

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
March 19, 2024, MINUTES

The City of Virginia Beach Development Authority (“VBDA” or “Authority”) held its regular meeting on Tuesday, March 19, 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 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
W. Taylor Franklin, Vice-Chair
Guenter H. Weissenseel, Secretary
William Brown, Assistant Secretary
William Brunke, Treasurer
Linda Garris-Bright, Commissioner
Eric Keplinger, Commissioner
Penny Morgan, Commissioner
Ronnie L. Parker, Commissioner
Michael J. Standing, Commissioner
David Weiner, Commissioner

CITY COUNCIL: Council Member Michael Berlucchi
Vice Mayor Rosemary Wilson

ADVISORS PRESENT: Laura Chalk, Deputy Director, Economic Development
Kathy M. Warren, Director, Planning & Community Development
Alexander W. Stiles, Senior City Attorney
Emily L. Archer, Project Development Administrator
Michael R. Anaya, Urban Designer Planner III
Henry W. Cobb, Business Development Manager II
Dania Dheyab-Hobbs, Civil Designer
Madison Eichholz, Development Liaison Planner
Paige M. Fox, Business Development Manager II
Ashley-Loren Grant, Associate City Attorney
Blake Huffman, VBDA Senior Accountant
Letitia E. Langaster, Business Development Manager II
Matt Mader, Senior Land Development Engineer
Howie McEntee, Accountant II
Tecora McIntyre-Catlett, Executive Assistant II
Elisabeth D. Parker, Executive Assistant II
Samantha Renaud, Executive Assistant I
Paul J. Scully, Development Liaison Coordinator
Ray Stevens, Technical Associate
Annagid Walker, Account Clerk III
Pamela D. Witham, Project Development Planner III
Deborah Zywna, Project Development Planner III

REPORTED BY: Laura Hayes Chalk

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, February 20, 2024

MOTION: William Brunke

SECOND: Penny Morgan

APPROVED: 11-0-0

FINANCIALS

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

Operating Account Summary: February 2024

Beginning Cash – February 1, 2024 **\$4,927,296**

Cash Receipts Detail

- Grand Total of Cash Receipts
 - \$ 47,966 Westin Conference Room – 2023 Revenue Share
 - \$ 20,367 Interest Income

Cash Disbursements Detail

- Grand Total of Significant Cash Disbursements -
 - \$ 14,632 Monthly recurring charge conduit management for Globalinx
 - \$ 51,723 Atlantic Park Construction – Inspection and support services – MBP
 - \$ 12,232 Legal Services for Atlantic Park – Davis Commercial Law Group

Ending Cash – February 29, 2024

\$4,912,970

- Payments Reimbursed by City of VB - February
 - \$ 2,073,159 Atlantic Park -Venture Waves Draw #12 – Entertainment Venue
 - \$ 1,863,325 Atlantic Park -Venture Waves Draw #12 – Offsite Infrastructure (City Asset)
 - \$ 334,234 Innovation Park – Architectural Graphics – Offsite Infrastructure
 - \$ 7,111 Innovation Park – Vanasse Hangen Brustlin – Geotech Testing
 - \$ 397,817 Corporate Landing – Seabreezy Enterprises – Utility Construction
 - \$ 52,194 Corporate Landing – Vanasse Hangen Brustlin – Construction Administration

Capital Maintenance: February 2024

- Amphitheater - \$615,959
 - \$ 9,444 Held by VBDA
 - \$ 606,515 Held by City CIP
- Human Services Building - \$3,109,068
 - \$ 47,911 Monthly Lease
- VB National Golf Course - \$334,082
 - \$ 10,546 Revenue Agreement
 - \$ (12,225) HBA Architecture – Field Investigation and Reporting

Incentive & Initiative Account Summary: February 2024

Beginning Cash – February 1, 2024 **\$2,768,019**

Cash Receipts Detail

- No Significant Receipts

Cash Disbursements Detail - \$11,329

- Grand Total of Significant Cash Disbursements - \$
\$ 11,329 Olympia Bendix Two (Bio Accelerator Lease Payment)

Ending Cash – February 29, 2024

\$2,756,723

Beginning VBDA EDIP Grant Balance

\$4,154,090

Sunny Farms, LLC Expired Grant

\$600,000

Solaray, LLC dba SRP Companies Expired Grant

\$75,000

Earned Interest and Activity Analysis Fee

+\$ 18

EDIP Grant Funds Available as of February 2024

\$4,829,108

Construction in Progress**

- Atlantic Park – Entertainment Venue - \$16,651,679 (Paid to date)
\$ 2,073,159 Venture Waves Draw #12
- Atlantic Park – Parking - \$13,480,789 (Paid to date via CDA)

No Discussion

CONTRACTS

3. Request approval of a Resolution authorizing the engagement of CBRE for a study related to the Convention Center district presented by Deputy Director Laura Chalk.

Discussion:

Chair Lisa Murphy clarified that the study will be an economic analysis of the impact of additional retail and hotels in the area. Ms. Laura Chalk added that CBRE was selected because of their existing relationship and experience with related studies of mixed-use developments and hotels. Chair Murphy asked Mr. Alexander Stiles if he had any issues with proceeding, and he stated that the Authority's procurement exemption would allow this.

MOTION: Taylor Franklin

SECOND: Guenter H. Weissenseel

APPROVED: 10-0-1

Commissioner Eric Keplinger abstained from the vote pursuant to the Conflict of Interests Act §2.2-3114(E) and his letter of abstention is incorporated into these minutes.

VBDA ASSETS

4. VBDA Ground Leases Overview Updates presented by Project Development Planner III, Pamela Witham.

Discussion:

Commissioner William Brunke stated that the terms of the Virginia Beach Amphitheater lease and tenant management agreement timeframes do not sync up. Mr. Stiles confirmed that was accurate and that he is aware the terms need to be corrected. Chair Murphy asked if the management agreement currently extends past the lease term. Mr. Stiles confirmed that and Chair Murphy stated that the Authority does have lease renewal options so this can be corrected as well.

Mr. Brunke asked if the Virginia Beach National Golf five-year management agreement term ends in 2025 and not 2026 as presented. Based on a recent conversation he had with the operator, he believes they may be under the impression the term ends in 2025. Ms. Pamela Witham will follow-up with the operator to confirm they have the correct information. Chair Murphy also wanted to clarify information shared about

VB National Golf. As an operator, they do not pay the Authority any rent and all collected fees are for management operations.

INDUSTRIAL PARKS

5. Request for approval of a Resolution approving the sale of approximately 3.1 acres of property at Corporate Landing Business Park to Beach Fellowship Church with revised Purchase Agreement terms and conditions presented by Project Development Administrator Emily Archer.

Discussion:

Commissioner Guenter Weissenseel asked about if moving the gas line was discussed. Mr. Stiles stated that it was and that the land is being offered at a lower price for that reason, as opposed to determining a credit to provide Beach Fellowship Church for the move as the relocation may take several years to complete. Chair Murphy added that the Authority could add a right of first refusal into the deal in case Beach Fellowship did not use all the land procured. Ms. Emily Archer shared that Beach Fellowship has plans for all 3.1 acres included in this purchase. Chair Murphy stated the land would remain subject to the existing zoning and AICUZ limitations and the benefit to the Authority is the easement. Ms. Archer said there is a due diligence period built into the purchase agreement and the 3.1 acres are subject to the Corporate Landing Design Criteria so the construction design will come back before the board for approval prior to any development.

MOTION: W. Taylor Franklin

SECOND: Penny Morgan

APPROVED: 11-0-0

6. Request approval of a Resolution for the Modification of Deed Restrictions at Lakeview Corporate Park for 500 and 599 Studio Drive presented by Associate City Attorney Ashley-Loren Grant.

Discussion:

Commissioner William Brunke asked if a study had been performed to ensure adequate parking to support the number of absentee voters that would come for elections without negatively impacting other tenants. Ms. Ashley-Loren Grant stated HBA Architecture has been engaged to look at what unit space the voter registrar's office would need and that the location has about two hundred existing parking spaces. The existing lot was evaluated and approved to accommodate the parking needs of the proposed office space. Chair Murphy explained there are two parallels in this proposal, one being, modifying the deed restrictions to allow this specific use of the space and the other being the modification of proffers under the prior rezoning to add this usage. The Authority is being asked to amend the deed restrictions as the original developer of the business park.

MOTION: William Brunke

SECOND: Linda Garris-Bright

APPROVED: 11-0-0

FACADE IMPROVEMENT GRANT (FIG) PROGRAM

7. Request approval of a Resolution approving 14 grants in the amount of \$109,543 under the FIG Program presented by Project Development Planner III, Deborah Zywna.

Discussion:

During the presentation, Commissioner David Weiner asked how the grant recommendations were determined. Ms. Deborah Zywna explained that the grants are generally half the investment cost with a maximum payout of \$10,000 and a minimum of \$1,000. Commissioner Michael Standing asked if power washing is usually a qualifier for the grant. Ms. Zywna said in some cases power washing made significant improvements to some businesses but deferred to the Façade Improvement Grant (FIG) Review Committee which ultimately determines who may qualify.

Chair Murphy stated that some projects presented seemed to be larger than the estimated investments. Ms. Zywna explained that, while some investments of projects as a whole may be much larger, this program only includes the exterior modifications. Commissioner Brunke asked if number thirteen, North Bay, LLC is a residential rental property and Ms. Zywna confirmed the property is a business and not a residence.

Commissioner Eric Keplinger asked if a company can receive a grant for consecutive years. Ms. Zywna confirmed that was correct. Chair Murphy asked what the process is for second or third-year applicants. Ms. Zywna stated that the committee going forward will review these reapplicants and may deem they have exhausted their opportunity to apply to allow space for new businesses to apply.

Council Member Michael Berlucchi shared he recently had a conversation with an owner of a nonprofit organization that was told they do not qualify for the FIG program because they were a nonprofit organization. Mr. Berlucchi asked if this could be further discussed due to his belief some of these organizations would qualify in all other areas. Chair Murphy asked Ms. Zywna to share the current eligibility criteria. Ms. Zywna, with the assistance of Ms. Emily Archer, provided the current requirements are to be a commercially owned property that qualifies as a small business or those who lease to small businesses. Nonprofits are generally not considered because churches fall under this category. Ms. Archer stated they can discuss how to potentially develop a plan to include other nonprofit organizations. Chair Murphy suggested that with the support of the Authority, the remaining \$16,000 in this year's fund could potentially be opened to nonprofits that are not for religious use. Mr. Brunke said that the consideration of changing the criteria for the program to include nonreligious nonprofit organizations should be applied next cycle to not exclude any eligible entities that may not have applied this year. Chair Murphy agreed and stated it should be put into place for next year.

Commissioner Michael Standing asked if there was a requirement for time remaining on applicant's lease agreements, in order to avoid applicants who may make improvements and soon vacate the location, he also asked if new construction was included. Ms. Zywna said there is currently no minimum for leasing periods and the funds will remain available until they are exhausted but new construction is not covered under the grant. Mr. Standing believes power washing should not be funded by this grant. Commissioner Ronnie Parker said he understands Mr. Standing's perspective, but many small businesses are struggling to stay open so knowing the details of the request is important for the Authority's consideration which is why some received funding for power washing. That small detail made a huge difference for the smaller struggling businesses.

MOTION: Eric Keplinger
SECOND: Michael Standing
APPROVED: 9-0-2

Chair Lisa Murphy abstained from voting on property number one, Plaza Bakery, LLC pursuant to the Conflict of Interests Act §2.2-3114(E)&(G) and her letter of abstention is incorporated into these minutes. Vice-Chair Taylor Franklin abstained from voting on properties number three, Yorkies Modern Deli, and fourteen, Cosmo's Corner, pursuant to the Conflict of Interests Act §2.2-3114(E)&(G) and his letter of abstention is incorporated into these minutes.

INTERNATIONAL INCUBATOR

8. Request approval of a Resolution authorizing a sublease in the International Incubator to Surus Marine presented by Business Development Manager II, Paige Fox.

Discussion:

Chair Murphy asked how much remaining square footage will remain if Surus Marine is approved for two offices. Ms. Paige Fox shared that the Incubator has a total of thirteen offices. Correll Services, which has occupied one, will be leaving soon which will leave nine offices available if this sublease is approved.

MOTION: Taylor Franklin

SECOND: Guenter H. Weissenseel
APPROVED: 11-0-0

AMPHITHEATER

9. Request approval of Amphitheater VIP Concert Box use and attendance policy presented by Senior City Attorney Alexander Stiles.

Discussion:

Chair Murphy requested a slight revision to number four on the attendance policy to include the specification of "ongoing" business retention or expansion efforts. Mr. Stiles acknowledged this request.

MOTION: Penny Morgan
SECOND: William Brunke
APPROVED: 11-0-0

ADMINISTRATIVE INFORMATION

- 10: VBDA Priorities:

Discussion:

Vice Mayor Rosemary Wilson shared the City received an additional \$15,000,000 grant for Phase I of the VB Trail from the U.S. Department of Transportation and a request to have funds approved for Phase II of the project is being considered. Several members note the VB Trail is a tremendous opportunity for the City of Virginia Beach.

11. VBDA Members: *No Discussion*

12. Directors Report: *L. Chalk*

Discussion:

- Deputy Director Laura Chalk shared that Economic Development Director, Chuck Rigney is currently in Italy with Select USA, the federal agency for Economic Development, and the state's Economic Development team. They are meeting with information technology and manufacturing companies and he is set to return next week.
- Ms. Chalk also introduced two new members of Economic Development who were not present at the meeting: Jadon Gayle is the new Business Development Representative II and Kayla Dotson is the new Administrative Technician who will serve as the VBDA Clerk beginning next month.
- The VBDA Golf Tournament has tentatively been scheduled for May 3rd. More information to come soon and the proceeds will still benefit a charity.

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 2*) (*District 4*)

LEGAL MATTERS: Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and 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) (District 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) (District 4)*

MOTION: Taylor Franklin
SECOND: Guenter H. Weissenseel
APPROVED: 11-0-0

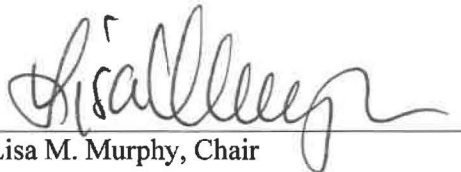
RECONVENED INTO OPEN SESSION

CERTIFIED CLOSED SESSION

MOTION: Linda Garris-Bright
SECOND: Michael Standing
APPROVED: 9-0-0

Commissioners William Brunke and Taylor Franklin had to leave prior to the certification of the Closed Session vote.

Chair Lisa Murphy adjourned the meeting at 10:41 a.m.



Lisa M. Murphy, Chair



March 19, 2024

Ms. Elisabeth D. Parker
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)&(G)

Dear Ms. Parker:

1. I am executing this written disclosure and abstention regarding the City of Virginia Beach Development Authority's discussion and/or vote on the approval of a Façade Improvement Grant program ("Program") to Plaza Bakery, 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 legal services to affiliates of the landlord of the Applicant under consideration by the Authority for an award under the Program. Therefore, I will abstain from voting on the proposed award to the Applicant.

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, appearing to read "Lisa M. Murphy". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Lisa M. Murphy
Chair

LMM/AWS



March 19, 2024

Ms. Elisabeth D. Parker
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)&(G)

Dear Ms. Parker:

1. I am executing this written disclosure and abstention regarding the City of Virginia Beach Development Authority's discussion and/or vote on the approval of a Façade Improvement Grant program ("Program") to Yorkies Modern Deli and Cosmo's Corner, Inc. (collectively, the "Applicants").

2. I have a personal interest in Franklin Johnston Group Management & Development, LLC ("FJG") located at 300 32nd Street, Suite 310, Virginia Beach, Virginia 23451.

3. FJG has a business relationship with the Applicants or their landlords under consideration by the Authority for an award under the Program. Therefore, I will abstain from voting on the two (2) proposed awards.

Please record this declaration in the official records of City of Virginia Beach Development Authority. Thank you for your assistance.

Sincerely,

W. Taylor Franklin
Vice Chair

WTF/AWS



March 19, 2024

Ms. Elisabeth D. Parker
City of 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. Parker:

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 (the "Authority") discussion and/or vote on authorizing the retention of CBRE to perform an economic impact study for the Virginia Beach sports and convention center district (the "Study")
2. I have a personal interest in MEB General Contractors, Inc., ("MEB") located at 4016 Holland Blvd., Chesapeake, VA 23323.
3. MEB is a potential participant in a proposed redevelopment in the area of the Study, and I therefore abstain from participating in any aspect of the Study or Authority's consideration of any action in the sports and convention center district.

Please record this declaration in the official records of City of Virginia Beach Development Authority. Thank you for your assistance and cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Keplinger". The signature is fluid and cursive, with a large "E" and "K" being prominent.

Eric Keplinger
Commissioner

EK/AWS