



Monthly Cash Flow – June 2024

City of Virginia Beach Development Authority

July 9, 2024

Operating Account Summary: June 2024

Adjusted Beginning Cash June 1, 2024

\$10,155,063

Cash Receipts Detail

- ✓ \$ 22,343 Interest Income
- ✓ \$ 119,543 City Reimbursement for CDA Legal Services
- ✓ \$ 7,210 FY24 Annual TC Open Air Café Fees – Nando's Peri-Peri

Cash Disbursements Detail

- ✓ \$ 59,853 Atlantic Park Construction and support services through May 31st – MBP
- ✓ \$ 25,480 Wetland Mitigation Credit Purchase – Corporate Landing Business Park
- ✓ \$ 8,348 Legal Services for Atlantic Park May 2024– Davis Commercial Law Group
- ✓ \$ 6,873 Legal Services for Atlantic Park August 2023 – Singer Hoffman LLC
- ✓ \$ 4,859 Wetland Reverification for Innovation Park – Paid by the City

Ending Cash – June 30, 2024

\$ 10,195,703

Cont. Operating Account Summary: June 2024

Payments Reimbursed by City of VB - April

- ✓ \$ **2,347,913** Atlantic Park – Venture Waves Draw #16 – Entertainment Venue
- ✓ \$ **777,612** Atlantic Park – Venture Waves Draw #16 – Offsite Infrastructure (City Asset)
- ✓ \$ **349,288** Innovation Park – Architectural Graphics – Offsite Infrastructure
Draw #8 – Reimbursable from GO VA Grant Funds
- ✓ \$ **175,075** Innovation Park – Architectural Graphics – Offsite Infrastructure
Draw #8 – Reimbursable from City Project
- ✓ \$ **3,485** Innovation Park – Kimley Horn – Offsite Infrastructure Construction
Phase Services
- ✓ \$ **10,080** Corporate Landing – VHB – Pond C Final Design & New Roadway Design

Capital Maintenance: June 30, 2024

Amphitheater **\$ 615,959**

Human Services Building **\$ 3,333,013**

✓ Monthly Lease - July \$ 47,911

VB National Golf Course **\$ 255,070**

✓ Revenue Agreement \$ 25,682

✓ VB National – Toro NSN Contract (\$ 10,342)

✓ Adrian Builders Group – 10 Ton Air
handler and heat pump replacement (\$ 31,950)

Incentive & Initiative Account Summary: June 2024

Beginning Cash – June 1, 2024

\$ 1,267, 582

Cash Receipts Detail

No Significant Receipts

Cash Disbursements Detail

No Significant Disbursements

Ending Cash – June 31, 2024

\$ 1,267,595

EDIP Grant Summary Reporting: June 2024

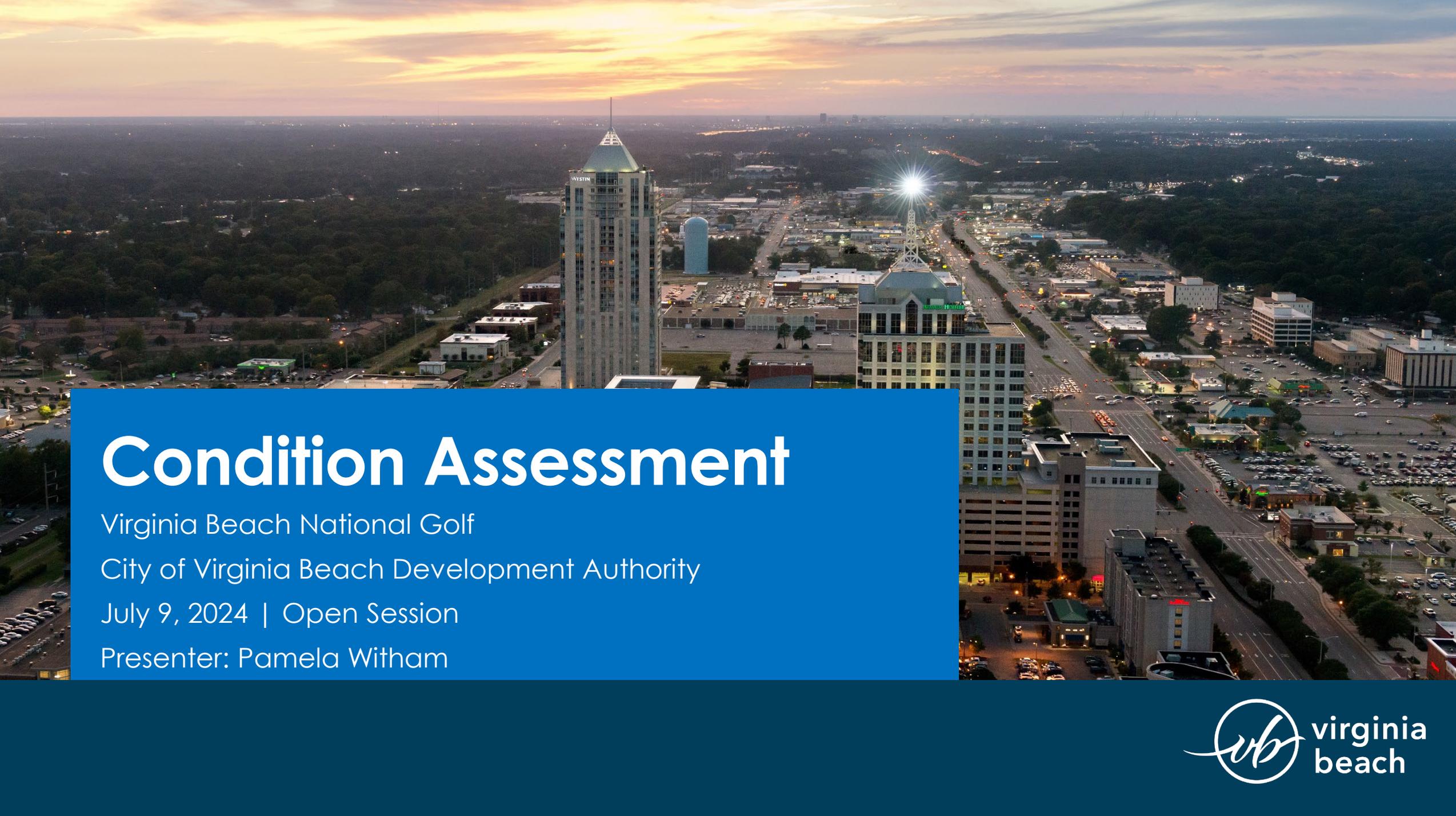
Beginning VBDA EDIP Grant Balance	\$ 4,770,560
Interest Less Finance Charge	<u> 14</u>
EDIP Grant Funds Available as of June 2024	\$ 4,770,574

Construction in Progress

Atlantic Park - Entertainment Venue **\$ 23,173,258**

\$ 1,746,346 Venture Waves Draw #16

Atlantic Park – Parking **\$ 13,480,789**

An aerial photograph of Virginia Beach, Virginia, taken at sunset. The sky is a mix of orange, yellow, and blue. In the foreground, a large blue rectangular box is overlaid on the left side of the image. The box contains white text. The background shows a dense urban area with various buildings, including a prominent tall building with a pointed top and a 'WESTIN' sign. A bright light source, possibly the sun or a street light, creates a starburst effect in the middle ground. The city extends to the horizon under a cloudy sky.

Condition Assessment

Virginia Beach National Golf

City of Virginia Beach Development Authority

July 9, 2024 | Open Session

Presenter: Pamela Witham

Disclosures (Manager)

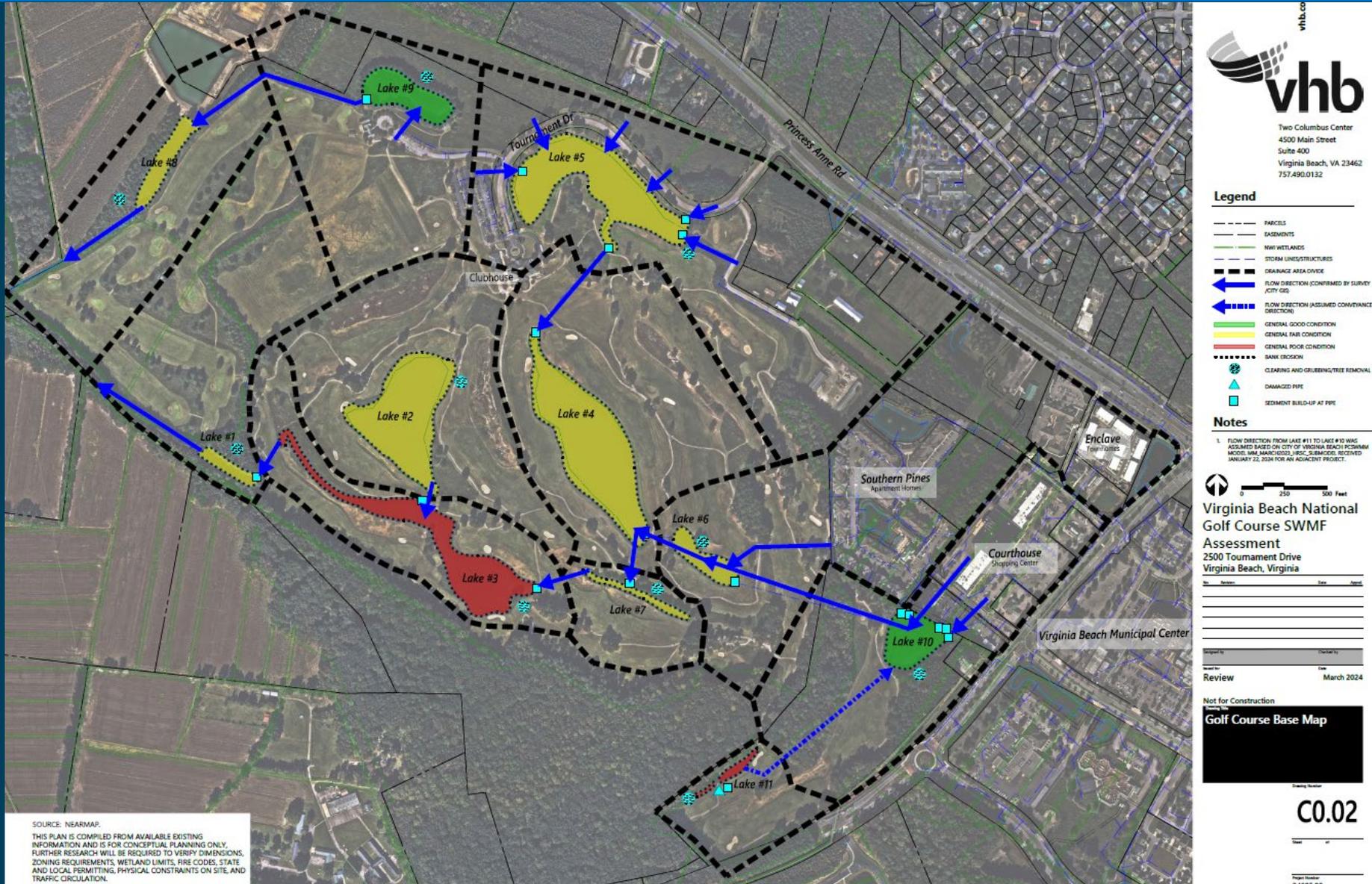
- Members: Duncan McDuff, Glen Pierce, Thomas C. Broyles, and Michael Rashkind
- Affiliated Business Entity: Heron Ridge Golf Club

Background

- Virginia Beach National Golf property is owned by the City of Virginia Beach.
- The City of Virginia Beach leased the property to the Virginia Beach Development Authority in 1997.
- The VBDA and Virginia Beach Golf Club, LLC, entered into a management agreement on 2007-agreement expires December 2026; with one, five-year term for renewal remaining
- An Audit was completed on Virginia Beach National Golf Course in October 2023 and detailed numerous items that are in various states of disrepair.
- Facility condition assessments were conducted Spring 2024. The operators and the VBDA Asset Committee met on May 8, 2024 to discuss the operators recommendation for repairs.



Stormwater Management Facility Assessments (SWMF)



Stormwater Management Facilities repair costs



Lake 1



Lake 2



Lake 3



Lake 11

Lake Number	Condition	Estimated Cost
9	Good	\$335,625
10	Good	\$414,688
-	Good subtotal	\$750,313
1	Fair	\$377,500
2	Fair	\$455,156
4	Fair	\$664,375
5	Fair	\$910,625
6	Fair	\$412,969
7	Fair	\$546,375
8	Fair	\$468,938
-	Fair Subtotal	\$3,835,938
3	Poor	\$908,125
11	Poor	\$271,656
-	Poor Subtotal	\$1,179,781
-	Total	\$4,766,032

Priority Recommendation

Lake 1 SWMF prioritized for repairs

ITEM NO.	ITEM OF WORK	UNIT	QUANTITY	UNIT COST	COST
	Lake #1				
1	RIP RAP SHORELINE PROTECTION PER CITY DETAIL B-25	LF	900	\$125	112,500
2	SINKHOLE REMEDITION	EA	1	\$10,000	\$10,000
3	LAKE CLEARING AND GRUBBING	AC	1.5	\$25,000	\$37,500
4	DITCH MAINTENANCE	LF	1,510	\$100	\$151,000
5	TREE REMOVAL	EA	0	\$1,000	\$0
6	PIPE CLEANOUT	LF	0	\$100	\$0
7	PIPE SLIP-LINE	LF	0	\$200	\$0
8	PIPE REPLACEMENT	LF	265	\$300	\$79,500
9	LAKE EXCAVATION/DREDGING	CY	1,000	\$25	\$25,000
	SUBTOTAL	-	-	-	\$415,500
	25% DESIGN AND CONSTRUCTION CONTINEGENCY	-	-	-	\$103,875

Total Estimated Cost

\$519,375

Structure Facility Assessments



Total Structure Repair Costs

Building	Cost
Clubhouse	\$1,188,000
Cart barn	\$340,700
Pump House	\$157,000
Maintenance Office & Building	\$226,000
Total	\$1,911,700



Clubhouse



Cart barn



Maintenance Building



Pump House

Priority Recommendations Clubhouse

A. Prioritization of repairs needed to meet building code and prevent further significant damage.

- ✓ **Gutters and Downspouts:** \$15,000
- ✓ **Roof with Asphalt Shingles:** \$110,383
- ✓ **Wood Fascia and Soffit:** \$185,000
- ✓ **Interior Painting:** \$50,000
- ✓ **Design:** \$49,084

Total: \$409,467*

does not include any additional contingency for structural elements and exterior painting



Options for Consideration

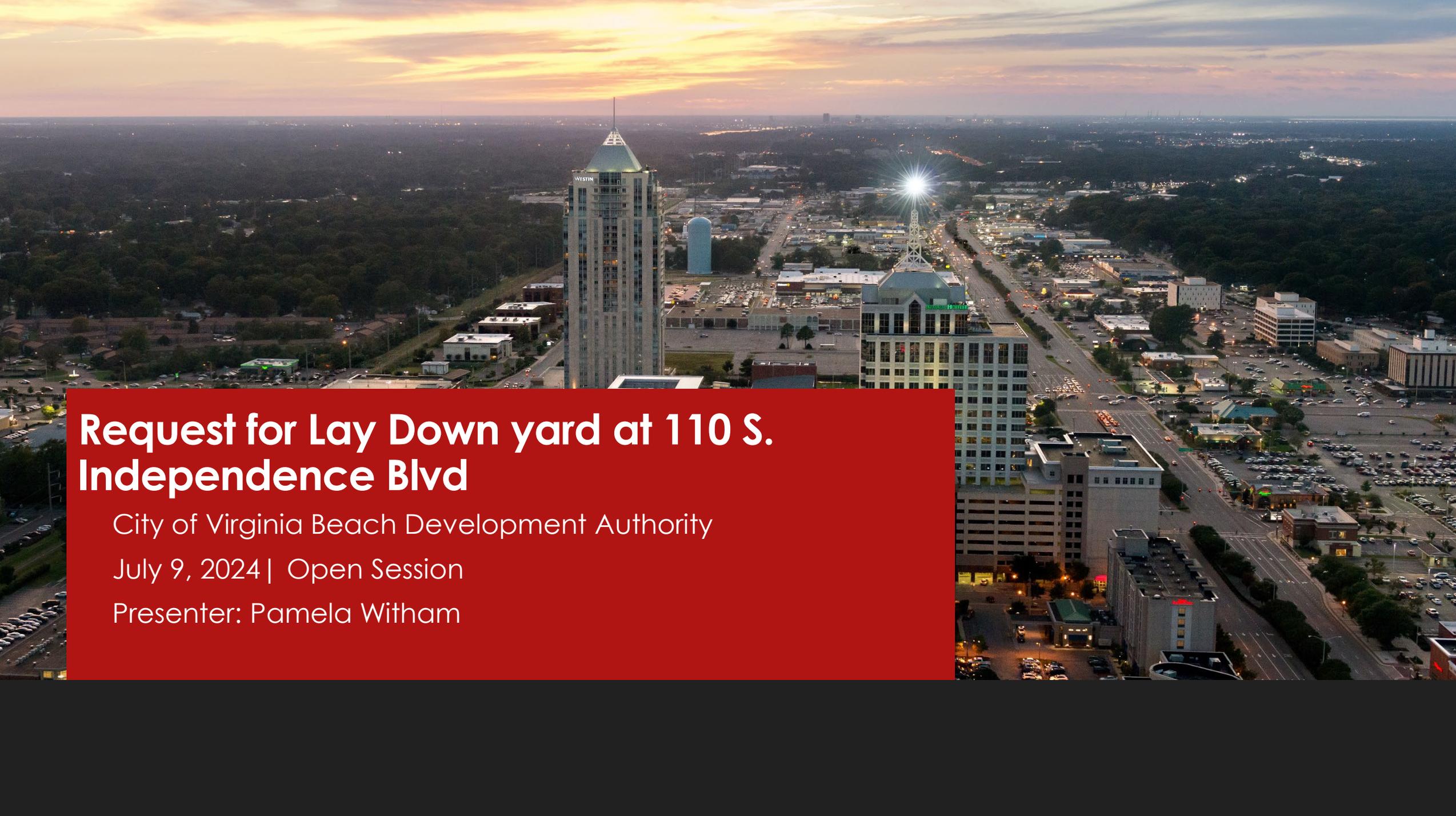
- Current VBDA VBNG balance for Capital Repairs:
\$2,105,070
- With the transfer of funds from the Operating funds in the amount of \$1.85 million in this fiscal year, staff recommends the following:
 - ✓ repairing SWMF #1
 - ✓ repairing the clubhouse roof & painting
 - ✓ Repairing the HVAC system

HVAC estimate does not reflect the \$31,950 already paid for the kitchen HVAC repair

Repair	Cost
SWMF #1	\$519,375
HVAC *	\$196,965
Roof/Painting	\$409,467
Contingency (25%)	\$281,451
Total	\$1,407,258



Questions?

An aerial photograph of Virginia Beach, Virginia, taken at sunset. The sky is a mix of orange, yellow, and blue. In the center, a tall, modern skyscraper with a pointed top is illuminated. To its right, a large, multi-story building with a prominent tower is also lit up. The city extends to the horizon with various buildings and parking lots. A red rectangular box is overlaid on the bottom left of the image, containing white text.

Request for Lay Down yard at 110 S. Independence Blvd

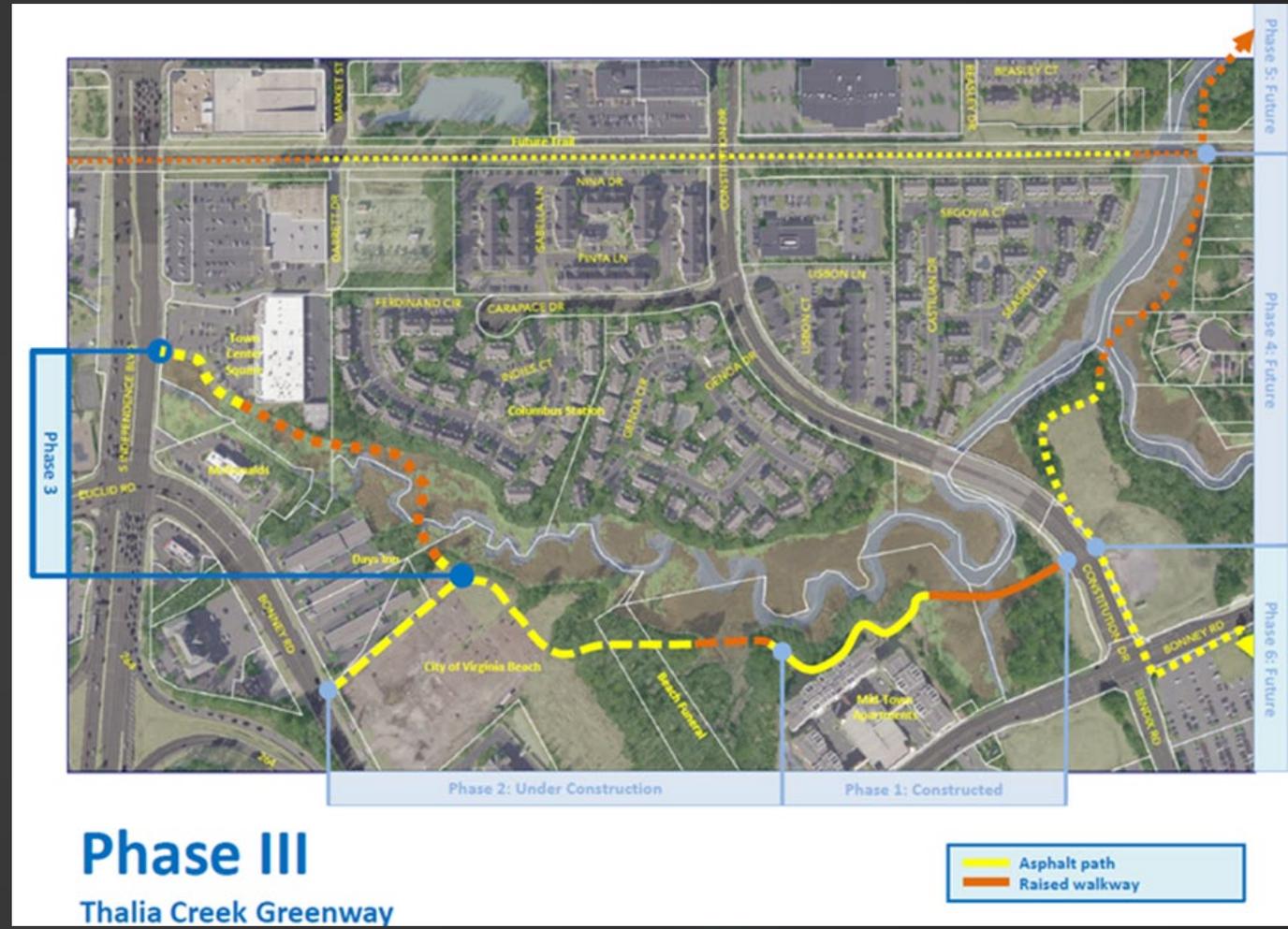
City of Virginia Beach Development Authority

July 9, 2024 | Open Session

Presenter: Pamela Witham

Request

- The Virginia Beach Department of Parks and Recreation is requesting to utilize this location as a laydown area for phase III of the Thalia Creek Greenway Project.
- The anticipated start date for Phase III is September 2024 with a 300-day construction schedule.



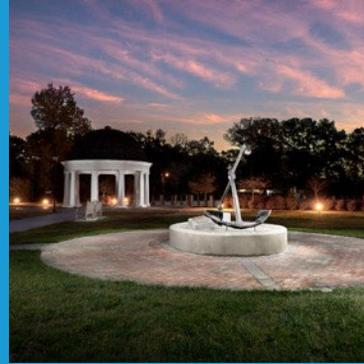
Recommendation

- ✓ Allow for laydown area on same footprint area of demolished structure that encompasses requirements of CZO.
- ✓ Access to the site to be from Garrett Drive.
- ✓ Include additional opaque screening surrounding laydown area.
- ✓ Use as laydown area until June 2025 or 30-days notice to vacate.





Questions?



Pembroke Square Redevelopment

Kathy Warren, Director, Planning and Community Development

VBDA Open Session, July 9, 2024



CITY OF
**VIRGINIA
BEACH**

DISCLOSURES

- **Developer: Pembroke Square Associates, LLC**
 - Shenandale Associates, LLC, Vincent R. Olivieri, Manager
 - Marc Associates, LLC, John E. Olivieri, Manager or Michael V. Olivieri, Manager
 - Emilio Olivieri Family Company No. 1, LLC, John E. Olivieri, Manager
 - Blue Ridge Associates of Virginia, LLC, Vincent A. Napolitano, Operating Manager
 - Vincent A. Napolitano, Frederick J. Napolitano II and John C. Napolitano
- **Builder: Thomas Builders, SB Ballard**
- **A&E: Cox Kliewer, ODA Architecture, Kahler Slater**
- **Legal: Freiden, Seery, Nuchols and Hahn**
- **Financing: Towne Bank**

Presentation Overview

- History of Pembroke Mall
- Timeline for Pembroke Square Redevelopment
- Proposed Redevelopment Plan
- 2022/2024 Project Cost Comparison
- Fiscal Impact Analysis
- Next Steps

Pembroke Mall History

- In March 1965, construction began on Pembroke Mall.
- In 1966, 21 of the mall's first stores opened.
- In 1981, Pembroke Mall underwent its first expansion.
- By the mid-1990s, Pembroke Mall started to lose tenants, primarily to newer, larger, and better malls in the area such as Lynnhaven Mall and MacArthur Center.
- In 2003, the mall's management began strategizing for a redevelopment plan.

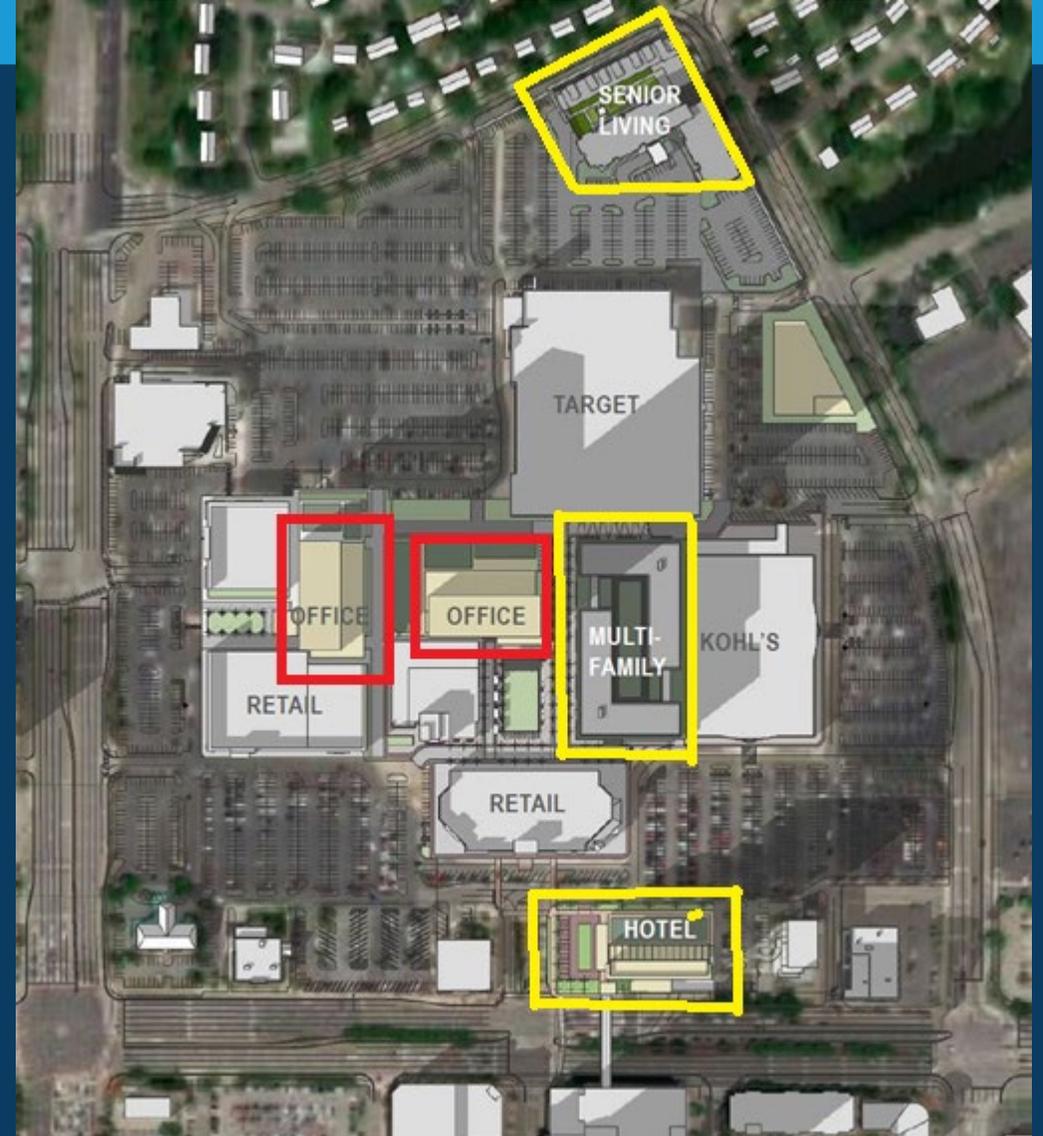
Pembroke Mall History Continued

- In 2015, Sears Holdings spun off 235 of its properties, including the Sears at Pembroke Mall, into Seritage Growth Properties.
- In 2018, it was announced that Sears would be closing.
- In 2020, Stein Mart closed.
- In December 2021, the mall announced that the 48 remaining tenants must vacate by the end of January 2022, as part of a \$200 million redevelopment plan.
- In July 2022, Pembroke Mall was rebranded to Pembroke Square – Mixed-Use Project to include residential, retail, restaurants and hotel.

Pembroke Square Redevelopment

- February 2022 – Developer requested cost-participation for public parking as part of the Pembroke Mall Redevelopment Plan
- April 2022 – City Council approved Resolution to approve Term Sheet for the Redevelopment of Pembroke Mall
- December 2022 – Aviva senior housing breaks ground
- April 2022 - December 2023 – Developer revised development plan
- Fall 2023 – Demolition of central area of mall (former Stein Mart) and outparcel (former Suntrust building)
- March 2024 – City Council Closed Session briefing on revised Term Sheet
- June/July 2024 – Public Briefing and City Council approved Cost-Participation for not to exceed \$22.35 M for public parking

Transition from Mall to Mixed-Use Community



Three Phases of Development

- Phase I – Senior Living
- Phase II – Multi-Family Development with Parking Deck
- Phase III – Hotel Development with Parking Deck

Anticipated Future Phases

- Two Office Towers estimated at \$240M Total Development Cost



Phase I



Phase I – Senior Living (Aviva)

153 units
\$64.3M

Start

Dec 2022

(Under Construction)

Complete

Oct 2024

Aviva Senior Living



Phase II

Phase II – Multifamily

272 Units

611-Space Parking Garage

\$69M

Start 4th Qtr. 2025

Complete 4th Qtr. 2027



PEMBROKE APTS.
Virginia Beach VA
07.09.2021

PRIMARY FACADE

All grades, areas, and quantities are approximate and will change as the design is further refined.

MITCHELL / MATTHEWS
ARCHITECTS & PLANNERS
434.979.7550 © 2021

SK-80

Phase III



Phase III - Hotel

156 Rooms

134-Space Parking Garage
\$30M

Start 1st Qtr. 2025
Complete 4th Qtr. 2026

Proposal Comparison

Phase	Original Proposal Feb. 2022	Cost	New Proposal March 2024	Cost
Phase I – Senior Development	158 Units	\$50M	153 units	\$64.3M
Phase II – Multifamily Development	329 Units	\$66.6M	272 Units	\$69M
Phase III – Hotel	209 Rooms	\$45.8M	156 Rooms	\$30M
Total Development Cost		\$162.4M		\$163.3M
City Cost-Participation for Parking	Phase II 582 Spaces Phase III 209 Spaces	\$17.5M \$6.3M	Phase II 611 Spaces Phase III 134 Spaces	\$18.3M \$4.02M
Total City Cost Participation	Total Spaces 791	\$23.8M	Total Spaces 745	\$22.35M

Estimated Fiscal Impact – Assumptions

Parking Garages:

- Two parking garages - total 745 parking spaces
- Cost per parking space - \$30,000/space + \$2,750/space carrying costs
- General Fund pays debt service associated with total issuance of \$24.4M Bonds (\$22.35 M Not to Exceed cost-participation for garage construction)

Revenue from the project anticipated to begin in FY 2026

- Fiscal Impact includes all projected Real Estate General Fund Revenue to occur from development
- To ensure revenues remain within the General Fund, dedication of the Real Estate revenue equivalent to the revenue generated would need to occur within the General Fund

Establishment of a Special Service District (SSD)

- \$0.45 to support Debt Service for design and developer construction gap at \$5,000 per space (\$5.5M)
- Garage maintenance would be \$275 per space

Estimated Fiscal Impact – General Fund

(Dedicating Real Estate Tax Equivalent)

• 20-year cumulative revenue	\$48,476,540
• 20-Year cumulative expenses	\$33,182,300
• Estimated Net Revenue	\$15,294,240
• Net Present Value of Revenue	\$7,513,822

For Consideration

- Cost-Participate for \$30,000/space for a not to exceed amount of \$22.35M for the construction and an additional \$2,750/space carrying cost:
745 spaces @ \$32,750/space = \$24.4M
- Developer shortfall of \$4M in construction costs and \$1.5M design cost to be paid for from newly established SSD @ \$.45

Next Steps

- City Council approved cost-participation for the Pembroke Square redevelopment project by agreeing to pay a not to exceed amount of \$22.35M plus \$2,750/space in carrying costs for two public parking garages with a total of 745 spaces.
- On July 9, 2024, VBDA public presentation and consideration and approval of a resolution approving term sheet relating to the redevelopment of Pembroke Square and authorizing of definitive project documents consistent with term sheet

QUESTIONS?

Variables		Parking	Cost Per Space	Spaces	Construction Loan
Real Estate	0.99	Hotel Garage	\$ 32,750	134	368,500
Real Estate SSD	0.45	Senior/Mixed Use	\$ 32,750	611	1,680,250
Real Estate Growth	3%	Construction Gap	\$ 4,000,000		2,048,750
Debt Interest Rate	5.0%	Design Costs	\$ 1,500,000		
Revenue Sharing	0	Bridge	0		

Revenue	2025	2026	2027	2028	2029	2030
Real Estate	\$ 355,151	\$ 365,806	\$ 667,277	\$ 1,274,751	\$ 1,312,994	\$ 1,352,384
Restaurant	\$ -	\$ -	\$ 278,258	\$ 286,606	\$ 295,204	\$ 304,060
Hotel %	\$ -	\$ -	\$ 155,373	\$ 160,034	\$ 164,835	\$ 169,781
Hotel Flat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BPOL	\$ -	\$ -	\$ 43,816	\$ 45,131	\$ 46,485	\$ 47,879
General Sales	\$ -	\$ -	\$ 157,816	\$ 162,551	\$ 167,427	\$ 172,450
Personal Property	\$ -	\$ -	\$ 67,626	\$ 67,626	\$ 67,626	\$ 67,626
Total Rev	\$ 355,151	\$ 365,806	\$ 1,370,167	\$ 1,996,699	\$ 2,054,571	\$ 2,114,179

Expenditures	2025	2026	2027	2028	2029	2030
Garages Debt	\$ -	\$ -	\$ -	\$ -	\$ 2,439,875	\$ 2,378,878
Total Exp	\$ -	\$ -	\$ -	\$ -	\$ 2,439,875	\$ 2,378,878

Difference \$ 355,151 \$ 365,806 \$ 1,370,167 \$ 1,996,699 \$ (385,304) \$ (264,699)

Cumulative NPV - 20-Year	\$ 7,513,822
20 Gross Rev	\$ 48,476,540
20 Gross Exp	\$ 33,182,300
	\$ 15,294,240

SSD	2025	2026	2027	2028	2029	2030
Real Estate SSD	\$ -	\$ -	\$ -	\$ 370,340	\$ 686,434	\$ 707,027
Garage Maint	\$ -	\$ -	\$ -	\$ -	\$ 237,506	\$ 244,631
Construction GAP	\$ -	\$ -	\$ -	\$ -	\$ 550,000	\$ 536,250
Net Impact	\$ -	\$ -	\$ -	\$ 370,340	\$ (101,072)	\$ (73,855)
Cummulative SSD	\$ -	\$ -	\$ -	\$ 370,340	\$ 269,268	\$ 195,413

NOSE KOZAI TOTAL SUPPORT

Nose Corporation of America International Incubator

City of Virginia Beach Development Authority

July 9th, 2024 | Open Session

Paige Fox, Business Development Manager



Disclosures (Applicant)

- Applicant: Nose Corporation of America
- Principals: Yoshio Nose, Charles Rock, Kouichi Nose

Company Profile

- Subsidiary of a Japanese manufacturing company; parent company has been in Japan for over 50 years
- Headquartered in Seattle and looking to relocate to the east coast
- Has intent to establish a manufacturing facility in North America
- Manufacturing consists of computer added lathing (CNC machine) of high-quality metals to produce small parts
- Boeing is a major customer; Navy and NNS have indicated CNC machining as a need
- Has been working with the Hampton Roads Alliance for office space; toured Town Center



International Incubator

- VBDA approved 1st tenant in September 2021
- Incentive for business looking to locate in United States
- Most international businesses begin with a smaller US sales office, before growing to distribution and large operations
- Meant for companies only needing 1 – 2 offices

VIRGINIA BEACH
ECONOMIC DEVELOPMENT

INTERNATIONAL INCUBATOR

TEMPORARY OFFICE SPACE FOR A SOFT LANDING

The Virginia Beach International Incubator is geared towards international companies that need space to get their operations off the ground and grow their sales volume before establishing their own office or manufacturing facility in the City. The Incubator is strategically located in the Town Center of Virginia Beach adjacent to the Economic Development office.

WHO
Perfect for international companies needing 1-2 offices.

WHAT
Class A office space with shared conference room.

WHERE
Located in the heart of the City's Central Business District.

[MORE INFO ON BACK](#)

Sublease Terms

- 1 Office Maximum 2 Years Lease
- U.S. Mailing Address
- Access to Conference Room
- Payment Structure based on 1 office
 - Months 1 - 6: N/A (no rent)
 - Months 7 - 12: \$7.25/sq. ft. = \$1,450/year (\$120.83/month)
 - Months 13 - 18: \$14.50/sq. ft. = \$2,900/year (\$241.66/month)
 - Months 19 - 24: \$20.25/sq. ft. = \$4,050/year (\$337.60/month)



Recommendation

- ✓ Approve sublease of Authority's International Incubator space to Nose Corporation of America

NOSE KOZAI TOTAL SUPPORT



QUESTIONS