CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY December 3, 2024, MINUTES

The City of Virginia Beach Development Authority ("VBDA" or "Authority") held a special called meeting on Tuesday, December 3, 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

Guenter H. Weissenseel, Secretary

William Brunke, Treasurer Eric Keplinger, Commissioner Donald Horsley, Commissioner Penny Morgan, Commissioner Michael J. Standing, Commissioner David Weiner, Commissioner

MEMBERS ABSENT: W. Taylor Franklin, Vice-Chair

Linda Garris-Bright, Commissioner Ronnie L. Parker, 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

Henry W. Cobb, Business Development Manager II

Dominique DeBose, Business Development Representative I

Kayla Dotson, Administrative Technician

Roosevelt Grandberry, Town Center Planning Coordinator Jadon Gayle, Business Development Representative II

J.D. Hines, Senior Project Manager

Letitia E. Langaster, Business Development Manager Matt Mader, Senior Land Development Engineer

Rachael Miller, Planner I

Howie McEntee, Accountant II

Ihsane Mouak, Business Development Coordinator Jeffrey L. Smith, Business Development Coordinator

Annagid Walker, Account Clerk III

Pamela D. Witham, Project Development Planner III

REPORTED BY: Emily Archer

RECORDED BY: Kayla B. Dotson

Chair Lisa Murphy began the meeting at 8:30 a.m. by reading her letter requesting a special meeting and opened the floor for public comment. A copy of that letter is attached to these minutes.

OPEN FLOOR

No Public Speakers.

BUSINESS RETENTION AND EXPANSION ROUNDTABLE

1. Welcome and Introductions presented by the City of Virginia Beach Development Authority Chair, Lisa Murphy

Discussion: Chair Lisa Murphy welcomed all attendees and noted that the Authority rarely gets to hear from the Virginia Beach business community on their needs and goals for future development. Chair Murphy shared that she is happy to have guests present to share business leaders' comments on what is needed in regard to business retention and expansion in Virginia Beach. Based on the comments collected, the Authority may be able to provide feedback in the Comprehensive plan process. Chair Murphy invited all in attendance to introduce themselves.

Full Presentation located at minute 1:21 of the meeting video.

2. Review of Industrial Properties in Virginia Beach presented by Economic Development Deputy Director, Emily Archer

Presentation: Deputy Director Emily Archer presented information on the currently zoned Industrial land in Virginia Beach with a total of approximately 3,486 acres of I1 land and approximately 751 acres of I2 land, excluding the federal military installations.

3. Current Comprehensive Plan Overview presented by Economic Development Deputy Director, Emily Archer

Presentation: Deputy Director Emily Archer began this portion of her presentation by pointing out the Strategic Growth Areas (SGAs) and Special Economic Growth Areas (SEGAs) that are currently outlined in the existing Comprehensive Plan. Both of VBDA's business parks are within the City's SEGAs. Corporate Landing Business Park has approximately 35 remaining developable acres and Innovation Park has about 26 remaining acres for development, and roughly 21 acres of required preservation land. Ms. Archer made note that the focus of the meeting's discussion would be on the Princess Anne Commons SEGA and began a review of the master development plans for Innovation Park, which included staff-level ideas and drafts for future expansion. Ms. Archer noted that there are several options for development depending on what future development plans move forward. Ms. Archer also showed the Princess Anne Commons athletic village and the proposed improvements by the Department of Parks and Recreation.

Discussion: Chair Murphy pointed out that the proposed Parks and Recreation plans would stop any possible expansion for Innovation Park and noted it would negatively impact the current and future businesses in Innovation Park. Council Member Michael Berlucchi asked how the plan for the recreation field expansion came about. Ms. Archer shared that she believed it was discussed during Reconciliation. The Council district representative had the idea to update the ITA plan and brought it forward to Council. Mr. Berlucchi expressed interest in understanding where the

plan came from, how it was developed and how it fits into the big picture of Virginia Beach. Guest, Jim Raynor with AGI asked if the land for the proposed expansion of the recreation field was already designated to the Department of Parks and Recreation. Ms. Archer shared that the land is city owned and maintain by Parks and Recreaction but has not been formally designated for the expansion and is currently being used for passive recreation. Planner I, Racheal Miller shared that the Comprehensive Plan draft is being built based off the existing ITA plan and not any newly proposed changes to the ITA such as the athletic village expansion. Vice Mayor Wilson shared that Council had not offered support for this proposed recreation plan because of lack of information and the fact the Comprehensive Plan is still being drafted.

Treasurer William Brunke who serves as the VBDA advisor on the Interfacility Traffic Area Advisory Committee (ITA) shared the proposed athletic village was presented to the ITA and a letter of support was drafted for the use of the land for recreation to be presented to City Council. Council Member Berlucchi also recommended reviewing the current uses of existing facilities and maintenance at the current ball fields. Commissioner David Weiner who serves on the Parks and Rec Committee added that the conversation regarding the expansion is only a plan and is not definite.

Chair Murphy asked how many acres there were in existing ball fields. Ms. Archer indicated that she would get that information for the VBDA. The current development plan shows Hudome Way coming to a dead end within Innovation Park but should there be funding to expand there are several options for extending the roadway past the proposed cul-de-sac. Business leaders at Innovation Park shared they were hopeful that Hudome Way would be extended through to make access easier for large loading vehicles and shared anticipation of ingress and egress issues if it is not expanded. Chair Murphy noted that this expansion would need to be included in the Capital Improvement Project (CIP) budget and reviewed and approved by City Council to move forward.

Council Member Worth Remick asked what amount of industrial land is available in the City today to include small, medium, and large acreage and the annual absorption including privately owned undeveloped land. Ms. Archer did not have that information on hand but shared she would work on gathering the data. She noted that there are often environmental conditions to factor in on some of the industrially zoned vacant land. Council Member Berlucchi asked if Virginia Beach zoning was in line with other localities, if it positions Virginia Beach to be competitive with other areas in terms of industrial, business, and residential composition. Ms. Archer agreed to research this information. Chair Murphy made a final point of saying that if Virginia Beach runs out of developable land some businesses may choose to take expansion elsewhere. This puts emphasis on submitting comments on the Comprehensive Plan to show where local business leaders would like to see available land zoned for business development. Jeff Moore with Acoustical Sheetmetal Company shared that his company foresees needing an additional 20 to 25 acres in the next few years and the current land available in Virginia Beach may force them to look elsewhere. Jeremy Barnes with New Realm Brewery also shared the potential outgrowth of their current location. Jared Chalk with The Hampton Roads Alliance shared his prospective that the land issue is happening in many cities and most companies would not choose to pick up and leave Virginia Beach because there are a lot of existing positives in our area, including a workforce.

Jim Raynor with AGI also noted that the 60:40 green space ratio requirements greatly limit development of acreage. Ms. Archer expanded on the 60:40 ratio regulation stating it is enforced by zoning code that requires I1 zoned land to only have 60% development with 40% green space and the zoning code is roughly 30 years old. Chair Murphy suggested compiling the required green space parkwide and creating a stormwater pond. Mr. Weiner and Ms. Archer shared that unfortunately the stormwater ponds are counted as impervious and not open space and therefore do not fit within the ratio needs. Chair Murphy requests looking into a parkwide solution for the ratio in place and stated that the Comprehensive Plan may possibly have some influence on updating zoning code.

Commissioner Mike Standing suggested the idea of looking into land swaps with the City for the preservation area located in the Innovation Park. Mr. Weiner noted that there is a need for additional fields as well as hotels for visitors in the immediate area. Council Member Worth Remick asked how many acres are in the ITA. Ms. Arched responded that there are thousands of acres in the ITA with about 700 acres being agricultural areas. Chair Murphy suggested there may be other alternatives for sport field development in the City. Laura Swankler with Port of Virginia added they have rapid growth at the port and have companies seeking industrial land outside of the community solely due to lack of space but shared she also appreciates the idea of adding amenities to the existing recreation fields.

Chair Murphy summarizes the conversations had during this portion of the Round Table by saying that the identification of the needs in the Princess Anne Commons SEGA and the expansion of Hudome Way is critically important to the feedback to be submitted to the Comprehensive Plan draft.

Full Presentation located at minute 6:13 of the meeting video.

4. Business Retention and Expansion Round Table Discussion

Discussion: Chair Murphy began the discussion by noting that workforce is another large conversation that needs to be addressed. Having enough people in the workforce who have proper training would greatly benefit local businesses. Secretary Guenter Weissenseel shared there is a lot of federal funding available for training programs, specifically in maritime at the college and community college level. Steve Cook with The Hampton Roads Workforce Council shared the Workforce Council's efforts in creating training for high need industries in Hampton Roads. They have been successful in obtaining grants to fund these training programs to train skillsets that can be applicable throughout different professions in Tidewater and shared some highlights of the Council's efforts. Mr. Cook noted that the Virginia Beach City Public Schools (VBCPS) Career and Technical Education (CTE) programs at the high school level have been a great working partner. Dr. Sara Lockett with VBCPS shared that federal funding has been helpful towards building an additional welding lab to serve high school and the Adult Learning Center. Dr. Lockett observed that students who have chosen trades within the CTE program can more easily be connected to careers, while students who are taking classes in their homeschool without those external connections have a harder time finding a path forward in a technical or skilled field. The hope of VBCPS is to move into an apprenticeship model of education in the next few years. The public school system is also moving toward healthcare training in forms of dual enrollment with local colleges. The issue is mainly a capacity issue, meaning there are only so many trainers for those courses and only so many seats per classroom. There will be a workforce learning career fair at the Convention Center on May 14, 2025. Dr. Lockett encouraged business leaders to think about the skill sets future employees would need to join the workforce, some courses can begin in middle school and a connection with a business could be made with the students junior or senior year.

Chair Murphy asked the business representatives to share their workforce needs to see how the VBDA could help facilitate connections. Brendon Fahl with LifeNet Health shared LifeNet's need of highly trained bio-medical workers. Dr. Lockett encouraged making connections with highschoolers prior to the start of college to encourage their return after they complete their college education. Mr. Cook says getting business involved has always been the hardest step in making those connections with students.

Martin Cochran with Forbes Candies and Alex Dean from Hermes Abrasives shared workforce concerns from the other end of the retention spectrum, stating that many machine operators require less formal education and more technical, problem-solving training, that many new employees do not have. Chair Murphy asked Dr. Lockett what it would take to have a manufacturing training program similar to the existing training program for welding. Dr. Lockett responded that independent programs are more difficult to fund but having educational units in students' home schools generally can reach more students with less cost of hiring an additional teacher and busing students to the site.

Mr. Dean also mentioned the fact there is an aging workforce within manufacturing positions and hopes that there could be courses on communication and management training for the new employees looking to progress. Mr. Cook agrees that this a concern the Workforce Council has heard before but an issue to consider would be what the company is willing to invest in order to train their employees. Mr. Chalk added that companies would benefit from leveraging what the Workforce Council is currently doing and noted there is a large amount of projected growth coming into Newport News shipyard in the next few years and major funding coming along with it. Commissioner Don Horsley said that internships are critically important in having students make connections with jobs they are interested in. Matt Baumgarten with Hampton Roads Association for Commercial Real Estate emphasized the fact that any workforce specific classes at a community college that a business may request needs to be industry funded.

Business Development Manager Ihsane Mouak shared that The HIVE works a lot with workforce and business development with many community members. Ms. Mouak shared there is a new program where a company can sponsor a student to go through training courses to complete an education in the field of the sponsoring company to hopefully join that company upon completion of the program. As to the concern on training basic skills, Ms. Mouak also shared that Tidewater Community College was certified by the Manufacturing Skill Standards Council and there are two courses available for basic production technicians. Ms. Mouak will be the best contact to continue the conversation of needs within the Economic Development office. Chair Murphy stated that the very important topic of affordable housing will be discussed in a future meeting.

Mr. Weiner reminded those in attendance that the Planning Commission is set to review Chapter: 4 Inland Context Area and Chapter 5: Coastal Context Areas of the draft Comprehensive Plan in Building 19 of the Municipal Center on Thursday, Dec. 19th 5:30-8:00 pm. Racheal Miller noted this meeting will be a listening opportunity but opportunities for input will be coming in early 2025.

Full Presentation located at hour 1:04:07 of the meeting video.

5. Local Business Leader Priorities

Discussion: All shared priorities were discussed during the earlier portions of the meeting.

6. Next Steps

Discussion: Chair Murphy expressed interest in keeping members of the meeting engaged during the completion of the Comprehensive Plan, and noted Economic Development staff will compile the shared information from the meeting to help detail next steps.

Chair Murphy stated the intent of having another Roundtable to discuss affordable housing in early 2025 to hear additional feedback for the business community. Chair Murphy thanked all participants for their time and invaluable information.

Chair Lisa Murphy adjourned the meeting at 10:20 a.m.

Lisa M. Murphy, Chair