

A RESOLUTION APPROVING THE PROVISION
OF \$309,800 IN ECONOMIC DEVELOPMENT
INVESTMENT PROGRAM FUNDS TO
GROUNDWORKS OPERATIONS, LLC
OR AN AFFILIATED ENTITY.

WHEREAS, the City of Virginia Beach Development Authority (the "Authority") was created pursuant to Chapter 643 of the Acts of Assembly of 1964, as amended (the "Act");

WHEREAS, one of the primary purposes of the Act is to enable development authorities "to promote industry and develop trade by inducing manufacturing, industrial, governmental and commercial enterprises to locate in or remain in the Commonwealth....";

WHEREAS, pursuant to §6 of the Act, the Authority has the power, *inter alia*, "to sell, exchange, donate and convey any or all of its facilities or other properties whether realty or personalty whenever the Authority shall find any such action to be in furtherance of the purposes for which the Authority was organized";

WHEREAS, pursuant to §7 of the Act, "the Authority may foster and stimulate the development of industry in the area within its jurisdiction... [and] may accept, and expend for the purposes stated above, money from any public or private source....";

WHEREAS, pursuant to §10 of the Act, the City of Virginia Beach (the "City") "is authorized and empowered to make appropriations and to provide funds for the operation of the Authority and to further its purposes";

WHEREAS, the economic development goals and objectives of the City include achieving a higher ratio of nonresidential to residential real estate assessments, investing in land and infrastructure to benefit future economic growth, and maximizing the return of economic development efforts through the development and implementation of programs and strategies that facilitate new business investment and encourage retention and expansion activities, thereby improving the overall quality of life in the City;

WHEREAS, the City established the Economic Development Investment Program ("EDIP") as part of its overall effort to enhance the City's ability to accomplish these goals and objectives;

WHEREAS, pursuant to the authority and empowerment set forth in §10 of the Act, City Council authorized the transfer of funds in the EDIP account to the Authority and the provision of future EDIP appropriations to the Authority to enable the Authority to more effectively continue its efforts to foster and stimulate economic development by inducing businesses to locate or remain in the City;

WHEREAS, the Department of Economic Development (the "Department"), acting on behalf of the Authority, has induced Groundworks Operations, LLC, a Delaware limited liability company, authorized to transact business in Virginia, or an affiliated entity (the

“Recipient”), to expand its operation to 1245 Perimeter Parkway, Virginia Beach, Virginia 23454 (the “Property”);

WHEREAS, the inducement includes an agreement to recommend the award to Recipient, or affiliated entity, of \$309,800 in EDIP funds to underwrite a portion of costs associated with the expansion of Recipient’s operation at the Property;

WHEREAS, Recipient has represented in its application and the Director of Economic Development (the “Director”), upon review of the application submitted by Recipient, has determined and has advised the Authority it will meet at least one of the following performance criteria (the “Performance Criteria”) within thirty-six (36) months after the date of this Resolution.

- (a) Tax Revenues: The net amount of direct tax revenues returned to the City as a result of the Recipient’s operation will exceed the amount of EDIP Funds provided in thirty-six (36) months; and/or
- (b) Capital Investment: For every One Dollar (\$1.00) of EDIP funds received, Recipient shall make a new capital investment of at least \$25.00; with the maximum award for this criteria to be limited to \$154,800 of the \$309,800 total award; and
- (c) Employment Opportunity (Tier 1): For every One Thousand Dollars (\$1,000) of EDIP funds received, Recipient will create and/or retain one (1) New Job or Retained Job (as defined in the EDIP policy) in its operation with an average salary between \$69,900 and \$98,599, excluding benefits, with the maximum award for this criteria to be limited to \$35,000 of the \$309,800 total award; and
- (d) Employment Opportunity (Tier 2): For every Three Thousand Dollars (\$3,000) of EDIP funds received, Recipient will create and/or retain one (1) New Job or Retained Job (as defined in the EDIP policy) in its operation with an average salary of at least \$98,600, excluding benefits, with the maximum award for this criteria to be limited to \$120,000 of the \$309,800 total award.

WHEREAS, the Director of Economic Development, upon review of the application submitted by Recipient, has determined and has advised the Authority that one or more of the following criteria has been met:

(i) the net amount of direct tax revenues returned to the City as a result of Recipient’s expanded operation will exceed the amount of EDIP funds provided in thirty-six (36) months, and/or

(ii) For \$154,800 of the award: for every one dollar (\$1.00) in EDIP funds provided, Recipient will spend at least twenty-five and 00/100 dollars (\$25.00) in new capital investment, and

(iii) For \$35,000 of the award: for every One Thousand Dollars (\$1,000) in EDIP funds provided, the Recipient will create and/or retain at least one (1) New Job or Retained Job (as defined in the EDIP policy) in its operation with an average salary between \$69,600 and \$98,599, excluding benefits; and

(iii) For \$120,000 of the award: for every Three Thousand Dollars (\$3,000) in EDIP funds provided, the Recipient will create and/or retain at least one (1) New Job or Retained Job (as defined in the EDIP policy) in its operation with an average salary of at least \$98,600, excluding benefits.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY:

1. That the Authority hereby finds:

- (a) that the provision of \$309,800 in EDIP funds to Groundworks Operations, LLC, a Delaware limited liability company, authorized to transact business in Virginia, or an affiliated entity (the "Recipient") will primarily serve the valid public purpose of fostering and stimulating economic development in the City; and
- (b) that the provision of the EDIP funds is in furtherance of the purposes for which the Authority was created; and
- (c) that it is unlikely the Recipient would expand its operation within the City without the stimulus of the EDIP award.

2. That the Authority hereby further finds that, based on the direct benefits to the City of Virginia Beach and its citizens resulting from the capital investment and employment opportunities to be generated by the Recipient as a result of its proposed expansion of its operation in Virginia Beach, the provision of \$309,800 in EDIP funds to the Recipient will only incidentally enure to the benefit of private interests.

3. That as of the date of this Resolution, the Recipient has not yet commenced construction of the proposed improvements or filled any of the new job positions being incentivized by this EDIP award.

4. That based on these findings, the Authority hereby approves the provision of \$309,800 in EDIP funds to the Recipient to underwrite a portion of the costs associated with the expansion of the Recipient's operation in Virginia Beach, with \$154,800 of the award to be based on capital investment and \$155,000 based on creation and/or retention of new employment opportunities.

5. That disbursement of EDIP Funds by the Authority shall be at the discretion of the Director of the Department of Economic Development of the City of Virginia Beach or his

designee (the “Director”), who shall be authorized to require appropriate verification as to qualifying expenditures.

6. That disbursement of EDIP funds to the Recipient shall be on a pro-rata reimbursement basis upon presentation of original receipts for qualifying expenditures to the Director with not more than \$154,800 to be disbursed for capital investment and not more than \$155,000 to be dispersed for creation of employment opportunities. At the sole discretion of the Director, disbursement may not be prior to the completion of the Employment Opportunity Performance Criteria. Disbursement of EDIP funds shall be from time to time, but not more frequently than once per month, until fully expended.

7. That as a condition of receiving EDIP funds related to the employment opportunities incentivized by this award, once a new full-time job is filled, it must be maintained without interruption for thirty-six (36) months from the date of this Resolution (the “Performance Period”) or the funds advanced for that job may be subject to recapture as set forth in Section 8, below.

8. The Director may require the Recipient to enter into a Recapture Agreement approved by the Director to allow for the recapture of funds for any job incentivized that is subsequently terminated or eliminated by the Recipient. Such Recapture Agreement shall provide for the repayment by the Recipient of that portion of EDIP funds so disbursed prorated for the percentage of the Performance Criteria satisfied prior to the expiration of the Performance Period, and shall contain certain other provision as may be determined or required by the Director. Should an individual job be vacant but Recipient is actively seeking a replacement employee, EDIP funds advanced for that position shall not be subject to recapture.

9. As a further condition of receiving the EDIP Funds, the Recipient shall conduct operations in the building at the Property (or such other locations in the City of Virginia Beach as may be agreed to by the Authority) for a minimum of five (5) years from the time of this award. Even if the requirement of paragraph 1 is met, for each year less than five that the Recipient conducts operations at the Property (or other agreed to location) upon written request from the Authority, the Recipient shall pay to the Authority, as EDIP recapture and not as a penalty, one-fifth (1/5) of the amount of the EDIP Funds provided. Such amount shall be paid within fifteen (15) business days after receipt of request from the Authority, and if not paid by such date, the amount due will bear interest at the rate of ten percent (10%) per annum from such date until paid, and such interest shall be payable by the Recipient in addition to the amount due as calculated above.

10. The Authority may terminate this award and decline to pay any unpaid funds if the recipient has not requested the full \$309,800 within thirty-six (36) months of the date of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

Adopted this 14 day of October, 2025, by the City of Virginia Beach
Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: Signed by David Weiner
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:

Signed by Emily Archer
Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:

Signed by Alexander Stiles
City Attorney

RESOLUTION (1) APPROVING ATTAINABLE
WORKFORCE HOUSING PERFORMANCE GRANT
TO GRAND LAKES, LP, (2) AUTHORIZING THE
CITY MANAGER TO EXECUTE THE GRANT
AGREEMENT AND SUPPORT AGREEMENT AND
(3) REQUESTING THAT THE CITY OF VIRGINIA
BEACH DEVELOPMENT AUTHORITY APPROVE
THE GRANT

WHEREAS, in 2022, the Virginia General Assembly amended the Industrial Development and Revenue Bond Act allowing development authorities, in conjunction with their local governing bodies, the power to make grants associated with the construction of affordable housing;

WHEREAS, in furtherance of its priority to increase affordable housing in the City, on April 1, 2025, City Council approved an Ordinance adopting the Attainable Workforce Housing Performance Grant Program (the "Program") and requested the City of Virginia Beach Development Authority (the "Authority") also adopt the same;

WHEREAS, on May 13, 2025, the Authority approved a Resolution adopting the Program;

WHEREAS, Grand Lakes, LP, a Virginia limited partnership ("Grand Lakes"), proposes to construct apartments on approximately 6.8 acres of land located at 5366 Virginia Beach Blvd. (a portion of GPIN: 1467-68-0155) (the "Project").

WHEREAS, Grand Lakes has applied for a grant under the Program in connection with the Project, on the terms and conditions set forth in the Summary of Terms, attached hereto as Exhibit A (the "Grant");

WHEREAS, Staff has determined that the application of Grand Lakes meets the eligibility requirements and recommends approval;

WHEREAS, the grant would be paid by the Authority to Grand Lakes pursuant to the terms of a Grant Agreement; and

WHEREAS, in accordance with the Program, the City and the Authority would enter into a Support Agreement, wherein the City would agree to provide sufficient funds to the Authority to meet its obligations set forth in the Grant Agreement

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY:

1. That Authority hereby approves the Program grant to Grand Lakes and authorizes the Chair or Vice Chair to execute a Grant Agreement and Support Agreement, so long as such documents are in substantial conformity with the terms set forth in the Summary of Terms, attached hereto as Exhibit A, and made a part hereof,

and such other terms, conditions or modifications as may be acceptable to the Chair and in a form deemed satisfactory by the City Attorney.

2. The Authority's approvals set forth in this Resolution shall not be effective unless and until the City Council adopts a similar Resolution approving the Program grant and authorizing execution of the relevant documents.

Adopted this 14 day of October, 2025, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: Signed by David Weiner
Secretary / Assistant Secretary

APPROVED AS TO CONTENT:

Signed by Emily Archer
Economic Development

APPROVED AS TO LEGAL SUFFICIENCY:

Signed by Alexander Stiles
City Attorney

EXHIBIT A
SUMMARY OF TERMS

- Grantor:** The City of Virginia Beach Development Authority (“Authority”)
- Recipient:** Grand Lakes, LP, a Virginia limited partnership
- Property:** Approx. 6.8 acres located at 5366 Virginia Beach Blvd. Portion of GPIN: 1467-68-0155.
- Grant Amount:** An amount equal to 100% of incremental real estate taxes with the increment calculated as the difference between real estate taxes paid in fiscal year FY25-26 (the “Base Real Estate Tax Revenue”) and those paid each year after completion of the Project, defined below.
- Grant Term:** 15 years, with an option to renew for an additional 15 years if Recipient makes the Reinvested Capital Improvements in the Project in the first 15 years. Total term is 30 years.
- Project:**
- New Construction at the Property.
 - 172 multi-family apartment units for seniors.
 - 100% affordable units serving household with an average income 60% of the Area Median Income
 - Grant Amount = 100% of incremental real estate taxes.
 - Reinvested Capital Improvements \$1,720,000.
 - Estimated Project Gap: \$2,150,000.
- Other Terms:**
- City and Authority obligations under the Grant Agreement are subject to funds being appropriated and budgeted by City Council.
 - Administrative fee: 1% of grant payment to be paid by Recipient to Authority to cover administrative expenses for managing the grant.
 - Strive for goal of 50% small, woman, and minority (SWaM) business participation during the construction phase of development and require reporting of expenditures to the City’s SWaM Office.

RESOLUTION (1) APPROVING ATTAINABLE
WORKFORCE HOUSING PERFORMANCE GRANT
TO THE SILO APTS., LP, (2) AUTHORIZING THE
CITY MANAGER TO EXECUTE THE GRANT
AGREEMENT AND SUPPORT AGREEMENT AND
(3) REQUESTING THAT THE CITY OF VIRGINIA
BEACH DEVELOPMENT AUTHORITY APPROVE
THE GRANT

WHEREAS, in 2022, the Virginia General Assembly amended the Industrial Development and Revenue Bond Act allowing development authorities, in conjunction with their local governing bodies, the power to make grants associated with the construction of affordable housing;

WHEREAS, in furtherance of its priority to increase affordable housing in the City, on April 1, 2025, City Council approved an Ordinance adopting the Attainable Workforce Housing Performance Grant Program (the "Program") and requested the City of Virginia Beach Development Authority (the "Authority") also adopt the same;

WHEREAS, on May 13, 2025, the Authority approved a Resolution adopting the Program;

WHEREAS, The Silo Apts., LP, a Virginia limited partnership ("Silo"), proposes to construct apartments on approximately 8.5 acres of land located at 2641 Princess Anne Road (portions of GPINs: 1494-54-6842 and 1494-64-1457) (the "Project").

WHEREAS, Silo has applied for a grant under the Program in connection with the Project, on the terms and conditions set forth in the Summary of Terms, attached hereto as Exhibit A (the "Grant");

WHEREAS, Staff has determined that the application of Silo meets the eligibility requirements and recommends approval;

WHEREAS, the grant would be paid by the Authority to Silo pursuant to the terms of a Grant Agreement; and

WHEREAS, in accordance with the Program, the City and the Authority would enter into a Support Agreement, wherein the City would agree to provide sufficient funds to the Authority to meet its obligations set forth in the Grant Agreement

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY:

1. That Authority hereby approves the Program grant to Silo and authorizes the Chair or Vice Chair to execute a Grant Agreement and Support Agreement, so long as such documents are in substantial conformity with the terms set forth in the Summary of Terms, attached hereto as Exhibit A, and made a part hereof, and such

other terms, conditions or modifications as may be acceptable to the Chair and in a form deemed satisfactory by the City Attorney.

2. The Authority's approvals set forth in this Resolution shall not be effective unless and until the City Council adopts a similar Resolution approving the Program grant and authorizing execution of the relevant documents.

Adopted this 14 day of October, 2025, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: Signed by David Weiner
Secretary / Assistant Secretary

APPROVED AS TO CONTENT:

Signed by Emily Archer
Economic Development

APPROVED AS TO LEGAL SUFFICIENCY:

Signed by Alexander Stiles
City Attorney

EXHIBIT A
SUMMARY OF TERMS

- Grantor:** The City of Virginia Beach Development Authority (“Authority”)
- Recipient:** The Silo Apts., LP, a Virginia limited partnership
- Property:** Approx. 8.5 acres located at 2641 Princess Anne Road (Portions of GPINs: 1494-54-6842 and 1494-64-1457)
- Grant Amount:** An amount equal to 100% of incremental real estate taxes with the increment calculated as the difference between real estate taxes paid in fiscal year FY25-26 (the “Base Real Estate Tax Revenue”) and those paid each year after completion of the Project, defined below.
- Grant Term:** 15 years, with an option to renew for an additional 15 years if Recipient makes the Reinvested Capital Improvements in the Project in the first 15 years. Total term is 30 years.
- Project:**
- New Construction at the Property.
 - 200 multi-family apartment units.
 - 100% affordable units serving household with an average income 60% of the Area Median Income
 - Grant Amount = 100% of incremental real estate taxes.
 - Reinvested Capital Improvements \$2,000,000.
 - Estimated Project Gap: \$2,775,000.
- Other Terms:**
- City and Authority obligations under the Grant Agreement are subject to funds being appropriated and budgeted by City Council.
 - Administrative fee: 1% of grant payment to be paid by Recipient to Authority to cover administrative expenses for managing the grant.
 - Strive for goal of 50% small, woman, and minority (SWaM) business participation during the construction phase of development and require reporting of expenditures to the City’s SWaM Office.