

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY

May 21, 2024, MINUTES

The City of Virginia Beach Development Authority (“VBDA” or “Authority”) held its regular meeting on Tuesday, May 21, 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 each item presented and discussed at this meeting can be viewed on the Economic Development 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 Brunke, Treasurer
William Brown, Assistant Secretary
Eric Keplinger, Commissioner
Penny Morgan, Commissioner
Linda Garris-Bright, Commissioner
David Weiner, Commissioner

MEMBERS ABSENT: Ronnie L. Parker, Commissioner
Michael J. Standing, Commissioner

CITY COUNCIL: Council Member Worth Remick

CITY COUNCIL ABSENT: Vice Mayor Rosemary Wilson
Council Member Michael Berlucchi

ADVISORS PRESENT: Deputy City Manager, Amanda Jarratt
Deputy City Manager, Kenneth L. Chandler
Charles E. Rigney, Director, Economic Development
Laura Chalk, Deputy Director, Economic Development
Kathy M. Warren, Director, Planning & Community Development
Ruth Hill, Director, Housing & Neighborhood Preservation
Alexander W. Stiles, Senior City Attorney
Emily L. Archer, Project Development Administrator
Charles J. Bauman, III, Business Development Coordinator
Henry W. Cobb, Business Development Manager II
Dominique DeBose, Business Development Representative I
Kayla Dotson, Administrative Technician
Madison Eichholz, Development Liaison Planner
Roosevelt Grandberry, TownCenter Planning Coordinator
Jadon Gayle, Business Development Representative II
JD Hines, Senior Project Manager
Blake Huffman, VBDA Senior Accountant
Vicki Kelley, Administrative Specialist
Letitia E. Langaster, Business Development Manager II
Matt Mader, Senior Land Development Engineer

Howie McEntee, Accountant II
Tecora McIntyre-Catlett, Executive Assistant II
Ishane Mouak, Business Development Coordinator
Samantha Renaud, Executive Assistant I
Paul J. Scully, Development Liaison Coordinator
Sharon Shoff, Housing Program Coordinator
Josh Spicer, Economic Development Intern
Annagid Walker, Account Clerk III
Pamela D. Witham, Project Development Planner III
Deborah Zywna, Project Development Planner III

REPORTED BY: Charles E. Rigney

RECORDED BY: Kayla B. Dotson

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, April 16, 2024

MOTION: William Brunke

SECOND: Taylor Franklin

APPROVED: 9-0-0

FINANCIALS

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

Operating Account Summary: April 2024

Beginning Cash – April 1, 2024 **\$4,843,986**

Cash Receipts Detail

- Grand Total of Cash Receipts
 - \$ 19,702 Interest Income
 - \$ 38,576 Virginia Wesleyan University – Bond #473 – Annual Administrative Fee

Cash Disbursements Detail

- Grand Total of Significant Cash Disbursements
 - \$ 51,923 Atlantic Park Construction – Inspection and support services – MBP
 - \$ 14,632 Monthly recurring charge conduit management for Globalinx
 - \$ 43,903 Box Seating 2024 concert seating – Live Nation
 - \$ 15,000 CBRE Hotel Advisory Services – Convention Center Hotel - Feasibility Study
 - \$ 4,725 Legal Services for Atlantic Park – Davis Commercial Law Group
 - \$ 3,977 Professional Services – YCH Subdivision Plat – VHB

Ending Cash – April 30, 2024**\$4,781,110**

- Payments Reimbursed by City of VB - April
 - \$ 1,917,291 Atlantic Park -Venture Waves Draw #14– Entertainment Venue
 - \$ 1,228,937 Atlantic Park -Venture Waves Draw #14 – Offsite Infrastructure (City Asset)
 - \$ 310,712 Innovation Park – Architectural Graphics – Offsite Infrastructure Draw #6 Reimbursable from GO VA Grant Funds
 - \$ 79,486 Innovation Park – Architectural Graphics – Offsitesite Infrastructure Draw #6 – Reminbursable from CIP #100576
 - \$ 6,555 Innovation Park – Kimley Horn – Construction Phase Services
 - \$ 26,954 Corporate Landing – VHB – Construction Administration

Capital Maintenance: April 2024

- Amphitheater - \$615,959
- Human Services Building - \$3,244,884
 - \$ 47,911 Monthly Lease – April
 - \$ 47,911 Monthly Lease – May
- VB National Golf Course - \$266,090
 - \$ 13,164 Revenue Agreement
 - \$ (9,494) HBA Architecture – Facility Assessment -Investigation and reporting

Incentive & Initiative Account Summary: April 2024**Beginning Cash – April 1, 2024****\$1,319,641***Cash Receipts Detail*

- No Significant Receipts

Cash Disbursements Detail - \$15,423

- Grand Total of Significant Cash Disbursements -
 - \$ 11,826 Olympia Bendix Two (Bio Accelerator Monthly Lease Payment)
 - \$ 3,597 Plaza Bakery – Fig Award – New Signage and Installation

Ending Cash – April 30, 2024**\$1,304,234****Beginning VBDA EDIP Grant Balance****\$4,824,938****360IT – First Partial Payment****Capital Investment****\$ (22,099)****Job Creation****\$ (3,320)****EDIP Grant Funds Available as of April 2024****\$4,799,519****Construction in Progress****

- Atlantic Park – Entertainment Venue - \$19,078,999 (Paid to date)
 - \$ 1,917,291 Venture Waves Draw #14
- Atlantic Park – Parking - \$13,480,789 (Paid to date via CDA)

No Discussion

SPECIAL ANNOUNCEMENT

3. VBDA Golf Tournament Charitable Donation presented to Families of Autistic Children in Tidewater presented by the Economic Development Director Chuck Rigney.

Presentation: Mr. Rigney presented a check for \$10,000 to the Executive Director of FACT, Mr. Tyler Williamson. Mr. Rigney and Chair Murphy thanked Mr. Williamson for all of the program's hard work.

Note: This item was moved down on the agenda and was originally to be presented by Council Member Berlucchi who was absent with illness, the award was presented by Economic Development Director, Mr. Chuck Rigney.

AFFORDABLE HOUSING

4. Role of Virginia Beach and Affordable Housing presented by Economic Development Director, Chuck Rigney.

Presentation: Mr. Rigney introduced Ms. Ruth Hill and Ms. Sharon Shoff, commented on the importance of affordable housing, and noted the great work Ms. Hill and her team do.

Full Presentation located at minute [8:32 of the meeting video](#).

5. Affordable Housing Presentation presented by Director, Housing & Neighborhood Preservation, Ruth Hill, and Housing Program Coordinator, Sharon Shoff.

Presentation: Housing & Neighborhood Preservation Director Ruth Hill shared the results of a 2024 Housing Study and the current role of Housing & Neighborhood Preservation in creating more affordable housing. Ms. Hill also shared proposals for expanding VBDA's role in increasing affordable housing in Virginia Beach. These included land support and public-private partnerships, financial support, and planning and technical assistance. The full study is available on [VirginiaBeach.gov](https://www.virginiabeach.gov).

Full Presentation located at minute [9:06 of the meeting video](#).

Discussion: Commissioner William Brunke began the discussion by referring to a portion of the presentation where it was shared that one in three families pay more than 30% of their income towards housing and asked if this could be quantified into an average household income. Ms. Sharon Shoff said that the median monthly rent in Virginia Beach as of 2022 was \$1,550 and stated that this meant an individual would have to make \$60,000 annually or \$30 an hour to have their housing cost be 30% of their monthly income. Ms. Shoff also mentioned that there is a trend of homeownership or renting costs going up while wages stay the same. This greatly impacts older members of the community who have a stabilized income but whose taxes and insurance continue to grow. Ms. Shoff reported the median price of an existing single-family home is about \$180,000. Chair Lisa Murphy asked what the area median income (AMI) is. Ms. Shoff stated that for a family of 4, it is about \$100,700. Chair Murphy points out that the VBDA has assisted before by acting as a conduit in the bond financing for the Atlantis Project. She stated that an education piece could be added to VBDA's work as many developers may not know the Authority could play a role in supporting housing development. Chair Murphy asked Ms. Hill for examples of other localities participating in tax credit transaction, to promote the construction of housing projects. Ms. Hill

shared that Richmond is currently using that type of program and it is successful. Ms. Hill said that her office has been in contact with Richmond to learn the best practices for this type of project. Vice Chair Taylor Franklin added that he feels a large issue with housing is the availability of land and that it would be a positive if Virginia Beach city-owned land could be leased or donated to developers who were trying to create affordable housing. Mr. Franklin said that we need to shift the community's perspective on what affordable housing is. Even individuals making \$80,000 a year still struggle to find suitable homes. He noted that Virginia Beach is thousands of housing units short of affordable housing. Ms. Shoff made a point to say that because of the lack of housing options some people who may be able to afford a higher price point are moving into more lowercost homes and that creates an even larger issue for those with limited income. Council Member Worth Remick shared that he agrees affordable housing should be a consideration in this year's Comprehensive Plan. Chair Murphy said that from a developer standpoint land costs are very high and land in Virginia Beach is often limited to 36 units per acre or less and this would mean we need a lot of land to reach the number of units needed. She agreed that this is a Comprehensive Plan consideration since the current density of land does not meet the needs of the community. Mr. Franklin agrees with Chair Murphy's statement and added parking density is an issue as well. Commissioner Weiner asked how we can educate the public on this issue. Ms. Hill responded by saying that part of their focused action plan for the City Council includes an education campaign called "Housing Matters". Chair Murphy added a final point of how businesses are struggling to hire employees because we do not have housing for entry-level positions.

INDUSTRIAL PARKS

6. Request for approval for the construction of a fence for 1632 Corporate Landing Parkway
Presented by Project Development Administrator Emily Archer.

Presentation: Project Development Administrator Emily Archer requested approval for the construction of an eight-foot green aluminum fence at the current Globalinx Data Center, the fence would screen a satellite array. The 40 satellites would provide connectivity to underserved areas in Virginia and the Mid-Atlantic region.

Full Presentation located at minute [36:30 of the meeting video](#).

Discussion: Commissioner David Weiner asked to confirm that the VBDA will not be funding the construction of the fence. Ms. Archer confirmed there will be no payment needed from VBDA only the approval due to the current design criteria. Chair Murphy pointed out that if a driver was driving slow enough on Dam Neck Road they would only see the green fence and landscaping and not the satellites themselves. Globablinx also does not have any immediate neighbors that this fence would impact.

MOTION: Taylor Franklin
SECOND: Linda Garris-Bright
APPROVED: 9-0-0

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM (EDIP)

7. Request for approval of Modification of the EDIP policy to include Part F: Small Business Development Grant Presented by Business Development Coordinator, Ihsane Mouak.

Presentation: Business Development Coordinator Ihsane Mouak presented information on the EDIP Part F, which would be the final part of the updated EDIP policy to be presented to City Council. Other portions of the EDIP being modified were voted on by the Authority at February's meeting. EDIP Part F would focus on supporting underserved businesses such as women-owned, minority-owned, and veteran-owned micro businesses. The first round of grants would be up to \$10,000 per applicant with a pool of \$150,000. Ms. Mouak shared the qualifiers for a business to apply and the scoring matrix required to be considered. This program will also include pre-application workshops for prospective applicants to help increase the ease of application.

Full Presentation located at minute [40:14 of the meeting video](#).

Discussion: The discussion began with Commissioner Guenter Weissenseel asking if international franchises would be considered. Mr. Stiles said the intent of the Policy would be to not consider international franchises or national franchises. Economic Development Director Chuck Rigney added that if this project is found to be attractive by businesses his team would move towards finding a continuing source of funds to keep the program running and increase reward amounts. He also said that this program was a recommendation that came out of the City Council retreat. Chair Murphy clarified that while other parts of the EDIP program were amended earlier this year, they were not brought before the City Council as Economic Development have been working on this portion of the Policy and intended to bring all changes to the Policy to City Council at once. Ms. Murphy also noted the likeness of EDIP Part F to the existing Façade Improvement Program (FIG). Commissioner Brunke expressed concern about this grant not having tangible use and said he is concerned that companies receiving the grant could use the funds inappropriately. Mr. Rigney stated the idea is to take companies who have done due diligence in creating a business plan and participating in the pre-application workshops and provide them with support from the City of Virginia Beach. Chair Murphy asked if there is a higher priority for businesses that are already enrolled in programs at the HIVE. Ms. Mouak responded that they did not want to potentially penalize companies who have not found the HIVE as a resource yet. Economic Development had looked into several ideas to make the program most effective and this was decidedly the most beneficial for potential applicants. Mr. Brunke expressed his desire to have the grant be used for tangible investments that include some return to the City, possibly through personal property taxes. Council Member Remick made a note to the Authority that the Part F selection panel would bring the grant recommendation to the VBDA for final approval and the VBDA would have the ability to amend it if needed. This item was deferred until June's VBDA meeting to allow time to address the concerns raised above, and add additional clarification to the process and expectations from the applicants. If approved at VBDA's June 18th meeting it will move forward as a recommendation to City Council.

ADMINISTRATIVE INFORMATION

8. VBDA Priorities: *No Discussion*

9. VBDA Members: *L. Murphy*

Discussion:

- Chair Murphy and Director Rigney shared with the Authority that they are in the process of creating a full-day retreat to show the Commissioners some of the VBDA properties and discuss priorities for some of the Economic Development opportunities. Chair Murphy also mentioned that a Comprehensive Plan update to include the role of the VBDA may be a

helpful. Mr. Rigney will work with support staff to create an agenda and date for the workshop.

10. Directors Report: *C. Rigney*

Discussion:

- Director Rigney shared he was recently at a conference for The International Council of Shopping Centers (ICSC) that allowed him to meet with companies who have expressed interest in coming to Virginia Beach. He plans to spend the next year building connections and developing plans to build these companies in Virginia Beach.
- Mr. Rigney introduced Dominique Debose, Virginia Beach's newest Business Development Representative I. Economic Development is excited to have Ms. Debose on the team and shared some of her excellent work from her career in Portsmouth.

Chair Lisa Murphy moved to recess into a closed session.

Commissioner Taylor Franklin left prior to the recess to 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)

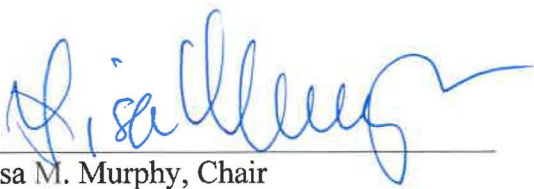
MOTION: William Brunke
SECOND: Linda Garris-Bright
APPROVED: 8-0-0

RECONVENED INTO OPEN SESSION

CERTIFIED CLOSED SESSION

MOTION: Guenter Weissenseel
SECOND: Penny Morgan
APPROVED: 8-0-0

Chair Lisa Murphy adjourned the meeting at 9:56 a.m.



Lisa M. Murphy, Chair