Monthly Cash Flow – May 2026

City of Virginia Beach Development Authority

June 9th, 2026

Operating Account Summary: May 2026

Beginning Cash May 1, 2026 **$ 9,994,682**

- ✓ **$ 15,135** Interest income – May 2026

Total Cash Receipts During May **$ 15,135**

- ✓ **($ 29,771)** Corporate Landing Pond C Final Design and Industrial Conception Plans -VHB
- ✓ **($ 15,523)** Corporate Landing Monthly Conduit Management Agreement – May15th - June 15th, 2026 – Globalinx
- ✓ **($ 15,105)** Legal Services for the Atlantic Park Dome Site Project through 4/30/2026 - Davis Commercial Law

Total Cash Disbursements During May **($ 63,400)**

Ending Cash – May 31st, 2026 **$ 9,946,417**

Capital Maintenance: May 31, 2026

Human Services Building	**$ 2,205,785**
✓ Monthly Lease – June 2026	$ 47,910
Encumbered Funds as of 5/31/2026	$ 819,467
Funds Available for Future Human Services Building Expenses	**$ 1,386,318**

Atlantic Park Entertainment Venue	**$ 120,240**
✓ No Activity in May 2026	

Capital Maintenance: May 31, 2026 (Continued)

VB National Golf Course	**$ 1,391,434**
✓ April Monthly Revenue Share Agreement	$ 24,154
✓ Interior Renovations – Project Closeout	
– Vanar Construction	($ 21,332)
✓ Lake #1 Maintenance – Mobility and Surveying	
- Divergent Construction Group	($ 242,725)
✓ Lake Maintenance – Construction Admin. – VHB	($ 3,875)
Encumbered funds as of 5/31/2026	$ 616,285
Funds available for future VBNGC expenses	**$ 775,149**

EDIP Grant Summary Reporting: May 2026

Ending EDIP appropriations 5/31/2026	**$ 11,857,209**
✓ Closed without any of the grant being awarded, approved April 2023 – Jazz Solutions	$ (40,000)
✓ Reimbursement of $13.9M spent in Capital investment, 67 new jobs created and 290 jobs retained and moved to Virginia Beach - Zim American Integrated Shipping	$(1,120,507)
✓ Approved during May 13th meeting $787K for qualifying Capital Investment & 13K for 9 jobs created - Globalinx	$ 800,000
✓ Approved during May 13th meeting $18.8K for qualifying Capital Investment & 27K for 13 job created - Subsea Craft	$ 45,820
EDIP Part A – Encumbered as of 5/31/2026	$ 4,991,574

EDIP Grant Summary Reporting: May 2026 (Continued)

EDIP Part B – Encumbered as of 5/31/2026	$ 812,269
✓ No EDIP part B activity during May 2026	
EDIP Grant Funds Available as of 5/31/2026	**$ 6,053,366**

FY 2027 Proposed Operating Budget

City of Virginia Beach Development Authority

June 9, 2026

VBDA Operations – FY27 Proposed Revenues

	FY 2027	FY 2026	
	Budget (Proposed)	Budget	Actual*
OPERATING			
VBDA Operations			
Revenues			
Industrial Revenue Bond Fee Inc	665,000	679,350	676,690
Lease Income - TC Outdoor Cafes	20,093	19,507	7,842
Lease Income - Incubator	9,375	4,287	13,240
Lease Income - Westin Conference	45,000	50,000	41,096
Interest Income	-	-	117,141
Miscellaneous Income	-	-	5,700
Total Revenues	**739,468**	**753,144**	**861,709**

*As of May 31, 2026

VBDA Operations – FY27 Proposed Expenditures

	FY 2027 Budget (Proposed)	FY 2026 Budget	FY 2026 Actual*
OPERATING			
VBDA Operations			
Expenditures			
General, Administrative and Strategy	(25,000)	(35,000)	(12,560)
Live Nation Concert Seating	(15,000)	(15,000)	(15,000)
Annual Reception/Events	(22,000)	(20,000)	(19,190)
Audit Fees	(24,000)	(23,000)	(21,349)
International Incubator Expense	-	-	(11,382)
Transfer to Corporate Landing	-	(2,380,000)	(2,380,000)
Total Expenditures	**(86,000)**	**(2,473,000)**	**(2,459,481)**

- As of May 31, 2026

VBDA Projects – FY27 Proposed Budget

	FY 2027	FY 2026	
	Budget (Proposed)	Budget	Actual*
PROJECTS			
The Dome "By Rutter Mills"			
Revenue Share - Ticket Sales	75,000	62,500	60,120
Base Rent and Annual Sponsorship	50,000	-	45,695
Architecture & Engineering Fees	(250,000)	-	(53,594)
Legal, Inspection and Support	(50,000)	(600,000)	(264,141)
The Dome Net Activity	**(175,000)**	**(537,500)**	**(211,920)**
Innovation Park			
Revenue from Land Sales	-	2,558,000	2,366,041
Costs to Improve Land for Sale	-	(576,000)	-
Architecture and Engineering	(150,000)	(150,000)	(208,716)
Innovation Park Net Activity	**(150,000)**	**1,832,000**	**2,157,325**

* As of May 31, 2026

VBDA Corporate Landing BP – FY27 Proposed Budget

	FY 2027	FY 2026	
	Budget (Proposed)	Budget	Actual*
PROJECTS			
Corporate Landing			
Revenue from Land Sales	1,472,200	481,507	-
Repurchase of Land Inventory	(2,500,000)	(2,500,000)	-
Capital Improvements (Non-CIP)	(200,000)	(2,380,000)	(596,763)
Architecture and Engineering	(150,000)	(200,000)	(32,785)
Maintenance and Landscaping	(54,000)	(54,000)	(51,371)
Conduit Management	(192,000)	(187,000)	(165,970)
Utilities and Other	(20,000)	(39,000)	(247)
Transfer from Operating Cash	-	2,380,000	-
Corporate Landing Net Activity	**(1,643,800)**	**(2,498,493)**	**(847,136)**

* As of May 31, 2026

VBDA Projects – FY27 Proposed Budget (Continued)

	FY 2027	FY 2026	
	Budget (Proposed)	Budget	Actual*
110 S Independence Blvd			
Utilities and Other	(9,500)	(8,500)	(10,126)
Demolition	-	-	-
110 S Independence Net Activity	**(9,500)**	**(8,500)**	**(10,126)**
Net Proposed Use of Operating Cash	**(1,305,832)**	**(2,932,349)**	**(456,478)**

Current Operating Cash Balance as of May 31, 2026: $9,946,417

* As of May 31, 2026

VBDA Initiatives – FY27 Proposed Budget

	FY 2027 Budget (Proposed)	FY 2026 Budget	FY 2026 Actual*
INITIATIVES			
Bio-Medical Research Incentive			
Revenues	-	-	-
Expeditures (LifeNet Supplemental Payments)	(111,100)	(250,000)	(138,911)
Expenditures (Bendix Lease)	-	-	-
Bio Accelerator Net Activity	**(111,100)**	**(250,000)**	**(138,911)**
Façade Improvement Grants			
Revenues	100,000	100,000	100,000
Revenues (Atlantic Avenue)	-	250,000	250,000
Expenditures (Awards)	(100,000)	(100,000)	(69,726)
Expenditures (Atlantic Avenue)	(147,000)	(250,000)	(103,000)
Façade Improvement Grant Net Activity	**(147,000)**	**-**	**177,274**
Small Business Grant Program	-	(150,000)	(70,531)

* As of May 31, 2026

VBDA Capital Maintenance – FY27 Proposed Budget

	FY 2027	FY 2026	
	Budget (Proposed)	Budget	Actual*
CAPITAL MAINTENANCE			
Amphitheater			
Revenue from City	200,000	200,000	177,077
Capital Maintenance Repairs	(200,000)	(200,000)	(177,077)
Amphitheater Net Activity	-	-	-
(Current VBDA-held Balance: $0)			
Human Services			
Lease Income - Human Services	574,928	574,928	527,017
Capital Maintenance Repairs	(950,000)	(1,343,000)	(343,933)
Social Services Net Activity	**(375,072)**	**(768,072)**	**183,084**
(Current Cash Balance: $2,205,785)			

- As of May 31, 2026

VBDA Capital Maintenance – FY27 Proposed Budget (Continued)

	FY 2027	FY 2026	
	Budget (Proposed)	Budget	Actual*
CAPITAL MAINTENANCE			
Virginia Beach National Golf Course			
Lease Income - VBGC	190,000	175,000	223,772
Capital Maintenance Repairs	(617,000)	(1,400,000)	(890,765)
Transfer from Operating Cash	-	-	-
VB National Net Activity	**(427,000)**	**(1,225,000)**	**(666,993)**
(Current Cash Balance: $1,391,434)			
The Dome "By Rutter Mills"			
Revenue Share - Ticket Sales	150,000	125,000	120,240
Capital Maintenance Repairs	-	-	-
The Dome Net Activity	**150,000**	**125,000**	**120,240**
(Current Cash Balance: $120,240)			

* As of May 31, 2026

VBDA EDIP – FY27 Annual Appropriation

	FY 2027	FY 2026	
	Budget (Approved)	Budget	Actual
EDIP			
Annual Appropriations from CoVB	1,228,311	1,045,986	1,045,986

Hourigan Construction Corp

City of Virginia Beach Development Authority
June 9, 2026 | Open Session

Presenter: Jadon Gayle

virginia beach

Disclosures (Applicant)

- CEO: Mark Hourigan
- Applicant Representative: Bart Dexter
- Architect: Within Interior Design
- Construction Contractor: Hourigan Construction Corp.
- Property Owner: Armada Hoffler

About the Company

Operations: 3 offices 300 employees (Richmond, Virginia Beach - 60 , Charlottesville)

Industry: Integrated Construction & Development Solutions / Hourigan Family Of Companies

- Hourigan Construction – Premier construction management and general contracting division known for executing large – scale commercial and institutional projects with exceptional quality.
- Hourigan Development – Real estate development arm providing site planning, financing strategy, and project oversight from concept to completion
- Structr – Technology and engineering solutions group specializing in digital modeling, coordination, and precision driven project delivery tools.
- Worrks – Field Services and onsite support division focused on logistics, specialty labor, and execution support that keeps projects moving efficiently.
- Equipps – Equipment and productivity solutions provider supplying tools, materials , and support systems that enhance safety and jobsite performance.

Together, These five companies create an integrated platform that supports every phase of development and construction – from initial planning to onsite execution and equipment support.

Signature Projects

- Stihl, Inc. USA Headquarters
- Redskins Bon Secour Training Facility
- University of Richmond Robins Stadium
- Center of Developing Entrepreneurs (Code Building)
- ODU Health Sciences
- VCU Costar Center for Arts and Innovation
- Norfolk Naval Base Helicopter Hanger
- UVA Karsh Institute of Democracy
- Norfolk International Airport (Parking Garage D)
- VB Moxy Oceanfront Hotel
- Hyatt Place Ocean front Hotel

Dominion Headquarters Tower 1

Team

ARCHITECT
Pickard Chilton Architects, w/Kendall/Heaton Associates

CONTRACTOR
Hourigan Construction | Clayco Construction Company Joint Venture

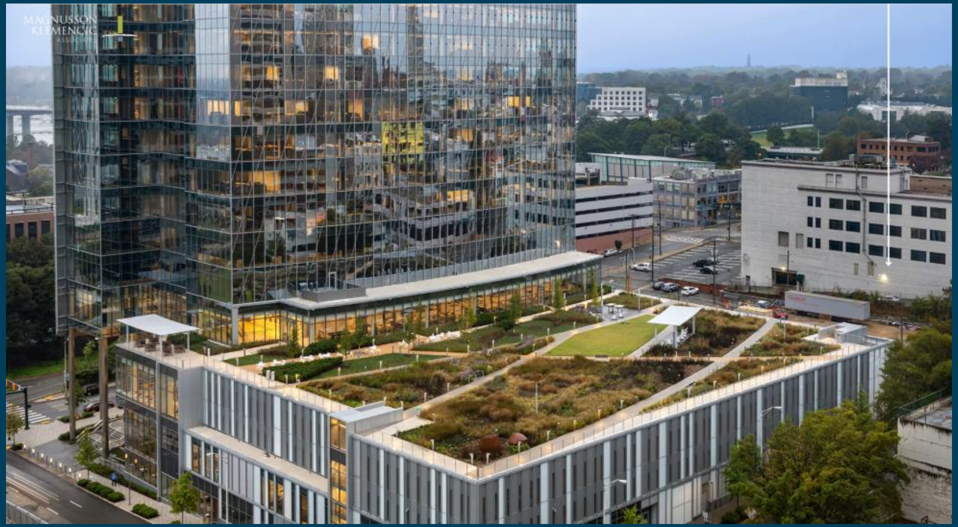
Stats

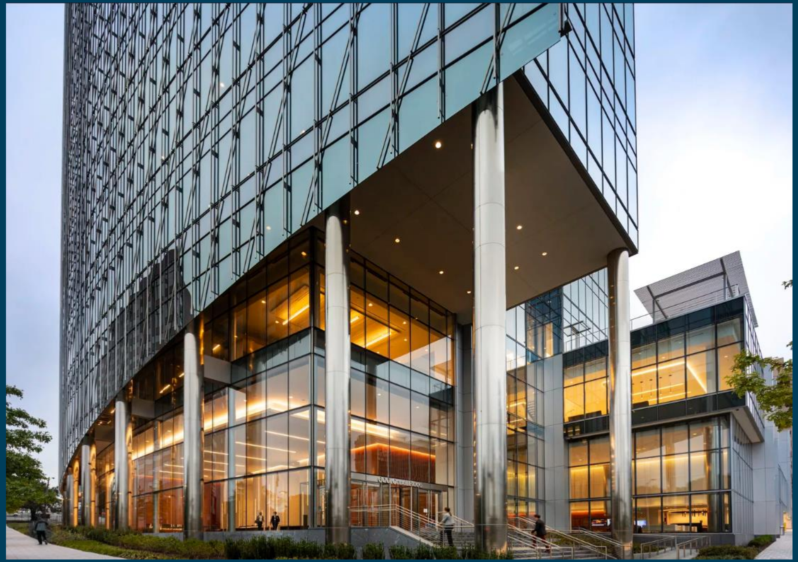
PROJECT TYPE
Office

COMPLETION
2020

PROJECT SIZE
1 million ft^2

MKA ROLE
Structural Engineer





Awards

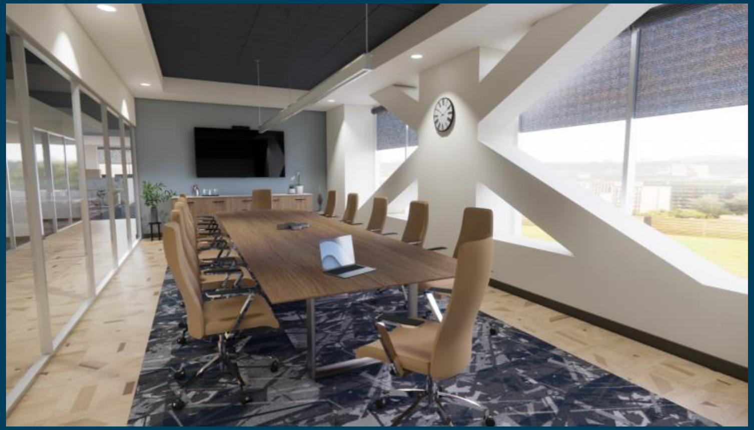
2021 Merit Design Award - Commercial, Industrial, Educational, and Multi-Family Residential Design - American Institute of Architects - Connecticut Chapter

Project Overview

- Project type: Virginia Beach Office and Facility Investment
- Current Location : 4429 – 200 Bonney Rd, Virginia Beach, VA 23462
- Office Expansion to 222 Central Park Ave, Virginia Beach, 10th Floor VA 23462
- Total Capital Investment: $2,628,177
- Project Timeline : June 1st 2026 – September 1st 2026
- Job Creation: 10 - 12
    - Project Engineers - $70K-$85K
    - Preconstruction Manager - $90K-$115K
    - Project Manager - $95K - $115K
    - Project Administrators - $65K - $75K

Hourigan is expanding its operations into a consolidated regional facility in Virginia Beach, unifying multiple business divisions to support growing project demand across Hampton Roads and strengthening long term regional operations.

Project Overview- Renderings



Economic Impact

CAPITAL INVESTMENT	AMOUNT
REAL ESTATE	$2,228,177
MACHINERY & TOOLS	$0
FF&E	$340,000
TOTAL:	$2,628,177
Qualifying Investment:	$1,979,400

JOBS	AMOUNT
RETAINED FTEs	60
NEW FTEs	12
TOTAL FTEs:	72
AVERAGE Wage of Existing Jobs (Not including benefits)	$140,371
Total Payroll of Existing Jobs (Not including benefits)	$8,422,256

Similar Previous EDIP Grants

Mythics Emergent: 2017

Total Capital Investment: Approximately 7.5M

Retained FTES: 143

New FTEs Created: 30

Recommended EDIP Award: $250,000

Neptune Shield: 2025

Total Capital Investment: Approximately $2.4M

Retained FTEs: 0

New FTEs: 22

Recommended EDIP Award: $162,681

Recommendation

Economic Development Investment Program grant, Part A - $75,000

✓ Pursuant to "Part A" of the EDIP Policy for Capital Investment

Target industry sector:

- Skilled Trades & Essential Infrastructure services.
- Professional and Technical Services (Architecture, Engineering)

Questions?

virginia beach

Sentara College of Health Sciences EDIP Recommendation

City of Virginia Beach Development Authority

June 9, 2026| Open Session

Presenter: Paige Fox, Head of Business Attraction

virginia beach

Disclosures - Applicant

- Applicant Name: Virginia Wesleyan University/ Batten University
- Financing: TowneBank
- Accounting: Brown Edwards
- Legal: McGuire Woods
- Construction: Hourigan, RD Lambert & Son
- Engineers: Pennoni
- Architect: Derck & Edson

Project Background

- VWU leadership signed an MOU with Sentara Health in May 2025 to acquire Sentara College of Health Sciences (SCOHS)
- SCOHS operated in Chesapeake, with students needing to obtain general education credentials at a separate campus
- SCOHS includes 7 associate degree programs, Bachelor of Science in Nursing, and a Master of Science in Nursing
- SCOHS enrolls approximately 500 students annually
- July 1, 2026, the University will formally acquire SCOHS
- University leadership reached out to the City to support relocation costs

Project Overview

- To relocate SCOHS, renovations will take place of an existing hall to create space for office, classroom, and laboratories
- Academic staff will transfer to Virginia Beach, and existing lab equipment, furniture, and fixtures will be relocated to Virginia Beach
- Over the next 3 years, VWU will construct a new building on campus to locate and grow SCOHS
- Additional technology and lab equipment, such as training simulators, will be purchased to support the new building
- SCOHS expansion to Virginia Beach will advance workforce development in the medical and healthcare industry
- 2025 report from HR Workforce Council noted 2,000 vacant nursing positions, and thousands more in adjacent healthcare roles

EDIP Project Parameters

CAPITAL INVESTMENT	AMOUNT
Construction/Upfits	$20,650,000
Machinery & Tools	$0
FF&E	$ 4,207,000
TOTAL Investment:	**$24,857,000**

JOBS	AMOUNT
RETAINED FTEs	0
NEW FTEs	38
TOTAL FTEs:	38
AVERAGE ANNUAL SALARY (Exclusive of Benefits)	$93,972.75

Recommendation

- Award Virginia Wesleyan University a $155,000 EDIP Grant pursuant to Part A for capital investment

Questions?

virginia beach

Dominion CLBP Option

City of Virginia Beach Development Authority
June 9, 2026
Natalie Guilmeus, Deputy Director

Disclosures

- **Company:** Virginia Electric and Power Company (VEPCO)
- **Parent Company:** Dominion Energy
- **Representative:** Jerry R. Barnes, Senior Strategic Advisor, Offshore Wind
- ***Officer List***: *Full listing is on Slide 3.*

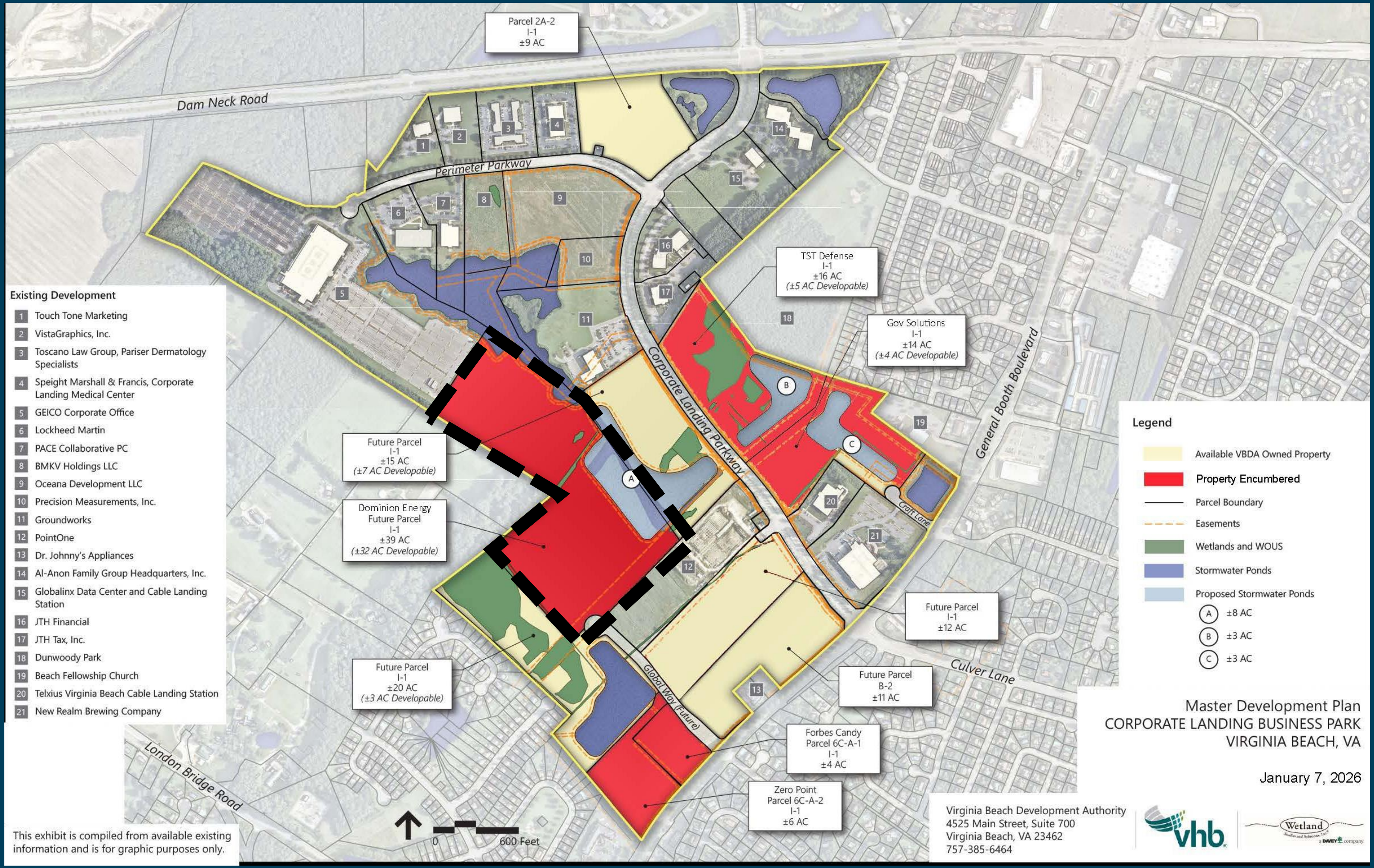
Officer List

- **Directors**
  - James A. Bennett
  - Robert M. Blue
  - Maybank D. Hagood
  - Mark J. Kington
  - Kristin Lovejoy
  - Jeffrey J. Lyash
  - Joseph M. Rigby
  - Pamela J. Royal
  - Robert H. Spillman, Jr.
  - Susan N. Story
  - Vanessa Allen Sutherland
- **Vice Presidents (Including EVP and SVP)**
  - Regina J. Elbert
  - David M. MacFarland
  - Edward H. Baine
  - Carlos M. Brown
  - Steven D. Ridge
  - Jim O. Stuckey
- **Other Leaders**
  - Robert M. Blue (President and CEO)
  - Eric Carr (Chief Nuclear Officer and President)
  - Keller W. Kissam (President of DE South Carolina)
  - Noopur N. Garg (Assistant Corporate Secretary)

Purpose

- Provide brief timeline and history.
- Provide an update on current projects in Virginia Beach.
- Review Dominion Energy's request for a 5-year option agreement for purchase of up to 32+/- acres in Corporate Landing.

Corporate Landing Location



Acres:
32+/-
Zoning:
I1

Timeline

Feb. 2020

A 5-year Option Agreement for purchase of up to 32-acres at Corporate Landing was agreed between Kitty Hawk Wind, LLC for an onshore substation and grid interconnection point.

11 July 2024

The Option Agreement was assigned to Kitty Hawk North, LLC, an affiliated entity of Dominion Energy to support CVOW South offshore wind development.

Mar. 2025

Option agreement expired and leadership engaged with Dominion on other outstanding items.

30 Sep. 2025

Dominion submitted a follow up letter requesting renewal of option in Corporate Landing.

Oct. 2025

Staff presented request to VBDA for an Option Agreement.

Timeline

Nov. 2025

Staff sent a response letter detailing initial terms for an option agreement renewal.

Dec. 2025

Dominion Energy responds to BOEM’s temporary stop work order on CVOW.

Jan. 2026

U.S. District Court granted Dominion Energy a preliminary injunction, allowing construction of the CVOW project to resume.

Mar. 2026

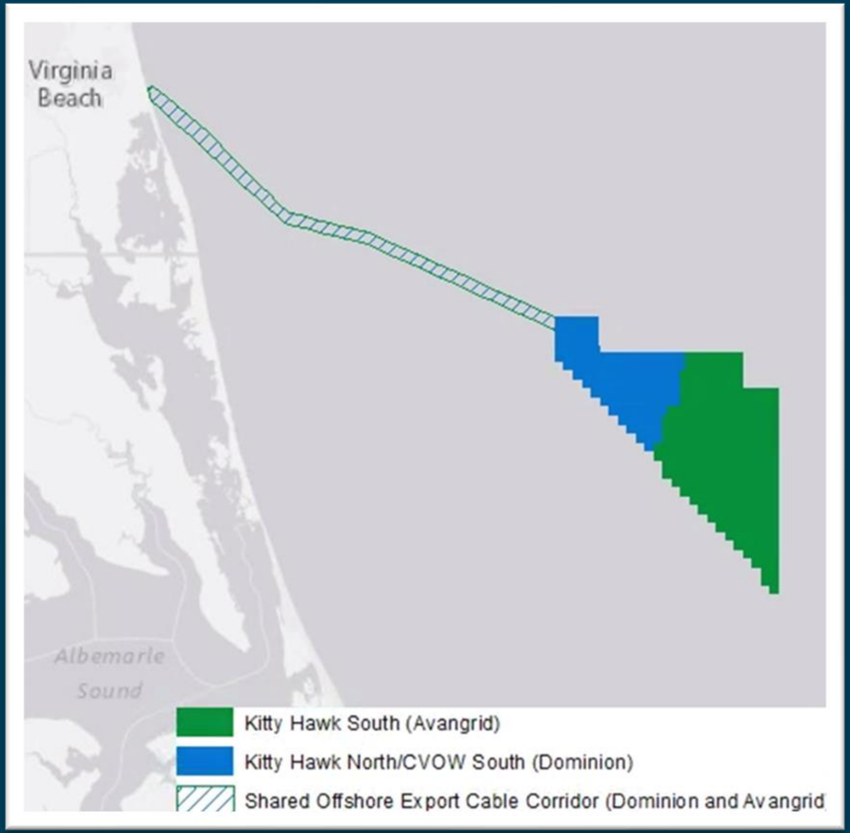
Staff met with Dominion Energy team to discuss option renewal after receiving a new letter outlining proposed terms.

Why Corporate Landing

- Virginia Clean Economy Act (2020) is the foundational state law that drives this project.
  - **Priority Goal**: 5.2 GW by end of 2035
- Site is critical to the development of CVOW South to provide a grid interconnection facility and onshore substation.
- Timing for bringing power to the grid is still in progress with PJM (est. 2032). Control of the site is needed to move forward with this project.

Project Overview for CVOW South

- Virginia State Corporation Commission (SCC) approved Dominion's Integrated Resource Plan which calls for CVOW-South by year end 2033.
- Up to 800 MW capacity. Estimated to meet the energy needs of 200,000 homes at peak production.
- Project capital investment is $4.5 Billion with at least $200 Million investment **to date**.
- Requires 5+ years of development and construction activities.
- Dominion has engaged Sandbridge residents to provide updates on this project annually.



Avangrid was awarded the original Kitty Hawk offshore wind lease in BOEM's auction in 2017.

Offshore Wind Economic Activity

- Virginia Beach CVOW Commercial Project to Date Results*
  - 74 vendors and contractors based in or with offices in Virginia Beach.
  - 187 project staff from Virginia Beach firms.
  - $440M CVOW spend with Virginia Beach firms.
  - $165M Virginia Beach SBA and diverse vendor spend.

VB East Transmission Office

- Intentionally located across Dam Neck Road from Corporate Landing.
- $30M total anticipated investment.
- Substantial completion expected June 2026.
- 70 staff members will move into the space; some specific to Offshore Wind.
- Enhanced response to VB and CVOW transmission line and substation restoration.

Term Sheet Summary

- **Purchase Price**: Greater of $200K per acre or appraisal (at cost to DE). VBDA will approve appraiser within 30 days, at the time exercising option.

- **Option Payments**: Moving forward25% of Option Payments ($120K annually) credited at closing when DE exercises the option; VBDA retains 75%

Key Option Terms

- **Right of First Offer (ROFO)**: VBDA will have a ROFO to repurchase at the purchase price if DE does not to build the interconnection facility.

- **Stormwater Costs**: All stormwater costs to be paid by DE.

- **Escrow**: $603K is currently held in escrow with the previous option. This option would release $547,744 to VBDA and $55,256 to DE from the existing escrow.

For Consideration

Reinstate a second Option Agreement with Dominion Energy (VEPCO) for a 5-year term to expire June 9, 2030, for 32+/- acres in Corporate Landing Business Park

Questions?

virginia beach

The Dome By Rutter Mills Serviceability Improvements

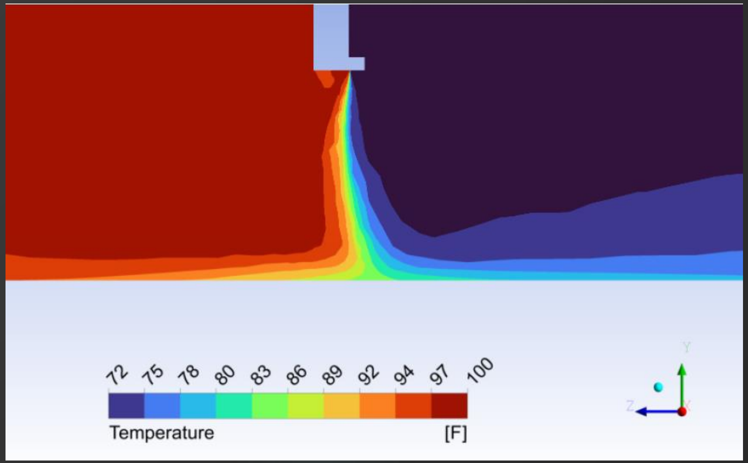
June 9, 2026

Emily Archer, Economic Development Acting Director

The Dome By Rutter Mills

- Humid air is affecting the serviceability of the venue and guest comfort when the hangar doors are open
- Requesting VBDA available funds for the implementation of air curtains to address the issues

Quoted Costs	
Air Curtain Engineering	$155,358
Air Curtain Installation	$474,844
Contingency (5%)	$31,510
Total	**$661,712**



Questions?

virginia beach

Hotel Indigo TDFP

VBDA

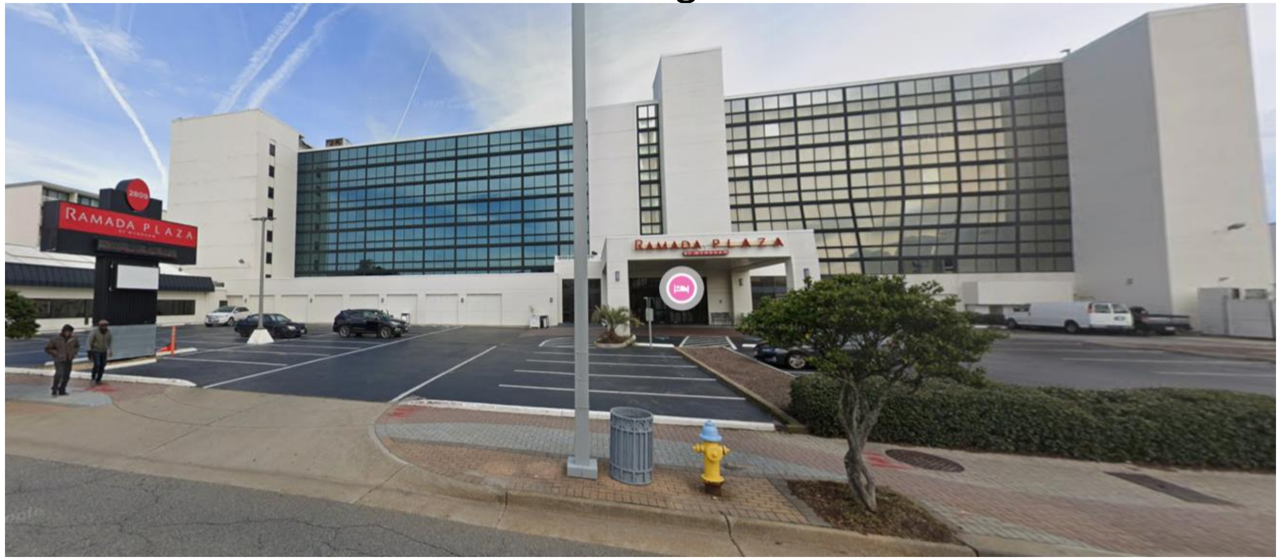
Emily Archer, Economic Development Acting Director

June 9, 2026

Disclosures

- *Owner*: Best Kitty Hawk, LLC, Michael J. Standing Jr.
- *Applicant*: CLM Watermans Hotel, LLC, Ed Denton
- *Financing*: Colonial Inn Holdings, LLC & Towne Bank
- *Legal*: Sykes, Bourdon, Ahern & Levy, P.C., Eddie Bourdon
- *Architect:* SCNZ
- *Engineer:* MSA
- *Contractor:* Paramount Commercial Renovations, Inc.

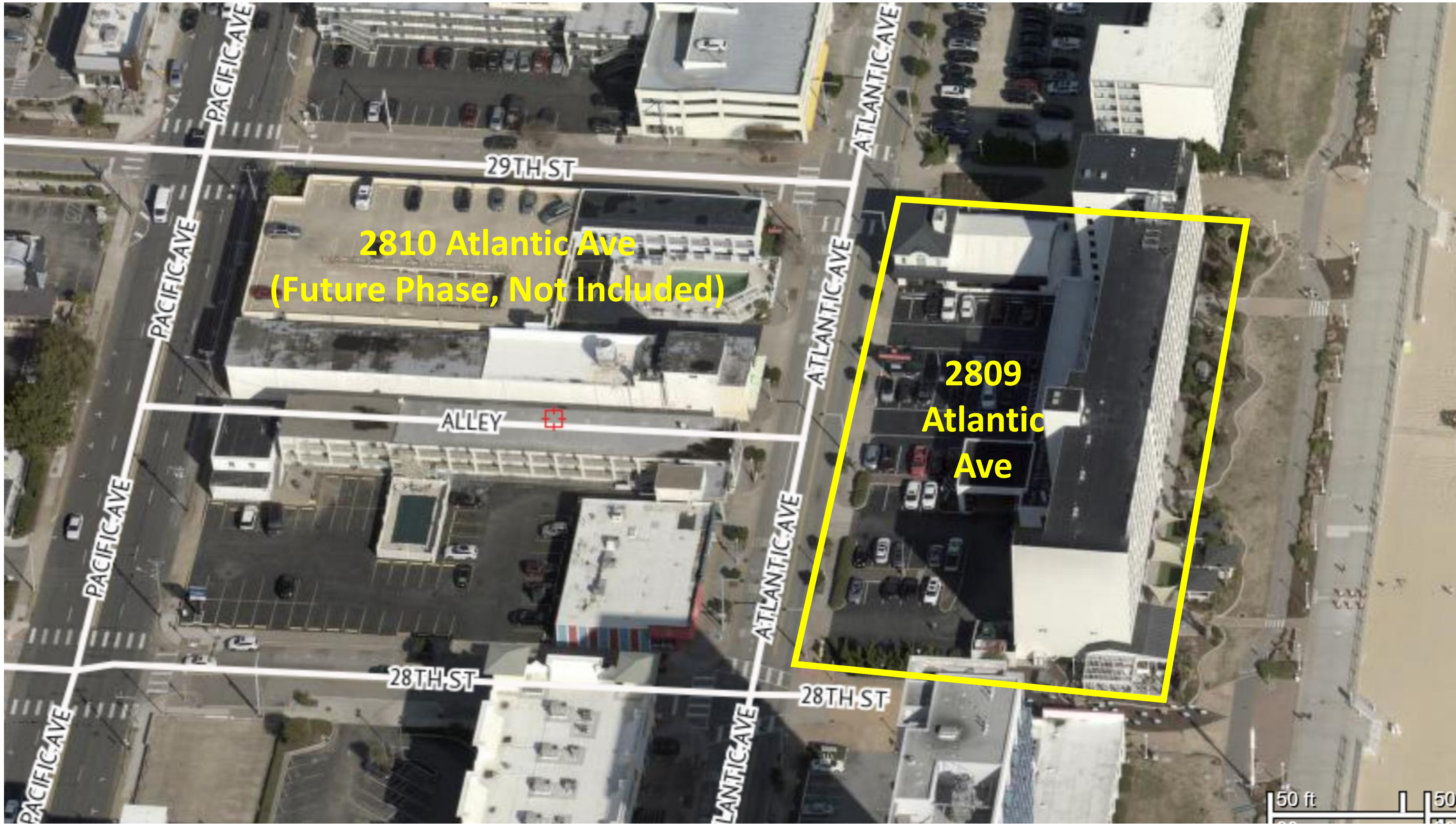
2809 Atlantic Avenue – Existing 166 Room Ramada Hotel



2809 Atlantic Avenue – Proposed Hotel Indigo

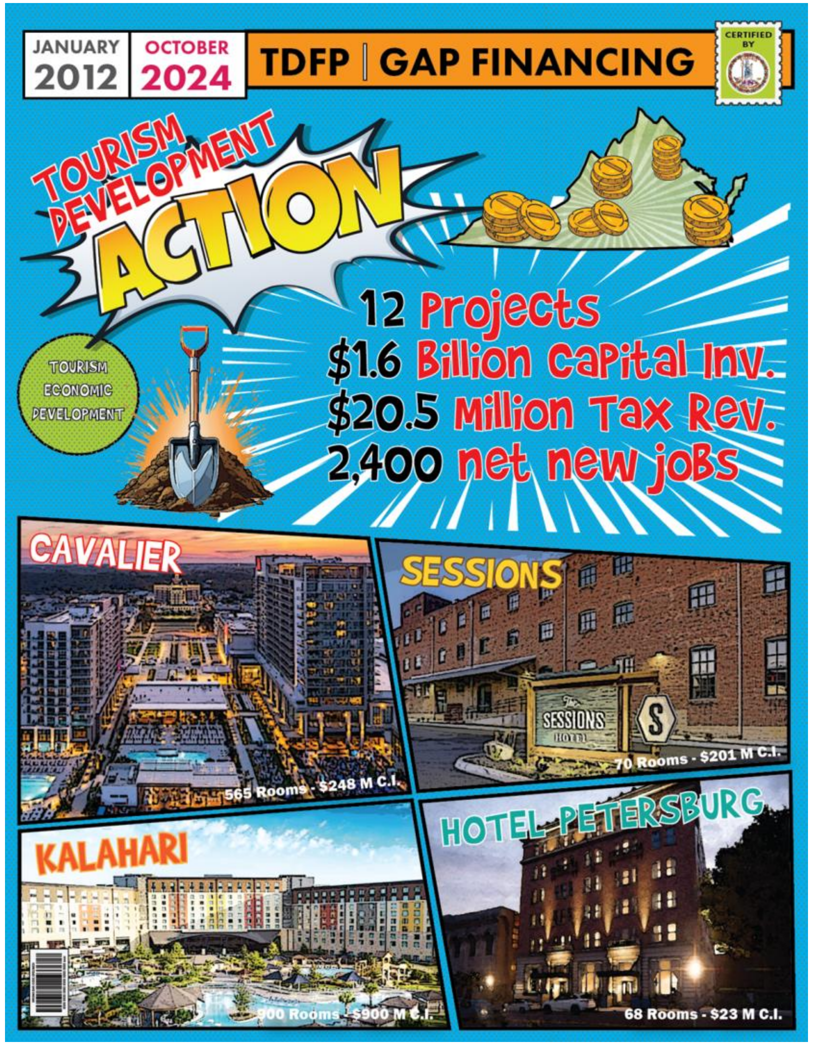
2809 Atlantic Avenue

- Zoned: OR
- Area: 1.0 Acre
- Estimated Market Value: $30 Mil



Tourism Development Financing Program (TDFP)

- State program to support a Developer's gap financing on a tourism project
- Contributes *future* sales tax revenues towards a project that fills a void in the tourism market
- Developer secures 100% of the financing in advance to complete the project
- Performance-Based – State and City contributions begin when the project is generating revenue. If the project ceases revenue generation for any reason, neither State nor City continues contributions



The TDFP was created by the General Assembly in 2011

< **$100 million** *Tourism Projects*

Tier 1

Secured Financing **70%** **Developer**

30% **Gap Financing**

1/3 **Developer** | 1/3 **Locality** | 1/3 **State**

*Each partner pays a (quarterly) sales tax remittance = **1%** of the project's quarterly revenue*

Hotel Indigo has secured $14 Mil or 73.8% in Financing and is applying for $5 Mil in Gap Financing

$100 million + *Tourism Projects of Regional Significance*

Tier 2

Secured Financing **80%** **Developer**

20% **Gap Financing**

1/3 **Developer** | 1/3 **Locality** | 1/3 **State**

*Each partner pays a (quarterly) sales tax remittance = **1.5%** of the project's quarterly revenue*

$500 million + *Major Tourism Projects*

** 500 Job Minimum*

Tier 3

Secured Financing **70%** **Developer**

30% **Gap Financing**

1/3 **Developer** | 1/3 **Locality** | 1/3 **State**

*Each partner pays a (quarterly) sales tax remittance = **2%** of the project's quarterly revenue*

Countrypolitan, Nashville, TN

Hotel Indigo

- Hotel Indigo is an IHG upper-upscale lifestyle hotel brand focused on creating a uniquely local immersive guest experience
- Hotel Indigo will introduce an experience-driven lodging option that appeals to high-value leisure travelers and elevates the overall quality and diversity of accommodations available
- The absence of experiential hotels limits the Resort's ability to meet modern traveler expectations and reduces the City's competitive advantage
- There are no other hotels in Virginia Beach that fill this tourism void (upper-upscale, IHG luxury & lifestyle)

Proposed Virginia Beach Interiors

Hotel Indigo Proposal

- September 2026 – May 2027: closure, renovation, and rebranding
- Total estimated capital investment: $19,097,697
- Gap financing amount requested: $5,000,000
- Estimated net new annual taxes: $743,158
- TDFP Gap Financing Annual City 1% contribution: $150,000
- State has reviewed and favorably received project application and is ready to process once approved by VBDA and City Council
- Developer and staff have agreed upon a draft performance agreement

Proposed Virginia Beach Interiors

For Consideration

VBDA sponsor the TDFP application and agree to enter into a Performance Agreement

- Next Step: Performance Agreement to be presented to City Council for formal approval

Discussion

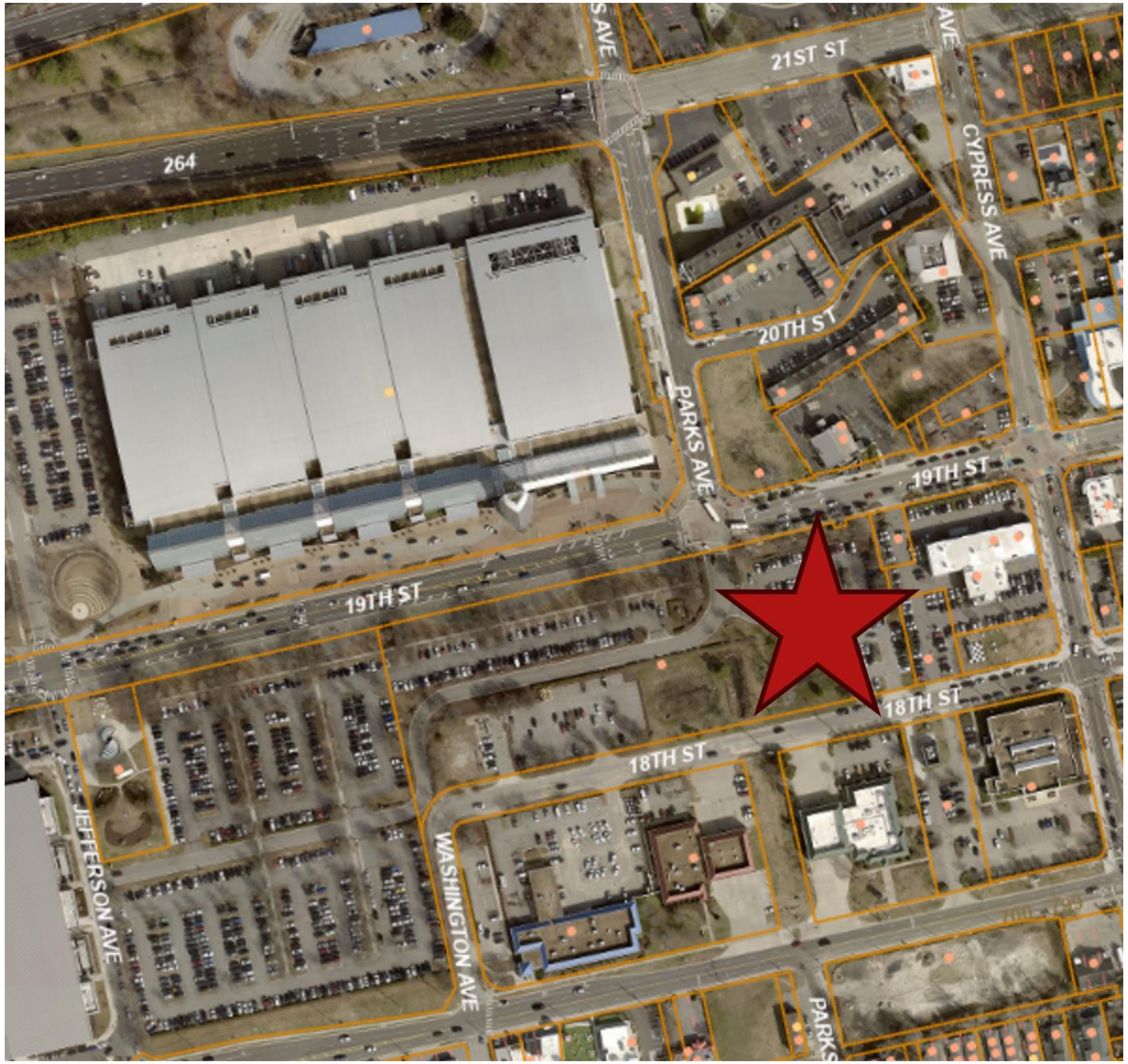
RFP For Public Structured Parking at 19th Street & Parks Avenue

Emily Archer, Economic Development Acting Director

June 9, 2026

Purpose

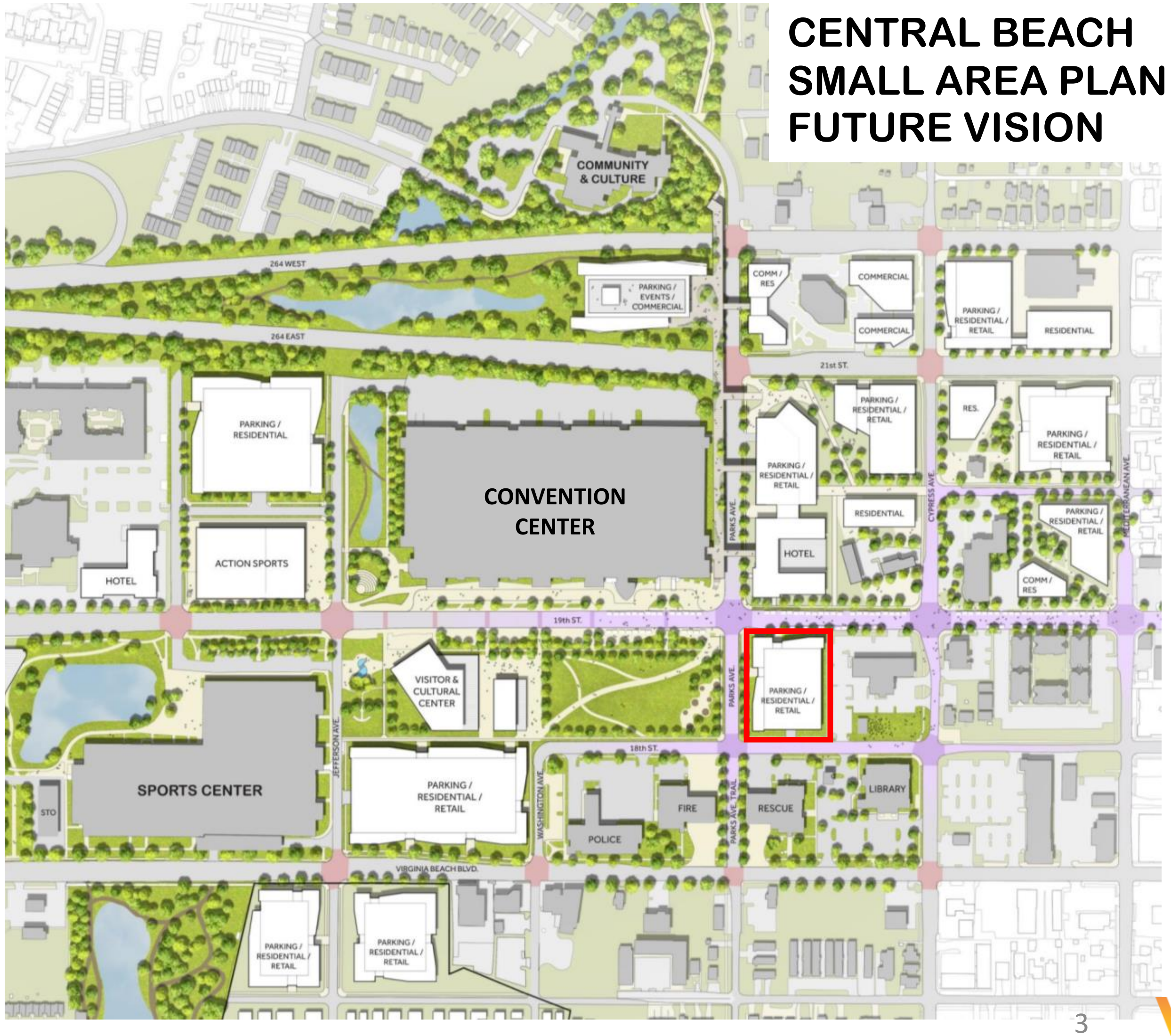
- Review the 19th and Parks Public Parking Garage RFP process
- Provide an overview of the proposed concept and development terms



1.73 Acre City-owned 109-space surface parking lot

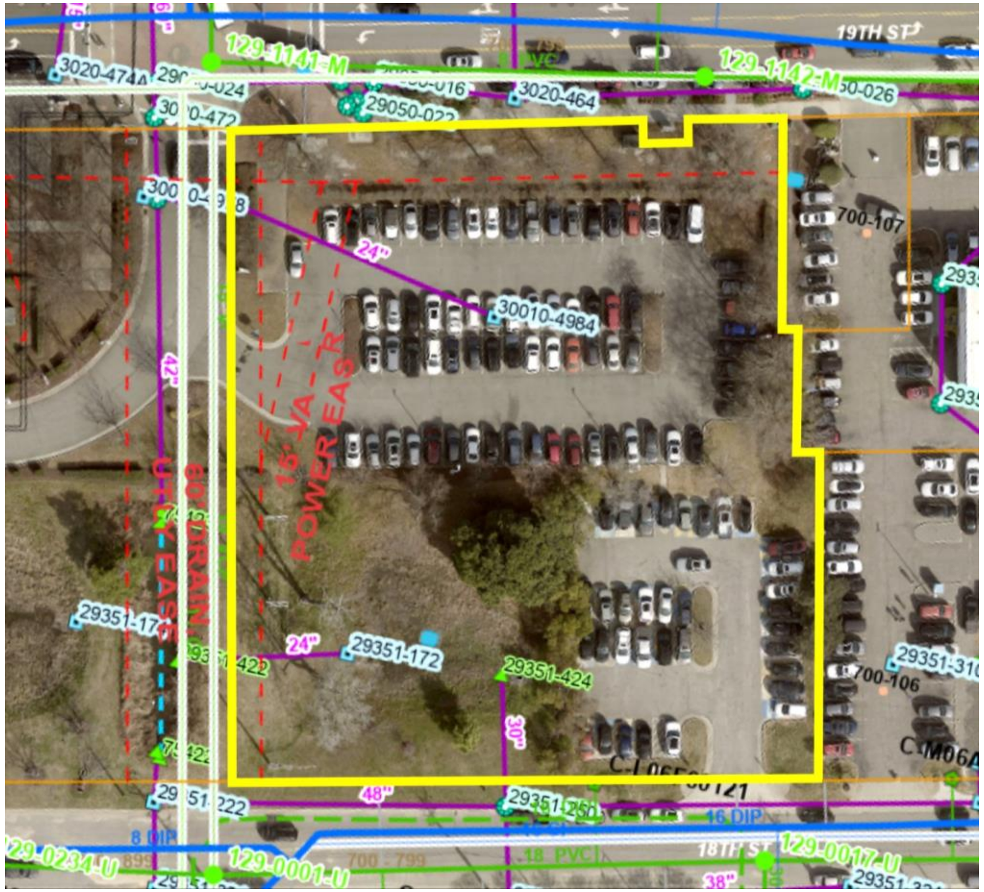
Convention and Sports Center Parking Challenges

- During concurrent events, parking is routinely limited
- Shuttles and overflow lots are employed at added costs
- Unfavorable impressions remain with visitors



19th & Parks Public Parking Garage RFP

- **7/20/25** - Advertised for 90 days for public structured parking and other complementary uses
- **10/20/25** - Six (6) submissions received
- **11/25/25** – (3) respondents were shortlisted after the evaluation committee and Council review
- **12/16/25** - Interviews were held
- **2/3/26** – Negotiations began with the top respondent after the evaluation committee and Council review



Existing Site Conditions

Disclosures

- *Developer* – Runnymede Corporation
- *Architect* – Hanbury
- *Engineer* – Kimley Horn
- *Contractor* – WM Jordan
- *Legal* – Kaufman & Canoles

RUNNYMEDE

DEVELOPMENT PARTNER
69 Years in Business | 26 VB Projects

HANBURY

LEAD DESIGNER & ARCHITECT
46 Years in Business | 50 VB Projects

Kimley»Horn

TRANSPORTATION, STORMWATER & PARKING ENGINEER
58 Years in Business | 1,500 VB Projects

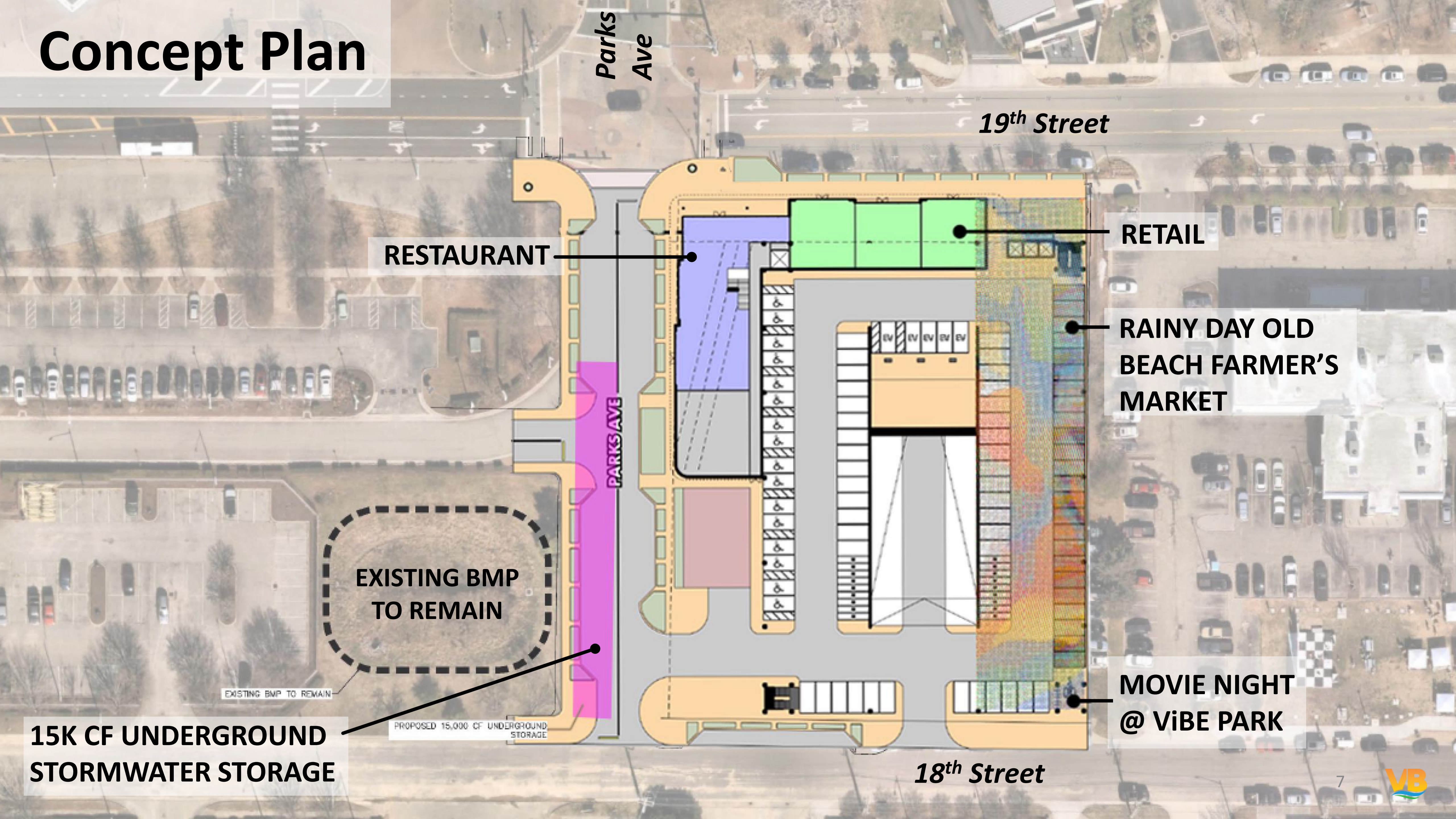
W.M. Jordan COMPANY

GENERAL CONTRACTOR
67 Years in Business | 87 VB Projects

Runnymede Proposal

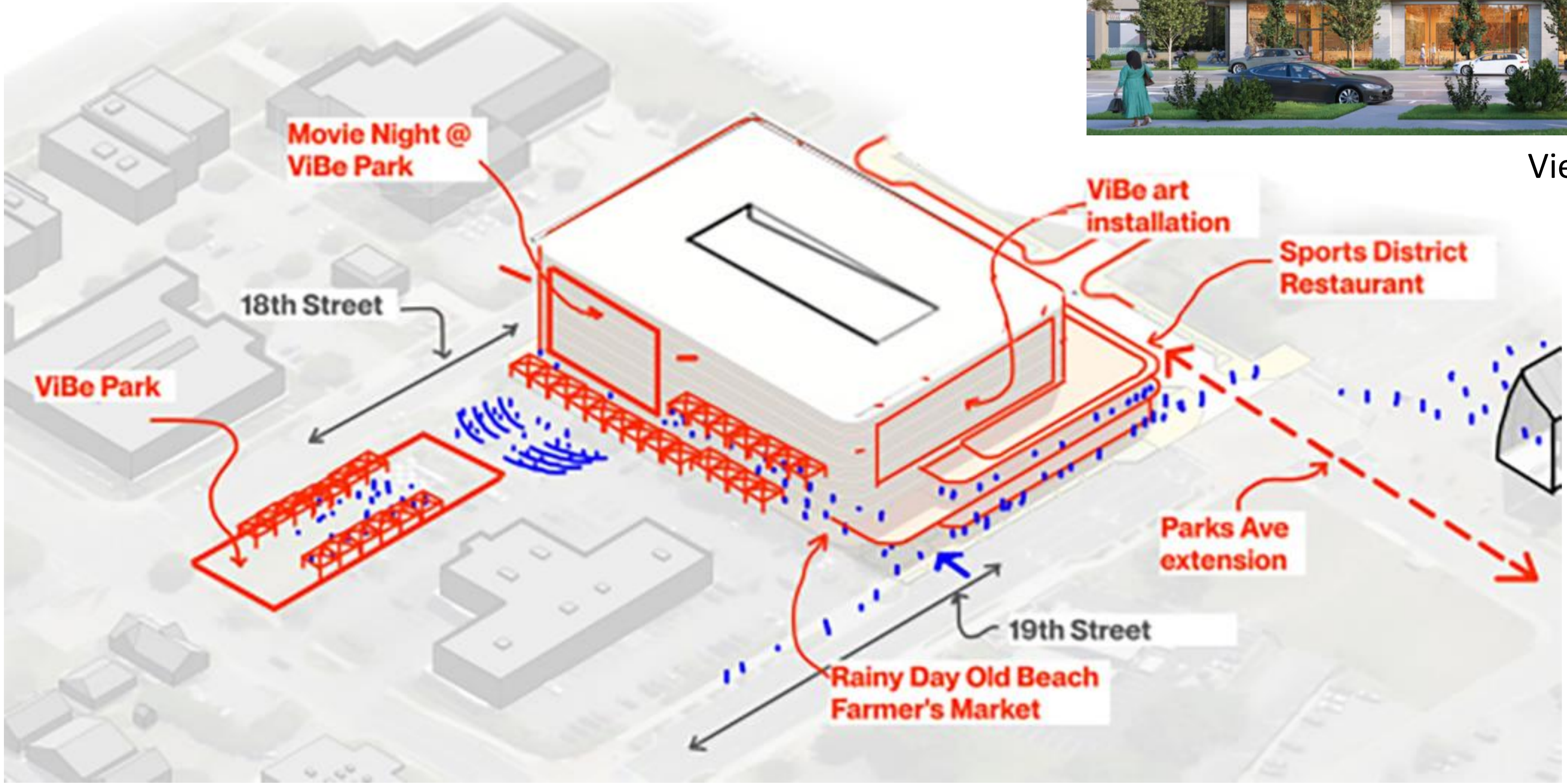
- 1,048-space garage
  - +/- 80 retail spaces
  - **968 Public Parking Spaces (859 net new)**
- 18,000 SF of two-story retail with sports bar, restaurant, and coffee shop envisioned
- Parks Avenue extension to 18th Street
- Underground stormwater management facility

Concept Plan



Garage Diagram

View From 19th Street



Development Agreement Terms

- City/VBDA's share of project costs is not estimated to exceed $37,715,424 ($35,988/space) at this time
- **Pre-Development Phase requested** to deliver 35% design development documents, a Guaranteed Maximum Price (GMP), schedule, and leasing strategy for the retail
- City/VBDA pre-development contribution capped at $1.9 Mil and developer contribution capped at $308k
  - Funding is available in CIP 100059, Resort Parking District (TIP Funded CIP)
- The retail portion will be a private condo unit leased at $1/yr for 42 yrs, renewable for up to three, 20-yr terms. They will have the right to lease sufficient spaces for retail patrons in the garage
- Additional $7-$8 Mil private developer investment anticipated in the retail space
- Mid-2028 parking garage delivery

For VBDA Consideration

Authorize a pre-development agreement and accept the City's $1.9 Mil pre-development contribution

Next steps:

- City Council Vote: 6/16
- Future vote on GMP, development agreement, and land transfer to VBDA

Discussion

Atlantic Avenue Grant (AAG) Program

Virginia Beach Development Authority – June 9, 2026

Presenter: Eric Severn, Planner II

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Overview

- 50% matching grant program to provide support to businesses and property owners
- Located along Atlantic Ave from 2nd Street to 40th Street within the Virginia Beach Oceanfront Resort Area
- Funding for impactful exterior building, site, and outdoor dining improvements
- Performance-Based; within 12 months of approval
- Minimum Awards: $10,000
- Maximum Awards: $25,000
- One time grant program; will not be available next year

- Program Budget: $250,000
- **<u>Present Funds Available:</u> $172,167**

Advertising and In-Person Engagements

- Visited 113 businesses from 2nd to 40th Street on Atlantic Ave; distributed 139 printed advertising materials.
- Held 2 in-person/virtual workshops at the Convention & Visitors Bureau (CVB); 8 attendees.
- Presented at:
  - Resort Advisory Commission (RAC),
  - Oceanfront Enhancement Committee (OEC),
  - Planning & Design Review Committee (PDRC) meetings
  - Atlantic Avenue Association
  - Virginia Beach Hotel Association
- Online Advertising Outreach:
  - Facebook, Instagram, X, Nextdoor, LinkedIn
  - Potential Audience: 516,890 (WAVY, 13News Now)

Location	Engagements	Brochures	Cards
2nd – 10th	25	6	25
11th – 20th	33	6	34
21st – 30th	36	3	35
31st – 40th	19	11	19
TOTALS	**113**	**26**	**113**

Paid Ad Performance

- Facebook, Instagram & LinkedIn
- Impressions: 53,173
- Results: 428

AAG Review Process

- Applications ranked by:
  - ✓ Completeness of Application (1 point)
  - ✓ Business Eligibility (1 point)
  - ✓ Proposed Improvements Eligibility (1 point)
- AAG Review Committee met on May 27, 2026, recommended 1 applicant be advanced for VBDA review/approval

Surfside Resort I, Inc. d/b/a Four Points by Sheraton Virginia Beach Oceanfront - 1211 Atlantic Ave (Rank 3)

- **Disclosures Applicant:**
  - ✓ Applicant – Surfside Resort I, Inc. (Julie Trombley)
  - ✓ Contractors – Ameriglass, Inc.; Kempsville Roofing, Inc.; London Bridge Welding, Inc.
- **Disclosures Property Owner:**
  - ✓ Owner – Surfside Resort, L.L.C. (Varshid Vachhani)
- **Project Specifics:**
  - ✓ Remodel northwest corner of building facing Atlantic Avenue

District: 5

Surfside Resort I, Inc. d/b/a Four Points by Sheraton Virginia Beach Oceanfront - 1211 Atlantic Ave (Rank 3)

Estimated Façade Investment: $58,940

Grant Recommendation: $25,000

District: 5

Staff Recommendation:

- *Approval of 1 award request in the amount of $25,000.*
- *The Atlantic Avenue Grant is still open and accepting applications.*
- *www.yesvirginiabeach.com/aag or*

Nose Corporation of America

International Incubator Sublease Extension

City of Virginia Beach Development Authority

June 9, 2026 | Open Session

Dominique DeBose, Business Attraction Manager

Disclosures

- Applicant Name: Nose Corporation of America
- Principals: Yoshio Nose, Charles (Chip) Rock, Kouichi Nose
- Legal: Williams Mullen, Tyler Rosa

Company Profile

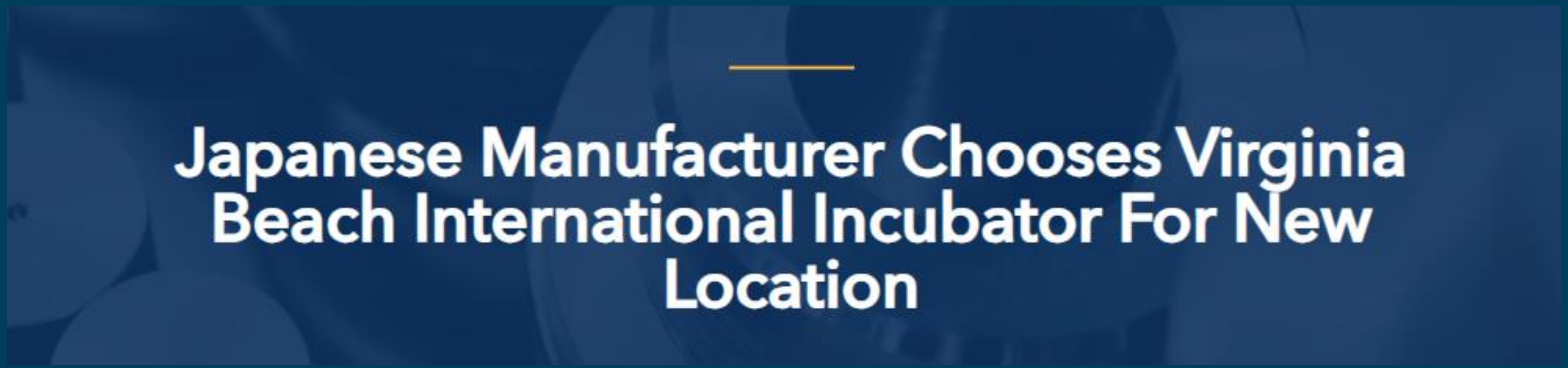
Nose Corporation of America (NCA)

- Founded in 2020
- Subsidiary of Nose Kozai, a 50-year-old Japanese manufacturing company
- Supplies precision machine parts from Japanese SMEs to the U.S. market
- Serves Aerospace, Automotive, Defense, Food Manufacturing, Shipbuilding & Repair industries
- Major customer includes Boeing; the Navy and NNS have expressed a need for CNC machining
- International Incubator sublease approved in July 2024

NCA

Company Profile

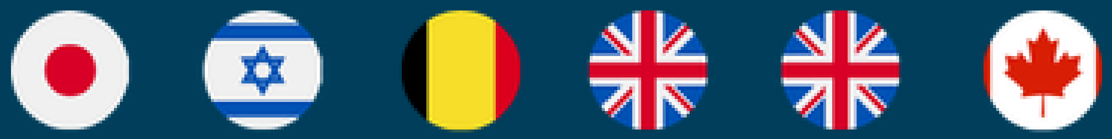
- 2-year progress:
  - Relocated headquarters from Seattle, WA to Virginia Beach
  - Participation in defense-related programs; CMMC certification Level 1 complete
  - Currently in contract discussions with defense primes
- Plans to establish manufacturing facility in Virginia Beach & build global supply chain
- Sublease set to expire July 2026 - request for extension
- Extension will allow NCA to maintain its Virginia Beach presence and avoid contract disruptions from an address change



International Incubator

Timeline

- 2021 – VBDA approved first tenant
- 2024 – Expanded footprint (8 private offices, 2 collab spaces)
- 2025 – New furnishing added
  Membership sublease option added
- 2026 – Expanded footprint (2 private offices)

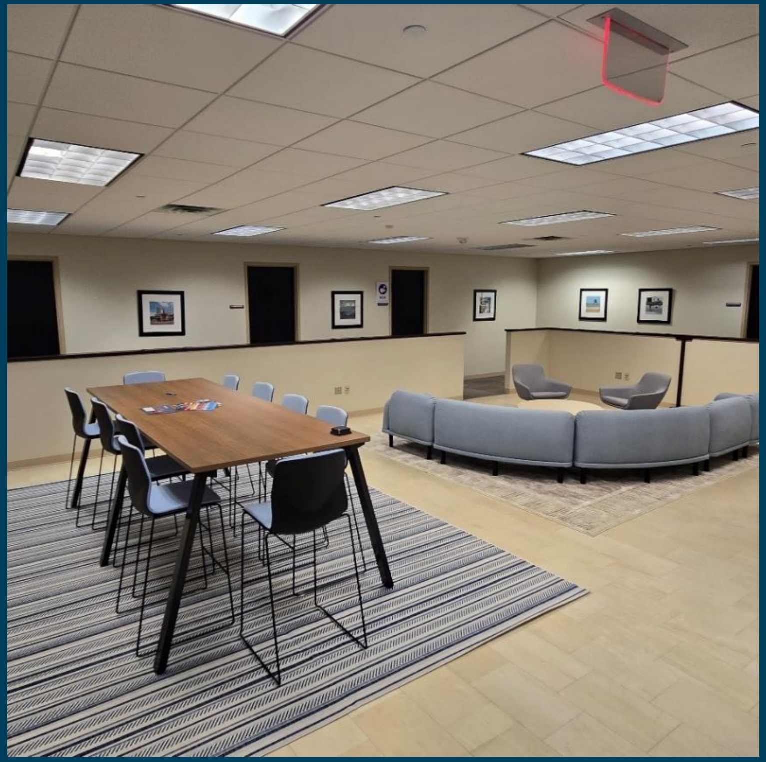


- Incentive for companies seeking expansion to the U.S.
  - Most international companies begin with a smaller U.S. sales office before scaling
- Designed for companies only needing 1-2 offices
- 13 total private offices with 6 vacant spaces remaining

Sublease Terms

Private Office Sublease
One-Year Extension

- U.S. Mailing Address
- One private 1-2 person office
- Access to conference and shared rooms
- Payment structure for one-year extension
  - Months 25-36: $337.50/month (market rate)



Recommendation

- Approve one-year extension of private office sublease within Virginia Beach Development Authority’s International Incubator for Nose Corporation of America

Questions?

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