mayor Rosemary Wilson  
Councilmember Michael Berlucchi

ADVISORS PRESENT: Taylor V. Adams, Deputy City Manager  
Alexander W. Stiles, Senior City Attorney  
Kathy Warren, Deputy Director, Economic Development  
Laura Hayes Chalk, Deputy Director, Economic Development  
Kaitlen Alcock, Planner II  
Michael R. Anaya, Project Development Planner III  
Emily Archer, Project Development Manager  
Autumn Bailey, Business Development Manager II  
Devin Cowhey, Business Development Manager II  
Katrina N. Flowers, VBDA Accountant  
Vicki L. Kelley, Administrative Specialist I  
Ihsane Mouak, Workforce Development Coordinator  
Elisabeth D. Parker, Administrative Technician  
Katelyn Philleo, Business Development Representative I  
Jeffrey L. Smith, Business Development Coordinator  
Svetla Tomanova, Project Development Planner II  
Annagid Walker, Account Clerk III  
Deborah Zywna, Project Development Planner III

REPORTED BY: Taylor V. Adams

RECORDED BY: Elisabeth D. Parker

Chair, Lisa Murphy, began the meeting at 8:31 a.m. and opened the floor for public comment.

**OPEN FLOOR**  
No Public Speakers

**REGULAR MEETING**

**MEETING MINUTES**

1. Approval of Meeting Minutes, December 20, 2022.

MOTION: William Brunke  
SECOND: Ronnie Parker  
APPROVED: 6-0-0

**FINANCIALS**

2. Katrina Flowers presented financials for December 2022.

**Operating Account Summary: December 2022**

Beginning Cash – December 1, 2022 **\$3,513,542**

*Significant Cash Receipts*

- Grand Total of Significant Cash Receipts - \$46,566
- \$ 6,455 PFRB Bonds Virginia – Annual Bond Administration Fees
- \$ 25,663 LifeNet Health – Annual Industrial Bond Administration Fee
- \$ 2,900 Chorus Intelligence Limited – (6) months of International Incubator Rent
- \$ 11,548 Interest Income

*Significant Cash Disbursements*

- Grand Total of Significant Cash Disbursements - \$790,879
- \$ 58,238 Kimley Horn – Survey, Geotech work and infrastructure planning, inc. for Innovation Park Phase 2
- \$ 14,205 Globalinx – Monthly Conduit Management Charge for December 2022
- \$ 15,637 The Westin Virginia Beach Town Center – Final Payment for VBDA Annual Reception
- \$ 14,205 Globalinx – Monthly Conduit Management for December 2022
- \$179,256 City Treasurer – FY22 VB National Golf Revenue – Operating Portion for Year-End
- \$193,261 City Treasurer – FY21 Amphitheater Annual Operating Rent Portion for Year-End
- \$ 8,008 HBA Architecture & Interior Design – Lishelle Place Facility Assessment & Feasibility Study
- \$ 8,565 Live Nation Worldwide, Inc. – Amphitheater Retention Pond Aeration System
- \$ 71,025 Hunton Andrews Kurth – Legal Services for Dome Site Project
- \$151,023 WM Jordan Company Inc. – Reimbursable Expense for Dome Site Project (Off-site Infrastructure)
- \$ 60,751 Cooper Carry – Reimbursable Expenses for Dome Site Project
- \$ 2,500 Kimley Horn – Reimbursable Expense for Dome Site Project
- \$ 14,205 Globalinx – Monthly Conduit Management Charge – January 2023

**Ending Cash – December 31, 2022 **\$2,835,601****

**Incentive & Initiative Account Summary: December 2022**

Beginning Cash – December 1, 2022 **\$2,890,270**

*Significant Cash Receipts*

- Grand Total of Significant Cash Receipts - \$506
- \$ 506 Bank Interest Income

*Significant Cash Disbursements*

- Grand Total of Significant Cash Disbursements - \$330,780
- \$256,569 Apex Systems – Final Payment for EDIP Grant Part A
- \$ 18,142 Cavalier Ventures, LLC (Tarnished Truth) – Partial Payment for EDIP Grant Part A
- \$ 29,364 IMS Gear Virginia – Payment for EDIP Grant Part A

\$ 10,000	Bark-K Park, LLC – Façade Improvement Grant (FIG) for Front Façade Reconstruction
\$ 8,636	Oyster Cove Boat Works & Yacht Brokerage Inc. – Façade Improvement Grant (FIG) – Paint and Awnings Façade Improvements for Existing Warehouse

**Ending Cash – December 31, 2022** **\$2,656,485**

**Incentive Summary Reporting: December 2022**

<b>Beginning VBDA EDIP Grant Balance</b>	<b>\$3,373,139</b>
<b>Earned Interest and Activity Analysis Fee</b>	<b>+\$ 50</b>
<b>EDIP Grants Expired (Closed)</b>	<b>+\$ 283,500</b>
<b>New Grants Approved by VBDA</b>	<b><u>-S 0</u></b>
<b>EDIP Grant Funds Available as of December 2022</b>	<b>\$3,656,689</b>

*Discussion:*

Commissioner William Brunke asked if there was any background on why there was little to no performance under the expired EDIP grants where almost \$300,000 was unused. Katrina Flowers explained that there were a lot of EDIPs that didn't have a lot of activity because of COVID-19 and the compounded effects that the pandemic had on companies applying for reimbursements. The EDIP process has also been updated and streamlined which has also impacted reimbursement submissions. Chair Lisa Murphy further explained that in this particular instance, the company just didn't expand like they thought they would. Deputy City Manager Taylor Adams confirmed Ms. Murphy's statement was accurate.

Commissioner Nneka Chiazor arrived during the Financials presentation discussion.

**ECONOMIC DEVELOPMENT INVESTMENT PROGRAM (EDIP)**

3. Approval of a Resolution authorizing an EDIP Part "A" award in the amount of \$100,000 for ABW Virginia Beach, LLC dba New Realm Brewing presented by Deputy Director Laura Chalk.

*Discussion:*

Deputy City Manager Taylor Adams disclosed that Ms. Chalk was presenting this on behalf of a staff member that was out sick and the other that was supposed to cover was out with car issues. He wanted to provide some additional context. Virginia Beach is competing with two other communities for this expansion and this request is not tied to the restaurant. This is exclusively about the expansion of the manufacturing operation and then the distribution out of market. This facility started as Green Flash and New Realm came in and established operation on a shell of what they have today. They've grown to about 135 employees and are now expanding on the manufacturing and distribution side. The challenge on this deal is the fact there is an on-site hospitality aspect. Charlie Bauman, who led this, was very specific in ensuring that all of the investments were exclusively tied to the industrial component.

Chair Lisa Murphy asked if they have moved their principals up to the market. Mr. Adams shared that the majority of their C-suite staff are now tied to this facility. Their Chief Financial Officer, Chief Marketing Officer, and Product Officer are all here now. The Chief Executive of the company floats between here, Atlanta, and Charleston where they've established manufacturing. Commissioner William Brunke asked to confirm the wage was an average of \$43,000. Ms. Chalk confirmed that was correct. Mr. Adams stated that all C-suite salaries were excluded otherwise that number would be considerably higher so they only went with the manufacturing employees' salaries. Mr. Brunke stated that although this is within the policy, the board, as a group, needs to reevaluate the benchmarks in place on salaries, particularly given the salary pressures that there's been over the past couple of years that it may be a little bit low.

MOTION: Nneka Chiazor  
 SECOND: Penny Morgan  
 APPROVED: 6-0-1

Michael Standing abstained from the vote.

4. Approval of a Resolution authorizing an EDIP Part “B” extension request for 17<sup>th</sup> Street Properties, LLC presented by Devin Cowhey.

*Discussion:*

Chair Lisa Murphy asked if they have a construction schedule in place for Phase Two. Ms. Cowhey shared that Phase Two is based on buying a piece of property that they’ve been negotiating with the property owner and it has not gone as anticipated. Chair Murphy then asked, if they are not able to secure that property in the next year and start construction then would those funds come back. Ms. Cowhey stated that could potentially occur.

MOTION: William Brunke  
SECOND: Penny Morgan  
APPROVED: 7-0-0

5. Approval of a Resolution authorizing an EDIP Part “A” award in the amount of \$40,00 for TOMAR Computer Integration, Inc., dba 360IT Partners, presented by Paige Fox.

*Discussion:*

Ms. Fox acknowledged and thanked owner and CEO of the company, Mr. Martin Joseph, for being there and Chair Murphy thanked him for expanding and training in our city.

MOTION: Michael Standing  
SECOND: Ronnie Parker  
APPROVED: 7-0-0

**ADMINISTRATIVE INFORMATION**

6. VBDA Priorities: *L. Murphy, Chair*
7. VBDA Members: *L. Murphy, Chair*

*VBDA Priorities/Members Update:*

Chair Lisa Murphy shared she had a few administrative items. The VBDA Clerk’s Office disseminated the 2023 Statement of Economic Interests and Disclosure of Real Estate Holdings to the board. This is an annual filing that is due by the end of the month. She asked the board to please get those back to Ms. Terri Chelius by the requested deadline.

There was also a recommendation by City Council with recommendations from the Citizens Committee on Boards and Commissions (the CCBC) regarding strict enforcement of the attendance policy. They are going to be focused on making sure that all of the committees have active members who are actively engaged and showing up for meetings. This will be circulated via email as well.

Chair Murphy acknowledged that Commissioner William Brunke requested the board review the average salaries being incentivized via the EDIP policy and both he and Commissioner Michael Standing have volunteered. The intent is to receive an update on this at the next meeting. The Chair offered an opportunity for either of them to comment. Mr. Brunke expressed that the board has been using the same policy with static wage brackets for a long time and the market has changed. It needs to be revisited to ensure that the objectives are consistent with what the board is trying to do in terms of growth. Chair Murphy thanked both of them for agreeing to review this matter.

8. Director’s Report: *T. Adams*

*Director’s Report:*

Deputy City Manager Taylor Adams acknowledged and thanked Emily Archer for doing an amazing job administering the Façade Improvement Grant (FIG) Program for the City. Mr. Adams was grateful City Council allowed his team to establish this program two years ago and he announced that the FIG Program was open again starting today to receive grant requests. Over the last two years, \$207,498 in Façade

Improvement Grants was awarded to 29 small Virginia Beach businesses. This was done because the Economic Development Investment Program (EDIP) does not allow for investment into retail and hospitality industries and there was a real need in that space. Those awarded grants induced \$1.3M in new capital investment in our community. New or existing small businesses with less than 50 employees and those who lease them; properties and applicants that are current on all City of Virginia Beach licenses fees and taxes; and businesses located on any commercially or industrially zoned property may apply. The program will match small business owners or those who lease to them in investments of up to \$10,000 for exterior building site and outdoor dining improvements. This is only a 50% match on the actual capital investment. Commissioner Standing requested a link to the website. Ms. Archer shared the press release is on the department's website along with the link to the application.

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 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). (*District 3*) (*District 9*)

**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)(8). (*District 2*)

**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 3*) (*District 9*)

MOTION: William Brunke  
SECOND: Penny Morgan  
APPROVED: 7-0-0

**RECONVENED INTO OPEN SESSION**

**CERTIFIED CLOSED SESSION**

MOTION: William Brunke  
SECOND: Michael Standing  
APPROVED: 7-0-0

Chair Lisa Murphy adjourned the meeting at 9:45 am.



Lisa M. Murphy, Chair