

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
November 12, 2024, MINUTES

The City of Virginia Beach Development Authority (“VBDA” or “Authority”) held its regular meeting on Tuesday, November 12, 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
Eric Keplinger, Assistant Secretary
Penny Morgan, Commissioner
Ronnie L. Parker, Commissioner
Linda Garris-Bright, Commissioner
David Weiner, Commissioner

MEMBERS ABSENT: Michael J. Standing, Commissioner
Donald Horsley, Commissioner

CITY COUNCIL: Vice Mayor Rosemary Wilson
Council Member Michael Berlucchi
Council Member Worth Remick

ADVISORS PRESENT: Alexander W. Stiles, Senior City Attorney
Emily L. Archer, Deputy Director, Economic Development
Natalie Guilmeus, Deputy Director, Economic Development
Charles J. Bauman, III, Business Development Coordinator
Kayla Dotson, Administrative Technician
Madison Eichholz, Development Liaison Planner
Jadon Gayle, Business Development Representative II
Letitia E. Langaster, Business Development Manager II
Matt Mader, Senior Land Development Engineer
Howie McEntee, Accountant II
Tecora McIntyre-Catlett, Executive Assistant II
Ihsane Mouak, Business Development Coordinator
Devin Rondeau, Economic Development Intern
Paul J. Scully, Development Liaison Coordinator
Jeffrey L. Smith, Business Development Coordinator
Annagid Walker, Account Clerk III

REPORTED BY: Emily Archer

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

No public speakers.

REGULAR MEETING

MEETING MINUTES

1. Approval of Meeting Minutes, October 8, 2024

MOTION: Taylor Franklin

SECOND: William Brunke

APPROVED: 9-0-0

FINANCIALS

2. VBDA Annual Financial Report given by Engagement Director, Laura Harden, of Cherry Bekaert

Presentation: Engagement Director, Laura Harden, of Cherry Bekaert presented the results of the Audit of the City of Virginia Beach Development Authority for the fiscal year ending on June 30, 2024. Ms. Harden shared that Cherry Bekaert has an independent reviewer of the audit to ensure all facts are considered. Ms. Harden informed the Board that the official audit opinion has not been issued yet, Cherry Bekaert is finalizing the last steps of the audit and hopes to issue an unmodified opinion tomorrow November, 13th, 2024. Cherry Bekaert identified no instances of noncompliance required to be reported under Government Auditing Standards or the Specifications for Audits of Authorities, Boards, and Commissions. Cherry Bekaert noted no material weaknesses in internal control over financial reporting. There was one item considered to be a corrected misstatement that is related to GASB statement 91 for conduit debt, this was affected in FY 22, and this standard clarified what GASB considered conduit debt. It states that if the issuer and third-party obligor have the same financial reporting entity, such as the VBDA and the City of Virginia Beach, the debt is no longer considered conduit debt. This has been restated as of July 1, 2023. There were no noted uncorrected misstatements, no inappropriate accounting policies or practices, and there was nothing noted on the Authority's identification of, accounting for, and disclosure of the Authority's relationships and transactions with related parties that were evaluated as required by professional standards. Cherry Bekaert shared no transactions were entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Additionally, there were no significant or unusual transactions that the audit procedures discovered or that Cherry Bekaert was not made aware of by management. The most sensitive estimate affecting the financial statements was management's estimate of the land held for resale based on the acquisition cost plus improvements. Cherry Bekaert evaluated the key factors and assumptions used to develop the land held for resale in determining that it is reasonable in relation to the financial statements taken as a whole. It was determined that the financial statement disclosures are neutral, consistent, and clear. Under the auditing standards, Cherry Bekaert is required to be independent of the Authority. Ms. Harden affirmed their independence. If any difficulties or disagreements with management were encountered, it is required to be communicated with the Authority. No additional findings or issues are reported in Ms. Harden's presentation.

Full Presentation located at minute [1:13 of the meeting video](#).

Discussion: In regards to the restatement of conduit debt based on GASB 91 Treasurer William Brunke asked if the restatement was also reflected on the City of Virginia Beach’s records. Ms. Harden stated that the City carries the Bonds on their financial statements. The VBDA is unique and is known as a ‘Blended Component Unit’ so the VBDA records blend into the overall City statements. They will be an elimination for the restated amount reflected in the City’s Annual Comprehensive Financial Report.

3. Review of Financial Statements for October 2024 presented by Howie McEntee.

Operating Account Summary: October 2024

Adjusted Beginning Cash – October 1, 2024 **\$8,163,472**

Cash Receipts Detail

- Grand Total of Cash Receipts
\$ 8,198 Interest Income

Cash Disbursements Detail

- Grand Total of Significant Cash Disbursements
\$ 55,900 Atlantic Park Construction and support services through 8/31/2024 – MBP
\$ 4,305 Legal Services for Atlantic Park project through August 31 – Davis

Commercial Law

- \$ 15,070 Monthly Conduit Management October 15th- November 15th Globalinx
- \$ 4,338 Moving of Common Area and Vacant Office Furniture at the International Incubator – MOI Norfolk
- \$ 14,632 Fiscal Year 2024 Audit Progress Billing #2 – Cherry Bekaert

Ending Cash – October 31, 2024

\$8,080,619

- Amounts Paid and Reimbursed by City of VB – October 2024
\$ 3,018,673 Atlantic Park -Venture Waves Draw #20– Entertainment Venue
\$ 758,751 Atlantic Park -Venture Waves Draw #20 – Offsite Infrastructure (City Asset)
\$ 1,352,620 Innovation Park – Draw #12 Offsite Infrastructure construction through September 2024 - Architectural Graphics
\$ 10,663 Innovation Park -Construction Phase Services – Kimley Horn
\$ 3,032 Corporate Landing - New Roadway & Pond C Final Design – VHB

Capital Maintenance: October 31, 2024

- Amphitheater - \$780,665*

*Amphitheater Capital Maintenance funds are being held by the City and are reimbursed to the VBDA as Capital Maintenance expenses are incurred.

- Human Services Building - \$3,532,633
\$ 47,910 Monthly Lease – October
- VB National Golf Course - \$2,155,693

\$	29,991	Revenue Agreement
\$	(6,973)	Roof replacement design phase - HBA Architecture
\$	(12,202)	Pond 1 Maintenance Plan – VHB

Incentive & Initiative Account Summary: October 2024

Beginning Cash – October 1, 2024 **\$1,178,113**

Cash Receipts Detail

- No Significant Receipts

Cash Disbursements Detail -

- FIG Grant – Replace window and covered roof - Dubai Properties **\$10,000**
- FIG Grant – New signage and awning, building exterior revitalization – Yorkies Modern Deli **\$10,000**
- October 2024 monthly Rent, Operating Expenses, and R.E. Taxes – Olympia Bendix Two **\$12,163**

Ending Cash – October 31, 2024 **\$1,145,887**

Beginning EDIP appropriations as of October 1, 2024 **\$11,464,491**

- SJS Executives – Job Expansion 34 of 49 qualified jobs created **(\$86,735)**
- Aslin Beer Company - \$3.6 of \$3.9 million total Capital Investment **(\$92,575)**

Total EDIP appropriations as of 10/31/2024* **\$11,285,201**

EDIP Part A – Encumbered as of 10/31/2024 **\$4,722,085**

Closed awards – 15 of 49 jobs not fulfilled – SJS Executives (\$38,265)

EDIP Part B Encumbered as of 10/31/2024 **\$ 795,900**

EDIP Grant Funds Available as of October 31, 2024 **\$5,946,492**

** Actual EDIP Cash received from the City and held by the VBDA on September 30, 2024, is \$1,209,505. The remaining \$10,254,972 is being held by the City and will be transferred to the VBDA as needed for payment of approved EDIP awards.*

No Discussion

VBDA ASSETS

4. Virginia Beach National Golf Course updates presented by Economic Development Deputy Director, Emily Archer

Presentation: Deputy Director, Emily Archer shared background about Virginia Beach National Golf (VBNG) including the information that an Audit was completed in October 2023 that detailed numerous items that were in various states of disrepair. VBDA has taken action to address all of the findings. Facility condition assessments were conducted in the Spring of 2024. The operators of VBNG and the VBDA Asset Committee met on May 8, 2024, and again on November 4, 2024, to discuss the operator's recommendation for repairs. Ms. Archer detailed current Capital Projects including stormwater management facility repairs, clubhouse roof and interior refresh, and HVAC. Bids are to come before VBDA for each item in the coming months. The operator also requested additional repairs and Economic Development staff are working on estimates and will come before

VBDA for final approval. One of the Operator's requests is for the repair of the lake bank erosion that was already identified by VHB in their review of the property.

Full Presentation located at minute [17:20 of the meeting video](#).

Discussion: Commissioner David Wiener asked what the difference between the Heron Ridge contract and the VB National Golf contract was, as it seems the VBDA is more deeply involved with the capital projects at VBNG than Heron Ridge. Ms. Archer, Chair Murphy, and Senior City Attorney Alex Stiles explained that the Heron Ridge agreement puts more responsibility on the Operators while the VBNG management structure has changed over time from a sublease to a management agreement, thus, putting more of the operations and facility upkeep on the Authority. Treasurer William Brunke noted that during the November asset committee meeting the VBNG operators expressed interest in renewing their 5-year management agreement, the current agreement expires in December 2026. The operators are seeking clarity on if the agreement will be extended so they can invest in longer-term projects at the facility. Mr. Brunke added that he is not recommending this agreement but rather stating the request as a fact.

5. Request approval of a grant of 100 square foot utility easement at 312 Virginia Beach Boulevard presented by Economic Development Deputy Director, Emily Archer

Presentation: Economic Development Deputy Director, Emily Archer, presented a request for approval of a grant of 100 square foot utility easement, to house a utility box at 312 Virginia Beach Boulevard as related to the upcoming 17th Street Improvement Project Phase I. The lot is currently vacant and the VBDA approved a Right of Entry Agreement during August's meeting related to this project.

Full Presentation located at minute [24:48 of the meeting video](#).

No Discussion

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

ADMINISTRATIVE INFORMATION

6. VBDA Priorities: *VBDA Members*

No Discussion

7. VBDA Members: *L. Murphy*

Discussion:

- Chair Lisa Murphy congratulated the City Council liaisons, Vice Mayor Wilson and Council Member Berlucchi, on their reelections.
- Chair Murphy shared that the official invitation and RSVP request for the VBDA Holiday Party on December 18th from 6 pm-8 pm at the Virginia Beach Town Center Westin will be sent following the meeting.
- The 2025 VBDA meeting schedule will also be sent following the meeting.
- Chair Murphy made the comment that Pharrell Williams' movie "Piece by Piece" was beautifully done and a love letter to the City of Virginia Beach.

- Chair Murphy shared that VBDA staff are working on creating a Business Retention and Expansion Round Table to be held in early December to gather feedback on what the VBDA can do to assist in business retention and expansion in Virginia Beach.
8. Interim Directors Report: *E. Archer*
Deputy Director Emily Archer presented on behalf of Interim Director Amanda Jarratt who is away on business travel.

Discussion:

- Deputy Director Emily Archer introduced Ms. Natalie Guilmeus the second Deputy Director of Economic Development. Ms. Guilmeus shared a bit about herself and her work experience in northern Virginia and her experience with business development, attraction, and retention. She shared she was the first Economic Development Director in Vienna, Virginia. Her portfolio as Deputy Director in Virginia Beach will include all external facing efforts.
- Ms. Archer also shared that City Council will be starting capital budget briefings soon with a retreat in early 2025.

Council Member Robert “Worth” Remick added comment that City Council recently heard from the Convention and Visitors Bureau, he reported very positive numbers from 2023 tourism, stating there were 14.1 million visitors spending over 2.5 billion dollars with an indirect cost benefit to the City of 3.8 billion dollars. Almost 24,000 jobs and 336 million dollars in state and local taxes.

Chair Lisa Murphy adjourned the meeting at 9:04 a.m.



Lisa M. Murphy, Chair