

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY

July 14, 2026, MEETING MINUTES

The City of Virginia Beach Development Authority (“VBDA” or “Authority”) held its regular meeting on Tuesday, July 14, 2026, 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
William Brunke, Vice Chair
Guenter H. Weissenseel, Treasurer
David Weiner, Secretary
Eric Keplinger, Assistant Secretary
Michael Harris, Commissioner
Donald Horsley, Commissioner
Akhil Jain, Commissioner
Esmel Meeks, Commissioner
Penny Morgan, Commissioner

CITY COUNCIL: Vice Mayor Rosemary Wilson
Councilman Michael Berlucchi

ADVISORS PRESENT: Emily L. Archer, Acting Director of Economic Development
Alexander W. Stiles, Senior City Attorney
Nikki Griffith, Deputy Director, Finance
Natalie Guilmeus, Deputy Director, Economic Development
Kathy Warren, Director of Planning and Community Development
Paul Bayer, Business Development Manager II
Kristin Bauer, Planner I
Dominique DeBose, Business Development Manager II
Kayla Dotson, Executive Assistant II
Paige Fox, Business Attraction Coordinator
Peter Gaytan, Planner III
Natacia James, Administrative Technician
Matt Mader, Sr. Land Development Engineer
Jerry Mathis, HIVE Senior Business Development Representative
Howie McEntee, Accountant II
Ihsane Mouak, Economic Development Project Manager
Denis Ozowara, Project Development Administrator
Eric Severn, Planner II
Sharon Shoff, Housing Development Manager
Demond Smith, Intern
Beatriz Soares-Campos, Administrative Technician
Pamela Witham, Project Development Planner III

REPORTED BY: Emily Archer

RECORDED BY: Natacia James

Chair Lisa Murphy began the meeting at 8:31 a.m. and opened the floor for public comment.

OPEN FLOOR

No public speakers.

MEETING MINUTES

1. Approval of Meeting Minutes June 9, 2026.

MOTION: William Brunke

SECOND: Akhil Jain

APPROVED: 10-0-0

FINANCIALS

2. Review of Financial Statements for June 2026 presented by Howie McEntee.

Operating Account Summary: June 2026

Beginning Cash – June 1, 2026 **\$ 9,946,417**

\$ 13,389	Interest Income June 2026
\$ 11,821	Industrial Revenue Bond Admin Fee 2016A & 2016B – Sentara
\$ 1,500	Purchase of Soil from Corporate Landing Stockpile – JMT
\$ 1,450	International Incubator Sublease months 13-18 – RVT Group

Total Cash Receipts during June **\$ 28,160**

(\$ 340,624)	Corporate Landing – Draw #13 for Offsite Infrastructure – Seabreezy Enterprises
(\$ 5,132)	Atlantic Park Entertainment Venue Inspections and Phase Testing through 5/31/2026 – MBP

Total Cash Disbursements during June **(\$ 345,756)**

Ending Cash – June 30, 2026 **\$ 9,621,312**

Amounts Paid and Reimbursed by City of VB – June 2026

(\$ 33,451)	Atlantic Park - Parking Garage Cable Wrap – Structurflex
(\$ 215,762)	Corporate Landing – Draw #13 for Offsite Infrastructure – Seabreezy Enterprises
(\$ 1,365)	Innovation Park – Construction phase services through 4/30/2026 – Kimley Horn
(\$ 241,200)	Commonwealth Opportunity Fund for 67 new jobs created – Zim Integrated Shipping

(\$ 87,916) 0 VB National Golf Club – Maintenance for Lake #1
– Divergent Construction Management

(\$ 579,694) Total Reimbursable VBDA Expenses for June

\$ 579,694 Amount Reimbursed by the City of Virginia Beach on 6/29/2026

\$ - Change in VBDA Operating Cash for CIP transactions

Capital Maintenance: June 30, 2026

Human Services Building **\$2,169,697**

- Monthly Lease – July 2026 \$ 47,910

Encumbered funds as of 6/30/2026 \$ 819,467

Funds available for future Human Services Building Expenses **\$1,360,560**

Atlantic Park Entertainment Venue **\$120,225**

- No Activity in June 2026

VB National Golf Course **\$ 954,058**

- May Monthly Revenue Share Agreement \$ 27,448
- Lake #1 Maintenance – Mobility and Surveying Pay Applications #2 & #3 – Divergent Construction Group (\$ 463,001)

Encumbered funds as of 6/30/2026 \$ 151,462

Funds available for future VBNGC expenses **\$ 802,468**

Incentive & Initiative Account Summary: June 2026

Façade Improvement Grant **\$ 76,110**

- Painting of building exterior, installation of new lights, and Landscaping - Green Cat, LLC (\$ 9,241)
- Installation of two illuminated signs – FJ Beauty Studios (\$ 8,150)
- Installation of outdoor lighting – Rudees on the Inlet (\$ 10,000)
- Milling, Grading, and restriping of Parking Lot – Robin’s Consulting LLC (\$ 10,000)

Total FIG payments (\$ 37,391)

Atlantic Avenue – Façade Improvement Grant **\$ 239,392**

- Installation of double-sided monument sign with internal illumination– approved April 2026 -Atlantic Enterprises (\$ 10,608)

EDIP Grant Summary Reporting: June 2026

Ending EDIP appropriations 6/30/2026	\$ 10,533,550
• Reimbursement of just under \$1M spent in Capital investment - Born Primitive, LLC	(\$ 29,326)
• Reimbursement of \$336,417 spent in Capital Investment - GroundWorks Companies	(\$ 13,457)
• Approved during June 9th meeting: \$3.9M for qualifying Capital Investment - Batten University	\$ 155,000
• Approved during June 9th meeting: \$1.9M for qualifying Capital Investment - Hourigan	\$ 75,000
 EDIP Part A – Encumbered as of 6/30/2026	 \$ 5,178,791
• No EDIP Part B activity during June 2026	
 EDIP Part B - Encumbered as of 6/30/2026	 <u>\$ 812,270</u>
 EDIP Grant Funds Available as of 5/31/2026	 \$ 4,542,489

No Discussion

BONDS

3. (PUBLIC HEARING) Request approval of a Resolution of the City of Virginia Beach Development Authority regarding its issuance of a revenue bond and the loan of the proceeds thereof to VICTORIA PLACE, L.P., located in the City of Virginia Beach presented by Senior City Attorney Alexander Stiles.

Presentation: A public hearing was opened, and background information was provided by Senior City Attorney Alexander Stiles on revenue bonds and the corresponding role of the VBDA. Legislature allows the Authority to approve bonds for certain projects, which then allows access to capital at either a lower tax, or tax-exempt, rate. Mr. Stiles also clarified that it is not a loan of any Authority, City or State money. Mr. Michael Graff Jr. of McGuireWoods and Mr. Daniel Heatwole, ownership team member for Victoria Place Apartments, presented a request for a conduit revenue bond to facilitate the substantial rehabilitation of Victoria Place, an affordable senior housing community. The project relies on this bond to qualify for 4% federal housing tax credits.

Full Presentation located at minute [9:08 of the meeting video](#).

Discussion: Treasurer Guenter Weissenseel asked how residents would be impacted during construction. Mr. Heatwole explained that a formal relocation plan is in place and all current residents retain the first right of return once renovations are complete. Commissioner Harris asked what the current occupancy is; Mr. Heatwole confirmed that it is currently at 100% occupancy.

MOTION: David Weiner
SECOND: Donald Horsley
APPROVED: 10-0-0

ATTAINABLE WORKFORCE HOUSING PROGRAM

4. Request approval of a Resolution Amending the Attainable Workforce Housing Program, presented by Housing Development Manager Sharon Shoff

Presentation: Housing Development Manager Sharon Shoff proposed amendments to the Attainable Workforce Housing Program to align with recent state legislation and internal policy documents. A key update is the implementation of a "not to exceed" award amount for performance grants, calculated based on assessed property values over a 30-year term.

Full Presentation located at minute [17:16 of the meeting video](#).

Discussion: Secretary David Weiner asked about the program's development. Ms. Shoff explained that a 2024 city housing study prompted City Council to request a program based on strategies first implemented in Richmond, Virginia. Chair Lisa Murphy questioned whether new legislation allowing by-right development for religious and charitable organizations would affect grant eligibility. Ms. Shoff clarified there is no conflict, as these organizations typically form for-profit entities to participate in affordable housing tax credit programs and remain eligible by paying real estate taxes.

Commissioner Michael Harris asked if the program impacts rent pricing. Ms. Shoff noted it functions similarly to rent control, requiring developers to follow strict maximum rent limits and utility allowances for all projects. Vice Chair William Brunke sought clarification on the \$10,000 per unit reinvestment requirement for 30-year properties at the 15-year mark; Ms. Shoff confirmed the amount is fixed unless the policy is formally changed.

MOTION: Guenter Weissenseel
SECOND: Eric Keplinger
APPROVED: 10-0-0

ATLANTIC AVENUE GRANT PROGRAM (AAG)

5. Amendment to the Atlantic Avenue Grant Program presented by Town Center Planner II Eric Severn

Presentation: Planner II Eric Severn presented information on a proposed update to the Atlantic Avenue Grant Program, which offers a 50% matching grant for exterior, site, and outdoor dining improvements for local businesses. As of the meeting, the program had disbursed five awards totaling \$102,833 out of its original \$250,000 budget, leaving a balance of \$147,167. To address feedback from local business owners who found the previous \$20,000 minimum project spend requirement prohibitive, staff recommended lowering the minimum grant match from \$10,000 to \$5,000. This adjustment effectively lowers the minimum required investment for applicants to \$10,000.

Full Presentation located at minute [34:59 of the meeting video](#).

Discussion: Vice Chair William Brunke questioned if lowering the threshold to \$5,000 would still meet City Council's original objective for improvements. Vice Mayor Rosemary Wilson noted that because many storefronts are very small, the adjustment would be a strategic decision intended to support small-scale business owners for whom the original \$20,000 minimum spend was a significant barrier to entry.

MOTION: Akhil Jain
SECOND: Penny Morgan
APPROVED: 10-0-0

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM (EDIP)

6. Request approval of a Resolution of an EDIP Part “A” award in the amount of \$16,000 to Kletz Enterprises LLC presented by Economic Development Project Manager Ihsane Mouak

Presentation: Economic Development Project Manager Ihsane Mouak presented a request for approval of a \$16,000 EDIP Part A grant for Kletz Enterprises LLC, a full-service HVAC, electrical, and plumbing provider, to support its long-term headquarters in Virginia Beach and workforce development.

Full Presentation located at minute [41:01 of the meeting video](#).

No Discussion

MOTION: Guenter Weissenseel
SECOND: Eric Keplinger
APPROVED: 9-0-1

Commissioner Akhil Jain abstained from the vote pursuant to Conflict of Interests Act § 2.2-3114(E). A copy of the abstention letter is attached to these minutes.

VBDA ASSETS

7. Virginia Beach National Golf Course Short Term Operator RFP Update presented by Economic Development Acting Director Emily Archer

Presentation: Acting Director Emily Archer provided an update on Virginia Beach National Golf Course, as well as provided information on upcoming action that will need to be taken by the Authority. Ms. Archer provided an overview of the property and a timeline of key events, including details on VBDA efforts to resolve long-standing maintenance and operational challenges. Following mounting capital expenditures and unsolicited interest from two parties, City Council authorized a Request for Proposals (RFP) in September 2025. The RFP advertisement ran for 45 days and garnered nine responses, four of which included a housing component and the remaining five, new golf course operations. Four respondents were shortlisted and interviewed between January and February of 2026, resulting in the City Council authorizing negotiation of a term sheet with the top-ranking candidate, Dragas Companies. The proposed plan includes a significant residential development on the southeastern portion of the site, featuring diverse housing options, with a percentage at or below 120% Area Median Income (AMI), a proposed new childcare facility

and preservation of approximately 45 acres of woodlands. As for the golf course itself, the proposal featured the greatest investment in course revitalization with an estimated \$38 million proposed for improvements. The city will retain a 99-year repurchase option which stipulates that the use of the golf course cannot change for 99 years once sold. This proposal also aims to enhance operations by removing initiation fees and annual dues while maintaining affordable "walk-up" rates - including special rates for military, fire and law enforcement. Additionally, the project will extend sewer lines and upgrade Tournament Drive to unlock the potential of two currently unusable land parcels in Innovation Park (5.8 and 4.8 acres) for future business. The city projects a strong return on investment, estimating a net benefit of about \$43.2 million over 20 years, with a current value of \$18 million to the city. While a new operator will take over in January to ensure continuous service, the project will involve approximately one year of due diligence to complete necessary planning and legal reviews.

Full Presentation located at minute [45:46 of the meeting video](#).

Discussion: Commissioner Akhil Jain requested details on the developer's expected return on investment. Ms. Archer explained that similar questions were raised during the review process, and the developer projected a 10–15% revenue increase through a new loyalty program, previously implemented at their Legends course in South Carolina, which saw a 50% rise in local play. The developer also identified opportunities to expand programming to attract more local players and tourists.

Vice Chair William Brunke asked if the \$1.82 million commitment from the Authority continues current improvements and repairs, and how it affects renovations, or if it should be classified under an existing grant. Ms. Archer clarified that the \$1.82 million was previously allocated by the VBDA for capital improvements, but with some repairs completed, the remaining balance is lower and additional funding will be needed. Future contributions are expected from upcoming land sales, such as Innovation Park. When asked about grant classification, it was noted that the VBDA has general statutory authority to provide grants and enter contracts, rather than being tied to a specific pre-existing grant policy.

Chair Murphy noted that a 2023 audit revealed the course was in significant disrepair, highlighting that the existing funding model was inadequate to address its extensive capital needs. The board emphasized that the city lacks the estimated \$38 million required for full restoration. As a result, the current redevelopment proposal is seen as a crucial opportunity to bring the golf course up to community standards and correct decades of maintenance neglect.

8. Request approval for a 15' Utility Easement at 110 Independence Boulevard presented by Project Development Planner III Pamela Witham

Presentation: Project Development Planner III Pamela Witham presented a request from Virginia Natural Gas for a 15-foot utility easement at 110 Independence Boulevard to replace an aging gas line and provide service to 116 Independence Boulevard. The easement would cover just under 2,000 square feet at the rear of VBDA-owned property. Staff recommended approval, with the condition that Virginia Natural Gas must relocate the easement at their own expense if it ever interferes with future development.

Full Presentation located at minute [1:07:21 of the meeting video](#).

Discussion: Vice Mayor Wilson questioned whether VBDA would receive compensation, since the easement primarily benefits other businesses. Ms. Witham stated that compensation had not been previously discussed but agreed to request compensation from the utility company before finalizing the agreement.

[Vote deferred indefinitely]

INTERNATIONAL INCUBATOR

9. Request approval of a Resolution authorizing a sublease in the International Incubator to ACAPULKA presented by Business Development Representative II Paul Bayer

Presentation: Business Development Representative II Paul Bayer presented information on ACAPULKA, a manufacturer of specialized winter gear, including pulk sleds and harnesses, which are used to transfer heavy loads off of a person's back onto the sled. The company is looking to establish a sales office in Virginia Beach to meet growing international demand and eventually transition to domestic manufacturing. Mr. Bayer also provided a brief overview of the International Incubator and the growth it has experienced since the first tenant was approved in September 2021. ACAPULKA is seeking a private office with a 2-year sublease agreement and approval is recommended by staff.

Full Presentation located at minute [1:11:30 of the meeting video](#).

No Discussion

MOTION: Eric Keplinger
SECOND: Esmel Meeks
APPROVED: 9-0-1

Chair Lisa M. Murphy abstained from the vote pursuant to Conflict of Interests Act § 2.2-3114(E). A copy of the abstention letter is attached to these minutes.

ADMINISTRATIVE INFORMATION

10. VBDA Priorities: *VBDA Members*

No Discussion

11. VBDA Members: *Chair Lisa Murphy*

No Discussion

12. Directors' Report: *E. Archer*

- The Business, Retention and Expansion team hosted a successful State of AI event at the ODU Data Science Center
- Department Leadership hosted Jason El Koubi, the president of the Virginia Economic Development Partnership (VEDP) to strengthen state-level collaboration.
- Attraction team members attended Eurosatory, a premier defense and security trade show in Europe, where they connected with global industry leaders and secured a feature in Aeromag Asia magazine.
- The department engaged with industry leaders in military, government, and law enforcement at the ADS Warrior East conference

- Jerry Mathis was introduced and welcomed as the new Manager for The Hive Small Business Resource Center. He has hit the ground running and will be organizing some upcoming events, to include:
 - Startup World Cup on September 17th at the Sandler Center
 - EDIP Part F small business grant program will reopen for applications on October 1st
- Immense gratitude was given to Deputy Director Natalie Guilmeus, who will be moving into a new role outside of the City. Paige Fox will serve as Acting Deputy Director as the department works to fill that role.

Chair Lisa Murphy moved to recess into a closed session.

RECESS TO CLOSED SESSION

PROSPECTIVE BUSINESS OR INDUSTRY: Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community, pursuant to Va. Code § 2.2-3711(A)(5). *(Districts 5 and 10)*

PUBLICLY-HELD PROPERTY: Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Va. Code § 2.2-3711(A)(3). *(District 4 and 5)*

MOTION: Akhil Jain
 SECOND: Michael Harris
 APPROVED: 10-0-0

RECONVENED INTO OPEN SESSION

CERTIFIED CLOSED SESSION

MOTION: Esmel Meeks
 SECOND: Guenter Weissenseel
 APPROVED: 10-0-0

Chair Lisa Murphy adjourned the meeting at 10:51 a.m.

Signed by Lisa M. Murphy_____
 Lisa M. Murphy, Chair