

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
August 15, 2023 MINUTES

The City of Virginia Beach Development Authority (“VBDA”) held its regular meeting on Tuesday, August 15, 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
W. Taylor Franklin, Assistant Secretary
Penny Morgan, Commissioner
Ronnie L. Parker, Commissioner
Michael J. Standing, Commissioner
Guenter H. Weissenseel, Commissioner

MEMBERS ABSENT: Joseph E. Strange, Vice-Chair

CITY COUNCIL: Vice Mayor Rosemary Wilson
City Councilman Michael Berlucchi
City Councilman Worth Remick

ADVISORS PRESENT: Alexander W. Stiles, Senior City Attorney
Ashley-Loren Grant, Assistant City Attorney
Charles E. Rigney, Interim Director of Economic Development
Laura Hayes Chalk, Deputy Director
Kathy M. Warren, Director, Planning & Community Development
Emily L. Archer, Project Development Administrator
Charles J. Bauman, III, Business Development Coordinator
Katrina N. Flowers, VBDA Accountant
Vicki Kelley, Administrative Specialist I
Letitia Langaster, Business Development Manager II
Matt Mader, Senior Land Development Engineer
Tecora D. McIntyre, Administrative Specialist I
Elisabeth D. Parker, Executive Assistant II
Katelyn Philleo, Business Development Representative I
Jeffrey L. Smith, Business Development Coordinator
Annagid Walker, Account Clerk III

REPORTED BY: Charles E. Rigney

RECORDED BY: Elisabeth D. Parker

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, July 18, 2023
MOTION: William Brunke
SECOND: Taylor Franklin
APPROVED: 9-0-0

ANNUAL REPORT

2. Approval of the City of Virginia Beach Development Authority FY2022-2023 Annual Report to City Council presented by Interim Director Charles Rigney.

Discussion:

Chair Lisa Murphy shared the Citizens Committee on Boards and Commissions Final Report that was adopted in December of 2022 enforcing meeting attendance is a relatively new policy as it relates to the inclusion of member attendance in the City Council annual report. Chair Murphy encouraged Commissioners to see her after the meeting to review and confirm any absences that may need to be updated per the new policy. She also mentioned wanting to include EDIP grants and new examples of projects where Commonwealth opportunity funds contributed to having a much bigger economic impact. She also thanked Katrina Flowers, Emily Archer, Kathy Warren and Alex Stiles for the tremendous amount of time they have spent working to review contracts and make disbursements for the Atlantic Park project.

MOTION: Guenter Weissenseel
SECOND: Penny Morgan
APPROVED: 9-0-0

APPOINTMENT OF ASSISTANT SECRETARY

3. Approval of motion to appoint Interim Director Charles Rigney as Assistant Secretary of the City of Virginia Beach Development Authority presented by Senior City Attorney Alexander Stiles.

No Discussion.

MOTION: Taylor Franklin
SECOND: Michael Standing
APPROVED: 9-0-0

FINANCIALS

4. Review of Financial Statements for June and July of 2023 presented by Katrina Flowers.

Discussion:

Chair Lisa Murphy asked if a trend line was included showing the appropriations the Authority receives each fiscal year based on the cigarette tax. Katrina Flowers confirmed the trend line was included and noted the significant \$200,000 decrease due to declining cigarette sales. Chair Murphy also asked the three present City Council representatives if the tax money from vaping, if it is included with the legalization of marijuana, could be included with the appropriations the Authority receives since there is a noticeable decline in cigarette sales. Vice Mayor Wilson responded that this was included in the legislative package last year. Chair Murphy is hopeful this will help with the EDIP grant funds.

CONTRACTS

5. Approval of an amendment to the Town Center Block 11 lease presented by City Attorney Alexander Stiles.

Chair Lisa Murphy announced this item was still not ready and would be tabled for this month.

6. Approval of a Forbes Candies assistance request presented by Emily Archer.

Discussion:

Commissioner Taylor Franklin asked what would happen if they don't build the building and if the company would get their money back if they didn't build the building. Emily Archer explained all these in-kinds would happen during construction. Senior City Attorney Alexander Stiles clarified that the company would not get the money back, but the Authority would get the improvements. Chair Lisa Murphy asked how far along the construction process was on Global Way and if it had started. Ms. Archer stated that the pond was about 80 percent complete, the utilities have just begun for the water and sewer line, and they are hoping to have the road under construction in 2024. This infrastructure would not only serve Forbes Candies but five other parcels in the Corporate Landing Business Park. Commissioner Michael Standing asked if the company was paying the same price per acre. Ms. Archer confirmed that was correct. Commissioner William Brunke asked Ms. Archer to confirm that the second and third item requests on slide 6 of the presentation were at no hard dollar cash cost to the Authority and she confirmed that was correct. Commissioner Brunke also asked if there were other situations in Corporate Landing Business Park or Innovation Park where the Authority provided development fees for developers who oversaw part of the infrastructure construction. Ms. Archer articulated not currently and that this would be new for Corporate Landing Business Park. Chair Murphy stated that this section of the Corporate Landing Business Park did not have any of those improvements to begin with. If they could go in where there was preexisting infrastructure that would be one thing but the timing of their construction and the Authority's construction of the infrastructure is such that it makes sense to have the company manage that project for the Authority because we are using the same contractors. They are just managing the process. Commissioner Brunke asked Ms. Archer to confirm that the developers are just managing the connectivity of the pond, the two utility lines and one water line of the construction on the Authority's behalf and she affirmed that. Chair Murphy stated the assistance request was basically a credit against the purchase price and the Authority was not coming out of pocket.

MOTION: Ronnie Parker
SECOND: Penny Morgan
APPROVED: 9-0-0

ADMINISTRATIVE INFORMATION

7. VBDA Priorities: *Commissioner G. Weissenseel*

Discussion:

Chair Lisa Murphy asked Commissioner Guenter Weissenseel to share updates from his recent trip to Germany and his efforts to help the Authority determine how best to attract, train and retain employees for the City's manufacturing companies. Commissioner Weissenseel shared that 23 people went on the trip including five mayors and five presidents from the area. They were able to visit STIHL's global headquarters. Stihl currently has about 200 apprentices and 20,000 employees manufacturing six to eight million chainsaws a year with \$5.4 billion in sales. From there, they visited schools wherein the college presidents were asked detailed questions about how the system works, how to get trained, and what can be included in our systems to make it better to train more people. There will be a follow-up meeting in two weeks where trip attendees can discuss action items. The group also visited IMS Gear's headquarters. IMS Gear has about 170 apprentices in Europe. There was an open forum to discuss how the whole system worked, pros, and what can improve. The goal now is to find a real pathway to accessing available workforce dollars to implement desired trainings.

8. VBDA Members: *L. Murphy*

Discussion:

Chair Lisa Murphy asked Commissioner William Brown and Commissioner Guenter Weissenseel to serve on the nominating committee and give a report next month. She also announced the end of Commissioner Nneka Chiazor and Commissioner Joseph Strange's terms for the Authority. She read both commissioner's resolutions and thanked them for their service. Commissioner Strange was absent.

9. Director's Report:

Discussion:

Interim Director, Charles E. Rigney, gave a presentation update on Projects Beach and Door Cost Participation. Chair Lisa Murphy asked if a multiuse trail or sidewalk along the Southeastern Expressway alignment would be created where the new road is going. Mr. Rigney confirmed that was correct. Councilman Worth Remick asked if the \$22.5 million for infrastructure improvements would go towards opening up more industrial land sites. Mr. Rigney stated should the future development opportunity come in, there is some land there that could potentially become opportunities for economic development. Commissioner William Brunke asked where the anticipated employees were coming from for these new jobs at \$17/hr. Mr. Rigney shared that Councilman Chris Taylor asked the same question during the presentation to City Council. He said there's a number of people that work two and three jobs to generate the \$17-\$20/hour wage difference. These jobs are coming with a full benefits package as a way to move up in working shift work.

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 purpose:

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 2*)

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*) (*District 5*)

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*) (*District 5*)

MOTION: William Brunke
SECOND: Michael Standing
APPROVED: 9-0-0

RECONVENED INTO OPEN SESSION

CERTIFIED CLOSED SESSION

MOTION: Taylor Franklin
SECOND: Michael Standing

APPROVED: 9-0-0

Chair Lisa Murphy adjourned the meeting at 10:22 a.m.



Lisa M. Murphy, Chair

**RESOLUTION OF THE
CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
TO
NNEKA CHIAZOR**

WHEREAS, the Virginia Beach Development Authority of the City of Virginia Beach, Virginia was created to serve certain purposes, among which are those of promoting industry and developing trade by inducing manufacturing, industrial, governmental, and commercial enterprises to locate or remain in the Commonwealth of Virginia by assisting in the acquisition, construction, equipping enlargement, and improvement of commercial facilities; and

WHEREAS, Nneka Chiazor was appointed to the Authority on September 1, 2019; and served for four years with distinction until August 31, 2023; and

WHEREAS, during her tenure Virginia Beach experienced unprecedented growth, expansion, and prosperity; and

WHEREAS, this commercial growth has led to the increase in jobs for the citizens of both the City of Virginia Beach and Hampton Roads; and

WHEREAS, this commercial growth has provided revenue to support many services necessary to a young, thriving community; and

WHEREAS, the support of dedicated citizens such as Nneka Chiazor has made Virginia Beach a better place to live, work and recreate; and

NOW, THEREFORE, we the City of Virginia Beach Development Authority hereby recognize the invaluable service and contributions made by Nneka Chiazor to the betterment of the City of Virginia Beach.

IN WITNESS WHEREOF, I have hereunto set my hand and cause the SEAL of the Virginia Beach Development Authority of the City of Virginia Beach, Virginia to be affixed hereto this fifteenth day of August, in the year of our Lord, two thousand and twenty-three.



Chairman

City of Virginia Beach Development Authority

**RESOLUTION OF THE
CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
TO
JOSEPH E. STRANGE**

WHEREAS, the Virginia Beach Development Authority of the City of Virginia Beach, Virginia was created to serve certain purposes, among which are those of promoting industry and developing trade by inducing manufacturing, industrial, governmental, and commercial enterprises to locate or remain in the Commonwealth of Virginia by assisting in the acquisition, construction, equipping enlargement, and improvement of commercial facilities; and

WHEREAS, Joseph E. Strange was appointed to the Authority on August 28, 2013; and served for ten years with distinction until August 31, 2023; and

WHEREAS, Joseph E. Strange represented the City of Virginia Beach Development Authority as a City Council appointed liaison; Planning Commission Chair, Co-Chair and liaison, Transition Area Interfacility Traffic Area Citizens Committee liaison; Military Economic Development Committee liaison; and

WHEREAS, during his tenure Virginia Beach experienced unprecedented growth, expansion, and prosperity; and

WHEREAS, this commercial growth has led to the increase in jobs for the citizens of both the City of Virginia Beach and Hampton Roads; and

WHEREAS, this commercial growth has provided revenue to support many services necessary to a young, thriving community; and

WHEREAS, the support of dedicated citizens such as Joseph E. Strange has made Virginia Beach a better place to live, work and recreate; and

NOW, THEREFORE, we the City of Virginia Beach Development Authority hereby recognize the invaluable service and contributions made by Joseph E. Strange to the betterment of the City of Virginia Beach.

IN WITNESS WHEREOF, I have hereunto set my hand and cause the SEAL of the Virginia Beach Development Authority of the City of Virginia Beach, Virginia to be affixed hereto this fifteenth day of August, in the year of our Lord, two thousand and twenty-three.



Chairman

City of Virginia Beach Development Authority