

An aerial photograph of Virginia Beach, Virginia, taken at sunset. The sky is a mix of orange, yellow, and blue. The city's skyline is visible, with the Westin hotel being a prominent feature on the left. A bright light source, likely the setting sun, creates a starburst effect in the center of the image. A large blue rectangular overlay covers the lower-left portion of the image, containing the title and date in white text.

Monthly Cash Flow – September 2025

City of Virginia Beach Development Authority

October 14th, 2025

Operating Account Summary: September 2025 (Continued)

Beginning Cash September 1, 2025

\$ 7,114,808

Cash Receipts Detail

- ✓ \$ **529,380** Bond Admin Fee Series 2023A&2023B1-3 – Westminster Canterbury
- ✓ \$ **82,251** Industrial Revenue Bond #472 Admin Fee – Westminster Canterbury
- ✓ \$ **10,585** Interest income
- ✓ \$ **5,700** Purchase of Sand from the Stockpile at Corporate Landing
– RPC General Contracting
- ✓ \$ **1,450** International Incubator Sublease Months 13-18 – Nose Corporation

Operating Account Summary: September 2025

Cash Disbursements Detail

- ✓ \$ **39,865** Atlantic Park Off-Site Asset Construction and Inspections through 7/31/2025 - MBP
- ✓ \$ **49,390** Atlantic Park Off-Site Asset Construction and Inspections through 8/31/2025 - MBP
- ✓ \$ **15,070** Monthly Conduit Management September 15th-October15th– Globalinx
- ✓ \$ **15,465** Legal Services for the Atlantic Park Project through 7/31/2025
– Davis Commercial Law Group
- ✓ \$ **4,650** Utility Markings Corporate Landing – 6/9/25-8/19/25 – MidAtlantic Surveying

Ending Cash – September 30, 2025

\$ 7,611,894

Cont. Operating Account Summary: September 2025

Amounts paid and reimbursed by City of VB – September 2025

- ✓ \$ **34,872** Atlantic Park – Draw #31 Entertainment Venue – Venture Waves
- ✓ \$ **262,519** Atlantic Park – Draw #31 Offsite Infrastructure (City Asset) – Venture Waves
- ✓ \$ **9,230** Atlantic Park – Reimbursement of ½ split of Dominion Energy expense covering the period of 4/30-5/29/2025 - Received from LiveNation
- ✓ \$ **530,014** Corporate Landing – Draw Request #6 for Offsite Infrastructure and Utility Construction – Seabreezy Enterprises

Capital Maintenance: September 30, 2025

Amphitheater

\$ 407,721

No Activity in September

Human Services Building

\$ 1,978,941

✓ Monthly Lease – October 2025

\$ 47,910

✓ Building Roof and Cooling Tower
Replacement – HBA Architecture

(\$ 23,498)

Atlantic Park Entertainment Venue (The Dome)

\$ 26,220

No Activity in September

Capital Maintenance: September 30, 2025 (Continued)

VB National Golf Course

\$ 1,872,418

- ✓ Aug. Monthly Revenue Share Agreement \$ 28,878
- ✓ Fire Alarm Design, Materials and Repairs – BFPE (\$ 1,040)

Incentive & Initiative Account Summary: September 2025

Façade Improvement Grant	\$ 68,069
---------------------------------	------------------

- | | |
|--|------------|
| ✓ Replacement of Exterior Site Light Fixtures
– Driveway Motors, Inc. | (\$ 5,500) |
|--|------------|

Small Business Grant Program	\$ 478,946
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- | | |
|--|------------|
| ✓ Reimbursement for Spray Paint Rig and Painting
Materials– Brush it on Paint | (\$ 2,073) |
|--|------------|

EDIP Grant Summary Reporting: September 2025

Ending EDIP appropriations 9/30/2025	\$ 12,166,585
EDIP Part A – Encumbered as of 9/30/2025	\$ 5,623,134
✓ No Activity During September 2025	
EDIP Part B – Encumbered as of 9/30/2025	<u>\$ 1,000,670</u>
✓ No Activity During September 2025	
EDIP Grant Funds Available as of 9/30/2025	\$ 5,542,781

** Actual EDIP Cash received from the City and held by the VBDA on September 30th, 2025 is \$842,392. The remaining \$11,324,193 is being held by the City and will be reimbursed to the VBDA when EDIP recipients receive their awards.*



GroundWorks EDIP Request

The City of Virginia Beach Development Authority

October 14, 2025 | Open Session

Ihsane Mouak- Business Retention, Expansion & Workforce



Disclosures

- Applicant: Groundworks, JES
- Applicant Representative: Kim McDonald
- Officers: Kim McDonald, Michael Mullican, Matt Malone
- Construction/Architect/Engineer: Rudolf Construction Partners, LLC
- Real Estate: Don Crigger, Colliers International

About the Company



- Located at 1741 Corporate Landing Parkway
- Developing into the nation's leading foundation and water management solutions company, serving both residential and commercial markets
- Employs 6,000+ people nationwide, including 543 in Virginia Beach
- Generated \$1.2 billion in revenue in 2024
- Named a 2025 top workplace in Hampton Roads by Inside Business
- Hosts approximately 20 leadership training sessions annually in Virginia Beach, drawing 100+ out-of-state employees per event and booking over 800 room nights in the resort area during the off-season
- Held their annual conference for 2,000 employees at the VB Convention Center
- Total YTD Est. Travel Spend to VB 2025: \$1,595,389

BMK & GroundWorks (GW)

- GW is considering a LOI for a 10-year lease for 23,000sf, including an option to purchase its proportional share of the building after five years. Lease payments will be credited toward the eventual purchase price.
- Before finalizing the move, GW seeks confirmation on two points:
 - Support for trail completion connecting GW's current site to the new location, ensuring employees can move easily between sites
 - Available grant that could help offset some costs of expansion



— Pedestrian Connections
by end of 2026

EDIP Project Parameters

Capital Investment	Amount
Building Construction	\$2,030,000
Machinery & Tools	\$980,000
FF&E	\$860,000
Total	\$3,870,000

Jobs	Amount
Retained FTEs	543
New FTEs	75
Total FTEs	618
AVERAGE ANNUAL SALARY (Exclusive of Benefits)	\$114,866.67

40 jobs tier 2 and 35 jobs Tier 1

Recommendation

Award \$309,800 to GroundWorks pursuant to EDIP Part A

- \$154,800 for capital investment
- \$155,000 for job creation (40 jobs Tier 2; 35 jobs Tier1)

QUESTIONS



Aligning EDIP to Support Redevelopment of Shopping Centers

City of Virginia Beach Development Authority

October 14, 2025 | Closed Session

Natalie Guilmeus, Deputy Director

Purpose

- Recent project request (Project Roar) prompted questions about how VBDA should handle incentives focused primarily on retail.
- Current EDIP policy does not directly include redevelopment for primarily retail.
- **Today's goal:** Explore whether the VBDA should amend EDIP Policy, Part B to focus on redevelopment of shopping centers including considerations for:
 - Mixed Use Opportunities
 - Experiential Retail + Entertainment / Amusement

EDIP Overview

- The City's Economic Development Investment Program (EDIP) is a locally funded discretionary incentive program available to assist qualifying companies and developers to grow in Virginia Beach.
- The VBDA has been administering this program on behalf of the City Council since 1994.
- There are **four distinct parts** of the EDIP with a traditional focus on attraction and retention of businesses (small and large) and redevelopment—especially in strategic growth areas or opportunity zones.

EDIP Focus

- **EDIP Part A:** Targeted towards the City's key industry sectors and attracting high paying and high skilled jobs.
- **EDIP Part B:** Supports new construction, redevelopment or purchase of property within a target area—SGA, SEGA, and/or Opportunity Zone.
- **EDIP Part C:** Development or redevelopment of properties in APZ-1 or Clear Zones.
- **EDIP Part F:** Targeted towards small, women-owned, minority-owned, veteran-owned and service-disabled veteran owned businesses. **(2024)**

EDIP Policy, Part B

- Investment Threshold: *“For every one dollar (\$1) in EDIP funds provided, twelve and 50/100 dollars (\$12.50) or more in new Capital Investment will be made at the Project.”*

Select Considerations for Part B Projects:

- Furthers the goals of the Comprehensive Plan and the City's Economic Development Strategy.
- Number and Types of Jobs Generated
- Amount of Capital Investment

Considerations



Image of the site for a proposed experiential retail project in a former grocery store space—Farm Fresh—that is over 8K SF.

Incentivizing private investment that strengthens the economic base and creates true destinations.

- CoStar Data: Approximately, 189 buildings within and / or considered to be a shopping center.
- Average Year Built: 1990
- Rentable SF Average: 61,060 SF

Recent momentum with retail and shopping centers. Three shopping center redevelopments currently underway or anticipated in the City:

- KempsRiver Crossing (District 9)
- Pembroke Mall (District 9)
- Cypress Point Shopping Center (District 9)

Other Considerations

- **Clarify eligibility criteria**—inclusive of redevelopment outside of SGAs.
- **Consider maintaining or raising the capital investment ratio**—\$12.50 CapEx = \$1 of EDIP Investment
- **Performance Outcomes:** Tie to occupancy and increased tax revenue.
- **Destination Appeal:** Inclusive of experiential retail—stores that engage customers through demonstrations and immersive environments.
Consider 8-10K SF Anchor tenant presence minimum and opportunity to increase density.



Image of Cypress Point Shopping Center rendering featuring one anchor tenant. Address: 928 Diamond Springs Road.

Existing Shopping Centers



Kempsville Plaza Shopping

- 5277 Kempsville Plaza
- 59,997 SF
- Built in 1968



Hilltop North Shopping Center

- 1624 Laskin Road
- 124,261 SF
- Built in 1971



Pembroke Meadows Shopping Center

- 750 Independence Boulevard
- 81,590 SF
- Built in 1972

Next Steps

1. Consider the amendment of Part B to encourage redevelopment of shopping centers within the City (including beyond the SGAs)—inclusive of experiential retail and entertainment. This amendment **would not** apply to any industrially zoned areas.
2. Refine program framework with a working group including economic impact examples.
3. Return with program recommendation for VBDA and Council consideration.

An aerial photograph of Virginia Beach at sunset. The sky is a mix of orange, yellow, and blue. In the center, a tall, modern building with a pointed top (the Westin) stands out. To its right, another building with a bright light on its roof is visible. The city is spread out with various buildings, parking lots, and green spaces. A large blue rectangular box is overlaid on the lower left portion of the image.

Questions?



Attainable Workforce Housing Performance Grant Applications

Grand Lake Senior Apartments & The Silo Apartments

Housing & Neighborhood Preservation | VBDA Board: Oct. 14, 2025



CITY OF
**VIRGINIA
BEACH**

Why Are We Here?

Provide Overview:

- Housing affordability challenges in Virginia Beach
- Attainable Workforce Housing Performance (AWHP) Grant Program and eligibility requirements
- AWHP Grant requests for Grand Lake Senior Apartments and The Silo Apartments

Request VBDA Board to authorize VBDA Chair to execute, for and on behalf of the VBDA, the Grant Agreement among the City; VBDA, and Developer

Housing Affordability Challenges in Virginia Beach

- **One in three households is housing cost-burdened** = About 59,000 spend more than 30% of their income on housing costs
- Median rent in Virginia Beach: \$1,730
 - Income Needed = About \$70,000/year, or \$33/hour, full time
- **Critical concern:** Lack of rental units affordable to very-low-income households, many of whom are employed in the region's top 10 most common occupations.
 - Often bear the burden of high housing costs to remain in the city.

New Program to Help Meet the Need

- **September 2025:** Launched Attainable Workforce Housing Performance (AWHP) Grant Program
 - City of Virginia Beach and City of Virginia Beach Development Authority (VBDA) partnership
- Provides an incentive for private development of safe, quality, affordable multi-family rental housing.
- **Self-sustaining and performance-based:** Annual grants are provided to a developer based on a percentage of the incremental real estate taxes generated by their approved development.

Eligibility Requirements

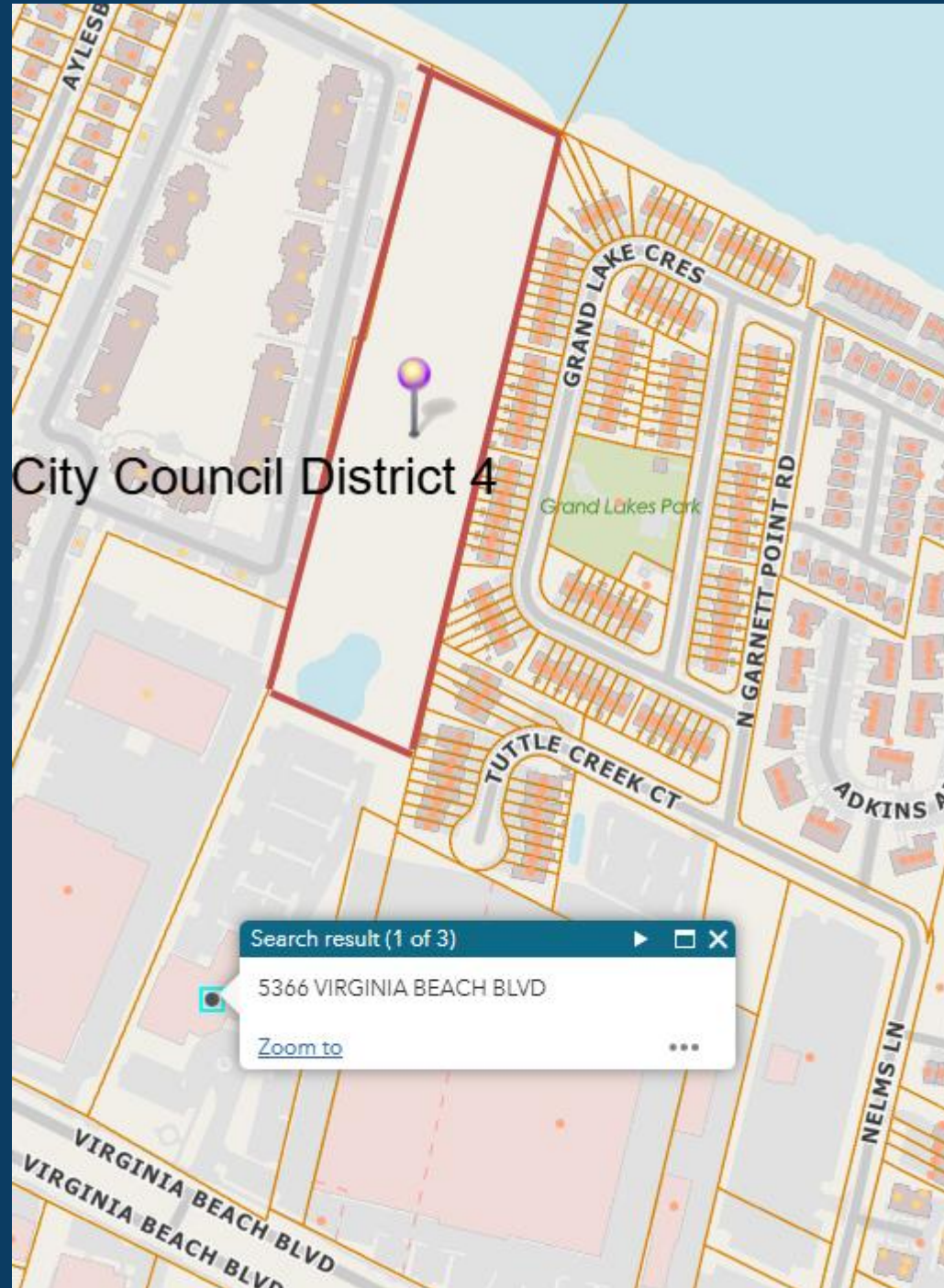
- Must be new construction
- Must be developed by a for-profit entity
- Only new multi-family affordable rental housing units that have not started construction
- Applicants must have a demonstrable gap in project financing, as evidenced by their development and operating pro forma
- May be fully affordable, mixed-income and mixed-use (commercial and residential components)
- Projects that involve the demolition of existing rental housing units are eligible only if they build a minimum of 20% affordable housing units in the new project
- Projects should have their zoning approval or are in the process of obtaining approval through the City's Planning process.

Grant Request 1: Grand Lake Senior Apartments

- 172 senior housing units (age 62+), 100% residential
- Development by Grand Lakes, L.P.; Principal is the Franklin Group Cos.
- New construction on vacant land; no other improvements currently on the property
- Will be developed using Federal Low-Income Housing Tax Credits (LITHC)
- Council approved conditional rezoning: Dec. 10, 2024
- Expected to start construction December 2025
- Funding gap: \$2,150,000

Grand Lake Senior Apartments:

Location and district



Grand Lake Senior Apartments: Affordability

- 100% (172 units) affordable for households whose incomes are, on average, 60% of Area Median Income (AMI).
- 89 of the 172 units (about 52%), will serve households at or below 50% AMI.
- Developer has also indicated project will provide housing to households with maximum annual gross incomes listed below (based on 2025 HUD published AMI), which are based on household size:

Units	Area Median Income	1 Person	2 Person	3 Person	4 Person
19	30%	\$22,380	\$25,560	\$28,770	\$31,950
19	40%	\$29,840	\$34,080	\$38,360	\$42,600
51	50%	\$37,300	\$42,600	\$47,950	\$53,250
14	60%	\$44,760	\$51,120	\$57,540	\$63,900
69	80%	\$59,680	\$68,160	\$76,720	\$85,200
172					

Grand Lake Senior Apartments: Fiscal Impact

- First year grant amount: Estimated at \$188,503 or \$1,096/unit
- Estimate is based on recent assessed values of multi-family affordable housing.
 - Estimated assessed value of project at completion = \$21,278,350
 - Estimated 1st year tax revenue is $(\$21,278,350 / \$100) * 0.97 = \$206,400$
 - FY 25/26 current assessed value of property = \$1,845,000
 - FY 25/26 tax revenue is $\$1,845,000 / \$100 * \$0.97 = \$17,897$
 - 100% of Incremental taxes: $\$206,400 - \$17,897 = \$188,503$
 - Applicant will pay an administrative fee to VBDA of 1% of the annual grant amount

Recommended Grant Agreement Terms

- Recommend following Grant Agreement terms:
 - Base Real Estate Tax amount of \$17,897
 - Annual Grant payment of 100% of the incremental real estate taxes
 - Grant term of 30 years, with 2nd 15 years on condition of capital improvement requirement
 - Capital Improvements of \$10,000/affordable unit, or \$1,720,000 for first 15 years
 - Average income of 60% for the grant term (30 years)

Grant Request 2: The Silo Apartments

- 200 units; 100% residential
- Development by The Silo Apts., L.P.; Principal is the Franklin Group Cos.
- New construction on vacant land; no other improvements currently on the property
- Will be developed using Federal Low Income Housing Tax Credits
- Council approved conditional rezoning: July 8, 2025
- Expected to start construction June 2026
- Funding gap: \$2,775,000

The Silo Apartments

Location and district



The Silo Apartments: Affordability

- 100% (200 units) affordable for households whose incomes are, on average, 60% of AMI.
- Developer has also indicated the project will provide housing for households with incomes at 50% AMI to 80% AMI
- Maximum annual gross incomes are listed below (based on 2025 HUD published AMI), which are based on household size:

Area Median Income	1 Person	2 Person	3 Person	4 Person
50%	\$37,300	\$42,600	\$47,950	\$53,250
60%	\$44,760	\$51,120	\$57,540	\$63,900
70%	\$52,220	\$59,640	\$67,130	\$74,550
80%	\$59,680	\$68,160	\$76,720	\$85,200

The Silo Apartments: Fiscal Impact

- First year grant amount: Estimated at \$216,179 or \$1,081/unit
- Estimate is based on recent assessed values of multi-family affordable housing.
 - Estimated assessed value of project at completion = \$27,216,495
 - Estimated 1st year tax revenue is $(\$27,216,495/\$100) * 0.97 = \$264,400$
 - FY 25/26 current assessed value of property = \$4,930,000
 - FY 25/26 tax revenue is $(\$4,930,000/\$100) * \$0.97 = \$47,821$
 - 100% of Incremental taxes: $\$264,400 - \$47,821 = \$216,179$
 - Applicant will pay an administrative fee to VBDA of 1% of the annual grant amount

Recommended Grant Agreement Terms

- Recommend following Grant Agreement terms:
 - Base Real Estate Tax amount of \$47,821
 - Grant payment of 100% of the incremental real estate taxes
 - Grant term of 30 years, with 2nd 15 years on condition of capital improvement requirement
 - Capital Improvements of \$10,000/affordable unit, or \$2,000,000 for first 15 years
 - Average income of 60% for the grant term (30 years)

Next Steps

- City Council Briefing this afternoon: October 14th
- City Council Ordinance: October 21st
- Comments and questions?