

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
April 16, 2024, MINUTES

The City of Virginia Beach Development Authority (“VBDA” or “Authority”) held its regular meeting on Tuesday, April 16, 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 Brunke, Treasurer
Eric Keplinger, Commissioner
Penny Morgan, Commissioner
Ronnie L. Parker, Commissioner
Michael J. Standing, Commissioner
David Weiner, Commissioner

MEMBERS ABSENT: William Brown, Assistant Secretary
Linda Garris-Bright, Commissioner

CITY COUNCIL: Vice Mayor Rosemary Wilson
Council Member Worth Remick

CITY COUNCIL ABSENT: Council Member Michael Burlucchi

ADVISORS PRESENT: Deputy City Manager, Amanda Jarratt
Charles E. Rigney, Director, Economic Development
Laura Chalk, Deputy Director, Economic Development
Kathy M. Warren, Director, Planning & Community Development
Alexander W. Stiles, Senior City Attorney
Dana R. Harmeyer, Senior City Attorney
Emily L. Archer, Project Development Administrator
Michael R. Anaya, Urban Designer Planner III
Charles J. Bauman, III, Business Development Coordinator
Henry W. Cobb, Business Development Manager II
Kayla Dotson, Administrative Technician
Madison Eichholz, Development Liaison Planner
Paige M. Fox, Business Development Manager II
Jadon Gayle, Business Development Representative II
Robert Fries, Parking Manager
Blake Huffman, VBDA Senior Accountant
J.D. Hines, Senior Project Manager
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
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 8:30 a.m. and opened the floor for public comment.

OPEN FLOOR

#1 Angela Keaveny / Agenda Item #8 Façade Improvement Grant (FIG) Program

Ms. Keaveny thanked the Authority for participating in the Façade Improvement Grant, she suggested that the program could benefit from including paint color options and possibly partnering with companies such as Sherwin-Williams. She hopes this will encourage applicants to pick paint patterns with forward-thinking designs. Ms. Keaveny went on to state that she has no conflict of interest and cares deeply about the City of Virginia Beach. Ms. Keaveny's goal is to bring the Authority awareness of issues in Virginia Beach and requested a call to action to improve the City's landscape management. She stated that this service has more to do with than just esthetics and strongly encouraged the VBDA to think about the impact on risk management. She specifically noted the bushes on Atlantic Avenue and its side streets have no more than 6 feet of clearance and can make it difficult for tall people to walk through, which could be hazardous, especially if a child is on the shoulders of an adult. She then referenced page 24 of the City's Outdoor Café Franchise Regulations that detail that the City has a right to notify operators when they are out of compliance. Ms. Keaveny believes that the lack of enforcement of this means many non-compliant businesses negatively impact Virginia Beach tourism.

REGULAR MEETING

MEETING MINUTES

1. Approval of Meeting Minutes, March 19, 2024

MOTION: Taylor Franklin
SECOND: Penny Morgan
APPROVED: 9-0-0

FINANCIALS

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

Operating Account Summary: February 2024

Beginning Cash – March 1, 2024 **\$4,912,970**

Cash Receipts Detail

- Grand Total of Cash Receipts
\$ 21,366 Interest Income

Cash Disbursements Detail

- Grand Total of Significant Cash Disbursements
\$ 14,632 Monthly recurring charge conduit management for Globalinx
\$ 56,508 Atlantic Park Construction – Inspection and support services – MBP
\$ 10,349 Legal Services for Atlantic Park – Davis Commercial Law Group

Ending Cash – March 31 2024 **\$4,843,986**

- Payments Reimbursed by City of VB - March
\$ 931,202 Atlantic Park -Venture Waves Draw #13– Entertainment Venue

| | |
|--------------|---|
| \$ 1,286,624 | Atlantic Park -Venture Waves Draw #13 – Offsite Infrastructure (City Asset) |
| \$ 55,015 | Innovation Park – Architectural Graphics – Offsite Infrastructure Draw #5 |
| \$ 6,133 | Innovation Park – Kimley Horn – Construction Phase Services |
| \$ 4,315 | Innovation Park – Vanasse Hagan Brustlin – Geotech Testing |
| \$ 397,817 | Corporate Landing – Seabreezy Enterprises – Utility Construction Draw #11 |
| \$ 27,668 | Corporate Landing – Vanasse Hangen Brustlin – Construction Administration |

Capital Maintenance: March 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 - \$266,090
 - \$ 9,463 Revenue Agreement
 - \$ (22,916) HBA Architecture – Field Investigation and Reporting – HVAC System
 - \$ (54,539) VHB, Inc – Field Investigation and Reporting – Stormwater

Incentive & Initiative Account Summary: March 2024

Beginning Cash – March 1, 2024 **\$2,338,420**

Cash Receipts Detail

- No Significant Receipts

Cash Disbursements Detail - \$18,984

- Grand Total of Significant Cash Disbursements -
 - \$ 11,826 Olympia Bendix Two (Bio Accelerator Lease Payment)
 - \$ 6,955 2023 year-end Operating Expense and Tax Reconciliation – Olympia Bendix

Ending Cash – March 31, 2024 **\$2,319,641**

Beginning VBDA EDIP Grant Balance **\$4,829,108**

Hermes Abrasive – First Partial Payment for Capital Improvements **\$ (4,170)**

EDIP Grant Funds Available as of February 2024 **\$4,824,938**

Construction in Progress**

- Atlantic Park – Entertainment Venue - \$17,161,707 (Paid to date)
 - \$ 931,202 Venture Waves Draw #13
- Atlantic Park – Parking - \$13,480,789 (Paid to date via CDA)

No Discussion

BONDS

3. Request for approval of a Resolution authorizing the issuance and sale of the VBDA’s Public Facility Revenue Bonds Presented by Senior City Attorney, Dana Harmeyer.

Presentation: Senior City Attorney, Dana Harmeyer, appeared to answer any questions the Commissioners may have regarding the proposed resolution or the issuance and sale of the Public Facility Revenue Bonds. The requested Bonds were specifically related to TIP funded projects including Atlantic Park’s venue, parking, streetscapes, and some additional smaller projects. The maximum amount of the bonds would be \$168,500,000.

Full Presentation located at [11:52](#).

Discussion: Chair Lisa Murphy began the conversation by asking if this item comes with a recommendation from City Council. Mr. Harmeyer responded that the City Council would vote on this item that same evening, Tuesday, April 16th. He noted that this issuance is the latest in a series of ongoing transactions whereby the City and the VBDA participate in a Support Agreement and the bonds are issued pursuant to an Agreement of Trust. The City partners with the VBDA to allow the City to expand its Capital Improvement Program beyond what would otherwise be allowed by the City's charter limitations. Vice Chair Taylor Franklin asked what would happen if the bonds could not be sold at an interest rate of 5% or less. Mr. Harmeyer responded that this would most likely cause a delay and that the sale may be reassessed the stated interest rate in the resolution could not be reached. He stated there is a potential delay in all authorizations and that the presented resolution would approve the bonds to be taken to market but does not specify an exact date. Mr. Harmeyer believes a potential market date may be May 14th or 15th 2024.

MOTION: Taylor Franklin

SECOND: Guenter Weissenseel

APPROVED: 9-0-0

AMPHITHEATER BREIFING

4. Amphitheater Season Preview and Update presented by Tabatha Webster of LiveNation.

Presentation: Tabatha Webster, of Live Nation, shared updates from the 2023 Amphitheater season which consisted of 22 shows, over 235,000 fans in attendance, and \$2,180,000 in rent and taxes. Year to date, the Virginia Beach Amphitheater has had a total of 735 events, with 7,300,000 million fans in attendance, and generated \$37,700,000 in revenue for the City of Virginia Beach. Ms. Webster shared recent and upcoming Capital Improvement Projects. Several of these projects have committed funding from the VBDA through existing Capital Funds. The final portion of the presentation details the 2024 concert lineup.

Full Presentation located at [14:26](#).

Discussion: Vice Mayor Rosemary Wilson asked what portion of repair costs insurance covered for the fire that took place in 2023. Ms. Webster shared that all repairs were covered and thanked the Authority for their continued support.

5. **VBDA ASSETS** VBDA Parking Garage Updates presented by Project Development Planner III, Pamela Witham

Presentation: Project Development Planner III, Pamela Witham, provided the VBDA with an overview of the VBDA Parking structure assets. There are a total of seven structures totaling 5,748 parking spaces owned by the VBDA in Virginia Beach. The structures are in Town Center and at the Virginia Beach Oceanfront. Parking Management is responsible for day-to-day operations and maintenance of all garages with funding for the Town Center Garages coming from dedicated Capital Improvement Project funds and the Town Center SSD. The Oceanfront garages are funded by dedicated Capital Improvement Project funds and the Parking Enterprise Fund.

Full Presentation located at [21:16](#).

Discussion: Vice Mayor Wilson began the discussion by asking why the VBDA owns the southern half of the 31st Street parking structure while the City owns the northern half. Senior City Attorney Alex Stiles stated that litigation over a condemnation required the configuration of public and private uses in the garage. Mr. Stiles mentioned that the Authority owns one condominium unit outright with the City owning the other. Ms. Witham added that while not in her presentation, there is an existing fund established to provide operation and maintenance to these structures.

6. Request for approval of a Resolution requesting the City of Virginia Beach accept a preservation easement over approximately 135 acres of undeveloped Authority-owned property at 2857 Crusader Circle presented by Project Development Administrator, Emily Archer.

Presentation: Project Development Administrator, Emily Archer, informed the VBDA that 2857 Crusader Circle contains mature forested wetlands and over 35 acres of perpetual deed restrictions for wetland preservations. During the last VBDA asset presentation, it was requested that this property be assessed to determine if it could be transferred to the City for permanent preservation.

Full Presentation located at [26:20](#)

Discussion: Mr. Stiles indicated that the VBDA can defer to the City to determine if an easement or fee is the most appropriate for the exchange, the results would be the same. Chair Muprhy asked if any of the areas were developable. Ms. Archer answered by saying that the only area that could potentially be developed is right behind a residential area. It has not been recently delineated but it is likely the area would be found to be wetlands. Chair Murphy noted that access to that area would be difficult as it is across drainage channels and said that it is unfortunate the land is not industrially developable but agreed that if the only option is to preserve the land, transferring it to the City would be an appropriate action. Vice Chair Franklin asked if a wetlands delineation has been done on the property. Ms. Archer stated that the last delineation was completed in the 1990s, and it is likely that the location and extent of the wetlands on the property have not changed.

Ms. Archer added that they did give Parks and Recreation a heads-up about the possibility of the transfer and it is her understanding that maintenance for natural preservation areas is not labor intensive and is infrequent. Vice Chair Franklin asked if Vice Mayor Wilson had any thoughts on the land zoned I-2. Vice Mayor Wilson replied that as long as there is not a large amount of maintenance she is in favor of acquiring the property for preservation purposes.

Treasurer Brunke asked what are the downsides of keeping the status quo. Ms. Archer responded that from a staff perspective, there are none. However, this Resolution was requested by the VBDA's City Council Member Liaison, with the thought of utilizing the land for more passive recreation purposes for the benefit of all citizens.

MOTION: Ronnie Parker
SECOND: Guenter Weissenseel
APPROVED: 9-0-0

TOWN CENTER

7. Request for approval of a Resolution extending the term of the Town Center Option Agreement between the Authority and Town Center Associates, L.L.C for Block 2 presented by Economic Development Director, Charles Rigney.

Presentation: Economic Development Director, Charles Rigney, informed the VBDA that since 2009 Town Center Associates has paid \$553,897 in real estate taxes to the city, the last extension of this property was in 2021 with the current Option Term expiring April 30, 2024. Projected taxes for the next three years are roughly \$178,920 with the current appraised value of \$4,200,000. The extension request is for three years under existing terms.

Full Presentation located at [33:49](#)

Discussion: Mr. Stiles informed the Authority this item is on the agenda for the City Council's review the same evening Tuesday, April 16th. VBDA's Resolution would only be effective if City Council adopts a

similar Resolution. Chair Murphy noted that the option price seems to be higher than the appraisal which is a positive. Director Rigney said that in his opinion, it makes the most sense to extend the Option Agreement as the VBDA would lose three years of real estate tax if the option was not extended.

MOTION: Eric Keplinger
SECOND: William Brunke
APPROVED: 9-0-0

FACADE IMPROVEMENT GRANT (FIG) PROGRAM

8. Request approval of a Resolution approving 2 grants in the amount of \$16,777 under the FIG Program presented by Project Development Planner III, Deborah Zywna.

Presentation: Project Development Planner III, Deborah Zywna, informed the VBDA that this request contains the final two FIG applications to be presented to the Authority in 2024, Ms. Zywna notes that in March the VBDA approved 14 grants for the 2024 Façade Improvement Grant Program.

Full Presentation located at [39:42](#)

No Discussion

MOTION: Taylor Franklin
SECOND: Guenter Weissenseel
APPROVED: 9-0-0

INTERNATIONAL INCUBATOR

9. Request approval of a Resolution authorizing a sublease in the International Incubator to Cassiopeia Space Systems presented by Business Development Manager II, Paige Fox.

Presentation: Business Development Manager II, Paige Fox, shared with the VBDA that Cassiopeia Space Sytems launched in 2021 to design and manufacture equipment for the satellite and space mission industry. The company was introduced to Virginia Beach Economic Development by the Virginia Israel Advisory Board (VIAB), a board that facilitates relations between Israeli companies and business development in Virginia. Ms. Fox gave a reminder that the International Incubator was created to serve as a soft landing spot for international companies expanding to the Virginia Beach area.

Full Presentation located at [43:20](#)

Discussion: Chair Murphy asked how much square footage will remain if Cassiopeia Space Systems is approved for one office. Ms. Paige Fox shared that the Incubator has a total of thirteen offices with the recent expansion and there would still be several office spaces open if the sublease was approved.

MOTION: William Brunke
SECOND: Penny Morgan
APPROVED: 9-0-0

ADMINISTRATIVE INFORMATION

10: VBDA Priorities: *No Discussion*

11. VBDA Members:

Discussion:

- Chair Murphy welcomed new Deputy City Manager, Amanda Jarratt, who oversees Economic Development, Planning, Tourism, and Agriculture.

- The VBDA will soon be holding a Strategic Planning Work Session, which ties in with discussions held at the City Manager's office and discussions regarding VBDA's potential role in increasing the stock of affordable housing in Virginia Beach. Chair Murphy noted that there may be a role for the VBDA in helping find solutions for these issues and others. Dates are to be determined but Chair Murphy is expecting May or June. Updates will be shared accordingly.
- Chair Murphy shared that a former VBDA member, Joe Strange, who served on the Board for 10 years recently passed away. Chair Murphy highlighted some of his commitments to the City and expressed her hope that VBDA members can become better volunteers in honor of Mr. Strange's memory.

12. Directors Report: *C. Rigney*

Discussion:

- Director Rigney also welcomed Deputy City Manager, Amanda Jarratt. Ms. Jarratt greeted the Authority and thanked everyone for their welcome and support.
- Mr. Rigney asked Ms. Paige Fox to share the news regarding Economic Development's three years of work with the Oceanic Network. Ms. Fox announced that the leading organization for offshore wind in the US has chosen Virginia Beach to host the largest offshore wind conference in the country in 2025. An expected 2500 offshore wind business prospects will be in the city for the convention.
- Mr. Rigney shared that Ms. Dominique Dubose will officially join the team on April 28th.
- Mr. Rigney gave a reminder that the VB Golf Tournament will be hosted on May 3rd at VB National Golf and welcomed sponsors and players to sign up.

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)

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)(District 6)

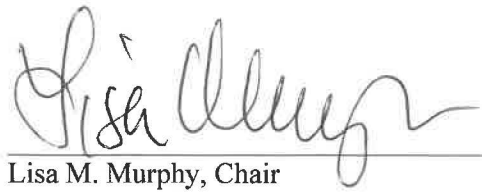
MOTION: Taylor Franklin
 SECOND: Guenter Weissenseel
 APPROVED: 9-0-0

RECONVENED INTO OPEN SESSION

CERTIFIED CLOSED SESSION

MOTION: Taylor Franklin
 SECOND: Penny Morgan
 APPROVED: 9-0-0

Chair Lisa Murphy adjourned the meeting at 9:58 a.m.

A handwritten signature in black ink, appearing to read "Lisa M. Murphy". The signature is written in a cursive style with a prominent initial "L".

Lisa M. Murphy, Chair