



Monthly Cash Flow – December 2025

City of Virginia Beach Development Authority

January 13th, 2025

Operating Account Summary: December 2025

Beginning Cash December 1, 2025 **\$ 10,309,942**

Cash Receipts Detail

- ✓ \$ **12,744** Interest income – December 2025
- ✓ \$ **21,225** Annual Bond Admin Fee Bond #466 issued 12/21/2010 – LifeNet Health
- ✓ \$ **2,314** Annual Bond Admin Fee Bond #467 issued 11/18/2010 – Coordinated Services Management

Restricted Cash Receipts

- ✓ \$ **36,000** Lease/rental payment for 2656 Lishelle Place covering the 3 month period of Sept.15th-Dec.15th, 20205 – Vidarr, Inc

Operating Account Summary: December 2025

Cash Disbursements Detail

- ✓ \$ **20,439** Innovation Park Final Subdivision Plat and Global Way Phase III through 10/31/2025 - VHB
- ✓ \$ **19,710** Atlantic Park Off-Site Asset Construction and Inspections through 11/30/2025 – MBP
- ✓ \$ **15,000** Box seating agreement for “The Dome” 2026 concert season – Live Nation
- ✓ \$ **3,959** Legal Services for the Atlantic Park Project through 11/30/2025 – Davis Commercial Law
- ✓ \$ **3,349** Fourth and Final Billing for the June 30, 2025 Financial Audit – Cherry Bekaert
- ✓ \$ **1,080** Commission for lease payments received at 2656 Lishelle Place, Paid Quarterly – S.L. Nausbaum Realty

Ending Cash – December 31, 2025

\$10,282,620

Cont. Operating Account Summary: December 2025

Amounts paid and reimbursed by City of VB – December 2025

- ✓ \$ **1,501,777** Atlantic Park – Entertainment Venue Tenant Improvement Allowance - Dome Opco, LLC
- ✓ \$ **813,874** Atlantic Park – Draw #34 Offsite Infrastructure (City Asset) – Venture Waves
- ✓ \$ **350,611** Innovation Park – Draw Request #25 Offsite Construction Work on the VBDA's behalf through 10/31/2025- AGI
- ✓ \$ **9,176** Innovation Park – Construction Phase Services through 10/31/2025 - Kimley Horn
- ✓ \$ **126,000** Corporate Landing – Draw Request #9 for Offsite Infrastructure and Utility Construction through 10/31/2025 – Seabreezy Enterprises
- ✓ \$ **5,335** Corporate Landing – Global Way and Pond C Final Construction – VHB

Capital Maintenance: December 31, 2025

Human Services Building		\$ 2,082,280
✓ Monthly Lease – January 2025		\$ 47,910
✓ Elevator Modernization Project - Construction Admin and Scoping – HBA Architecture		(\$ 2,713)
Atlantic Park Entertainment Venue (The Dome)		\$ 70,158
✓ No Activity During December 2025		
VB National Golf Course		\$ 1,757,782
✓ November Monthly Revenue Share Agreement		\$ 18,130
✓ Pond 1 Maintenance Plan – VHB		(\$ 1,882)

Incentive & Initiative Account Summary: December 2025

Façade Improvement Grant \$ 41,875

- ✓ No Activity During December 2025

Small Business Grant Program \$ 444,316

- ✓ Reimbursement for computer upgrades, security software, and website updates – Type A Virtual Solutions (\$ 10,000)
- ✓ Reimbursement for business supplies and software support – Security Scholars, LLC (\$ 3,013)

EDIP Grant Summary Reporting: December 2025

Ending EDIP appropriations 12/31/2025	\$ 12,166,585
EDIP Part A – Encumbered as of 12/1/2025	\$ 5,753,080
✓ TST Defense – Award approved December 9 th for \$7.1M in anticipated capital investment. Anticipated 135 jobs created, 90 with an average salary of at least \$69,638 and 45 jobs with an average salary of \$98,654	\$ 508,000
✓ STIHL, Inc. – Reimbursement of \$1.2M in Capital Improvements. 2nd and Final Reimbursement payment.	(\$ 12,387)
EDIP Part A – Encumbered as of 12/31/2025	\$ 6,248,694

EDIP Grant Summary Reporting: December 2025 (Continued)

EDIP Part B – Encumbered as of 12/1/2025	\$ 1,000,670
✓ Columbus Town Center II - \$13.6M anticipated capital improvement spending to receive \$376K total approved award. First reimbursement for \$6.8M spent on capital improvements	(\$ 188,401)
EDIP Part B – Encumbered as of 12/31/2025	\$ 812,269
EDIP Grant Funds Available as of 12/31/2025	\$ 5,105,622

* Actual EDIP Cash received from the City and held by the VBDA on December 30th, 2025 is \$553,352. The remaining \$11,324,193 is being held by the City and will be reimbursed to the VBDA when EDIP recipients receive their awards.



CityView Two, L.L.C. Amendment to Development Agreement

Alexander W. Stiles, Senior City Attorney
VBDA Open Session – 1/13/26



Disclosures

Owner/Developer: CityView Two, LLC

Members: Ronald C. Ripley, F. Scott Ripley, F. Andrew Heatwole, and
City Boxes, LLC

Accounting: Wall, Einhorn & Chemitzer, P.C.

Architect: Cox, Kliewer & Company, P.C.

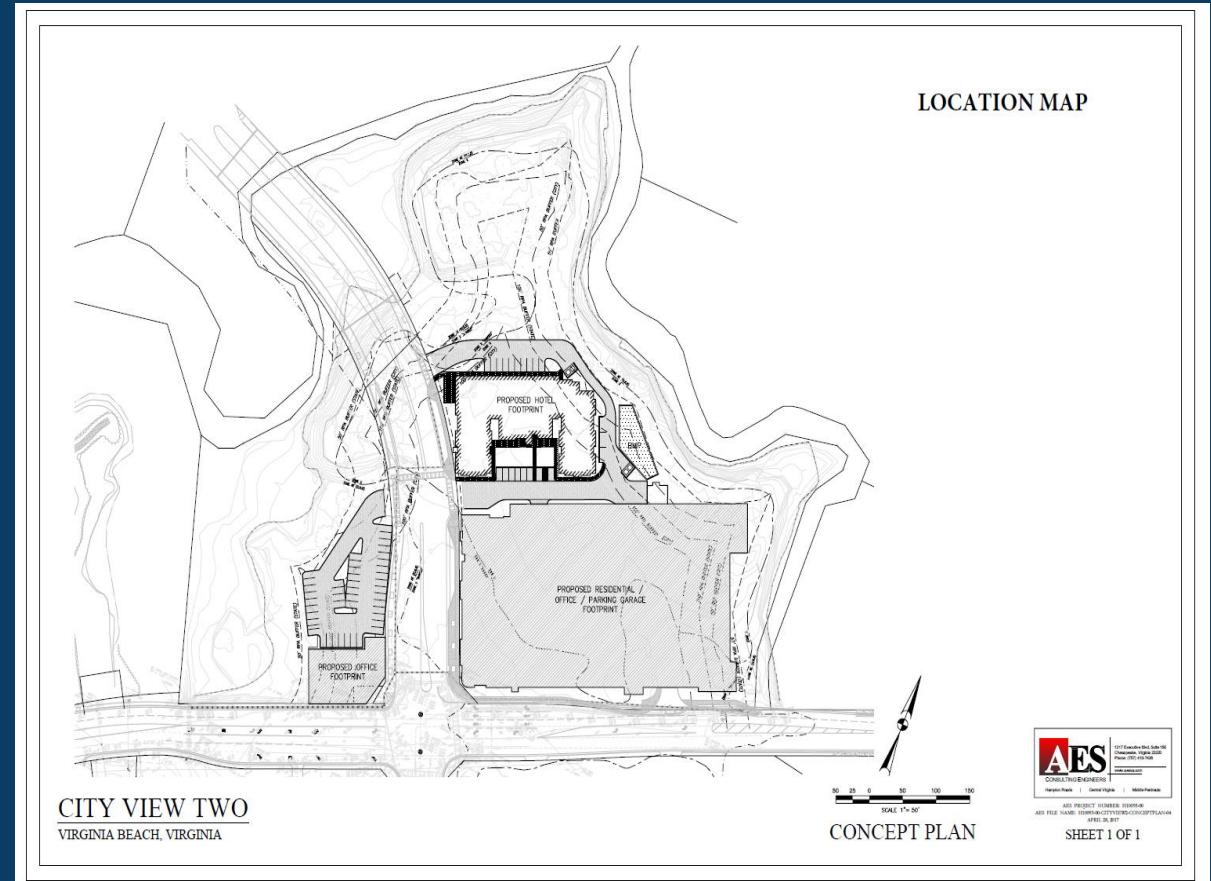
Engineer: AES Consulting Engineers

Financial: TowneBank

Legal: Sands Anderson

Background

- On June 21, 2016, both the VBDA and the City Council approved a Term Sheet for the CityView Two Project (the “Project”)
- On July 18, 2017 and August 15, 2017, respectively, the VBDA and City Council, approved the Development Agreement for the Project

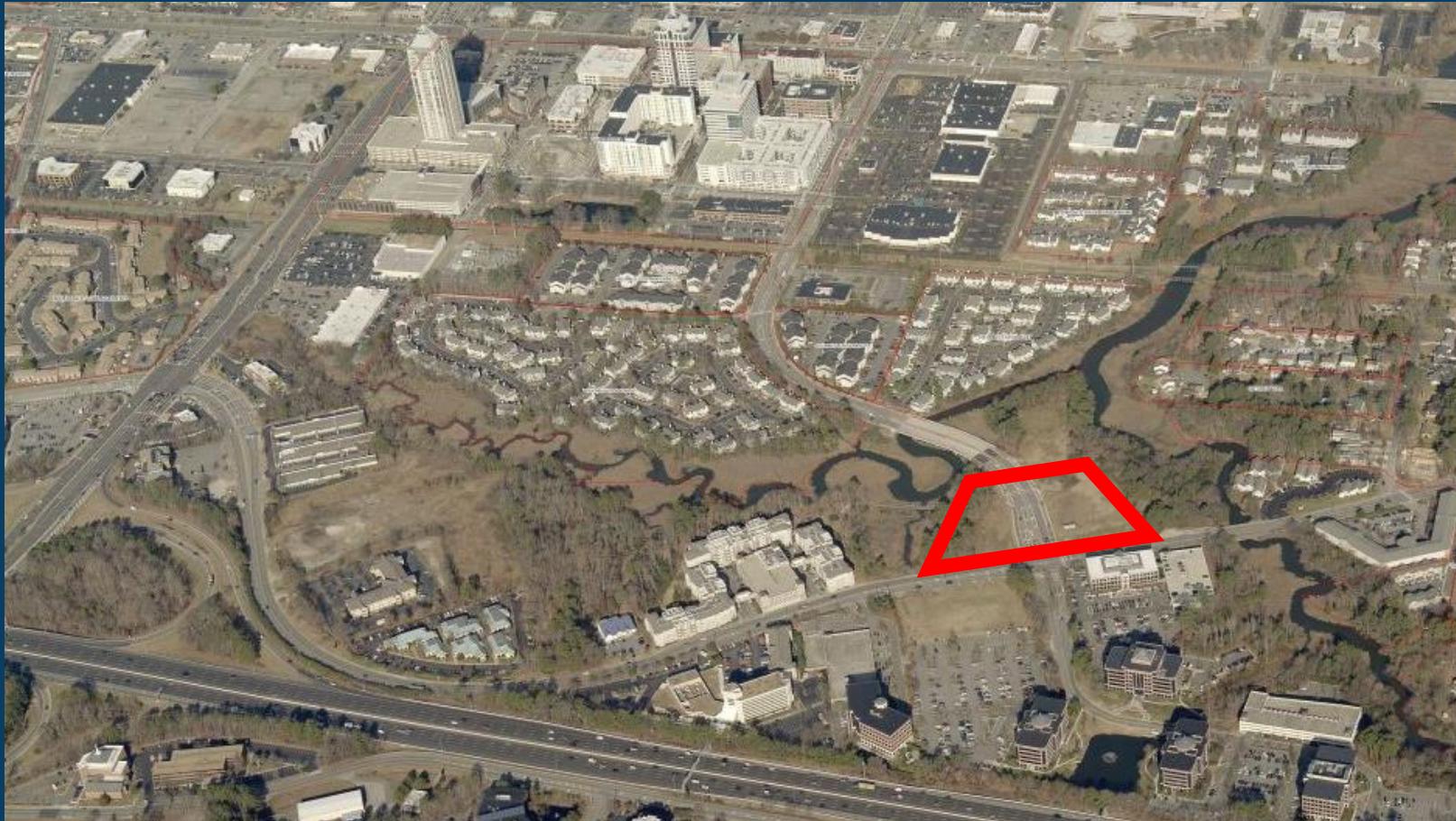


Project Description

- Three Phases Proposed:
 - Phase I: 13,000 sq. ft. retail, 221 Apartments, 480 Parking Space Garage / anticipated investment of \$45,550,000
 - Phase II: 24,000 sq. ft. office space / anticipated investment of \$4,950,000
 - Phase III: 120-room hotel with 4,000+/- sq. ft. of mixed-use (non-residential) space / anticipated investment of \$10,000,000

TOTAL ANTICIPATED INVESTMENT: \$ 60,500,000

Location: Constitution Drive & Bonney Road



Status of Project

- Three Proposed Phases:
 - **Phase I Complete:** “The Constitution Apartments”
 - 219 Apartments with 1st Floor Retail
 - Actual Investment to-date: \$70,364,035
 - **Phase II (Future):** Office building construction commencing 2026
 - Anticipated Investment: \$4,950,000
 - Investment to Date: \$610,667
 - **Phase III Complete:** Fairfield Inn by Marriott and Landmark Hotel Headquarters
 - 127 rooms and associated office space
 - Actual Investment: \$14,850,000

TOTAL ACTUAL INVESTMENT TO-DATE: \$ 87,878,091

VARIANCE: + \$27,378,091

Status- Continued

- Incentive Payments paid to Developer by the VBDA of up to \$10.2MM are based on incremental real estate taxes from the Project.
- To qualify for entire incentive payment, Developer must invest at least \$45,375,000 (75% of anticipated investment)
- VBDA has the right to terminate payments if entire project is not complete within 72 months of commencement of construction of Phase I.
- Phase I commenced second quarter 2019

Issue Presented

- Phase II has been designed and Developer is currently seeking tenants
- Developer requests waiver or extension of the deadline to complete construction of Phase II
- Proposed Resolution extends deadline to complete Phase II until January 30, 2028.

Questions / Discussion



Attainable Workforce Housing Performance Grant Applications

Concorde Apartments Phase I and II

Housing & Neighborhood Preservation | VBDA Board: Jan. 13, 2026

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 Concorde Apartments Phase I and Phase II

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: \$1,750
 - 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: Concorde Apartments Phase I & Phase II

- 180 total units: 100% affordable and residential
- Development by Concorde Apts., L.P. & Concord Apts. Phase II, L.P.
 - Principal is S.L. Nusbaum
- New construction on vacant land; no other improvements currently on property
- Developer to submit Federal Low-Income Housing Tax Credit application March 2026 (9% competitive Phase I & 4% Phase II)
- Project has zoning approval
- Construction is expected to start March 2027
- Total Development Cost: \$53,423,647
- Funding gap = \$2,403,000

Concorde Apartments Phase I & Phase II

Located adjacent to
Norfolk Premium
Outlets in Burton
Station on 6.2 acres

City Council District 4:
Amelia Ross-Hammond



Project Affordability

- Will be 100% affordable and serve households with incomes that are, on average, 60% of Area Median Income (AMI).
- Developer has also indicated the project will provide housing at the following AMI and rent levels:

Units	AMI	1 Person	2 Persons	3 Persons	4 Persons
10	30%	\$22,380	\$25,560	\$28,770	\$31,950
35	50%	\$37,300	\$42,600	\$47,950	\$53,250
90	60%	\$44,760	\$51,120	\$57,540	\$63,900
28	70%	\$52,220	\$59,640	\$67,130	\$74,550
17	80%	\$59,680	\$68,160	\$76,720	\$85,200
180					

- 25% of the units will serve households at or below 50% AMI.

Fiscal Impact

- Annual Grant Payments are solely limited to the incremental real estate tax revenues generated annually by the project.
- Amount to be paid for each year of the Grant Term will be determined annually based on the annual assessed value of the project and the real estate tax rate set by City Council.
- First year grant amount is estimated at \$191,766, or \$1,065/unit.
- First year estimate is based on recent assessed values of multi-family affordable housing.
 - 1st Year taxes of **\$197,552** based on estimated assessed value of \$20,366,100
 - Real Estate Tax Revenue based on FY25/26 assessed value of property, \$596,500, is **\$5,786**
 - 100% of Incremental taxes is: \$197,552 - \$5,786 = **\$191,766**

Recommended Grant Agreement Terms for Each Phase

- Base Real Estate Tax Amount = \$2,893
- 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 \$900,000 for first 15 years
- Average income of 60% for the grant term (30 years)
- Applicant will pay an administrative fee to VBDA of 1% of the annual grant amount

Next Steps

- City Council Ordinance: February 3, 2026
- Comments and questions?



EDIP Part B Committee Update: Review Redevelopment of Shopping Centers

City of Virginia Beach Development Authority

January 13, 2026 | Open Session

Natalie Guilmeus, Deputy Director

Overview

- October 2025: VBDA requested subcommittee to explore if an amendment to EDIP Policy, Part B is needed to clarify redevelopment of shopping centers.
- Members of the EDIP Redevelopment Subcommittee met between October-December 2025:
 - Akhil Jain (VBDA)
 - Mike Standing (VBDA)
 - Alex Stiles (Legal)
 - Emily Archer (VBED)
 - Denis Ozowara (VBED)
 - Ihsane Mouak (VBED)
 - Natalie Guilmeus (VBED)
 - PJ Scully (Planning)

EDIP Overview

- Since 1994, the VBDA has administered the City's Economic Development Investment Program (EDIP): a discretionary incentive program available to assist qualifying companies and developers to grow in Virginia Beach.
- There are **four distinct parts** of the EDIP (A, B, C, F).
- **EDIP Part B** supports new construction, redevelopment or purchase of property within a target area—SGA, SEGA, and/or Opportunity Zone.

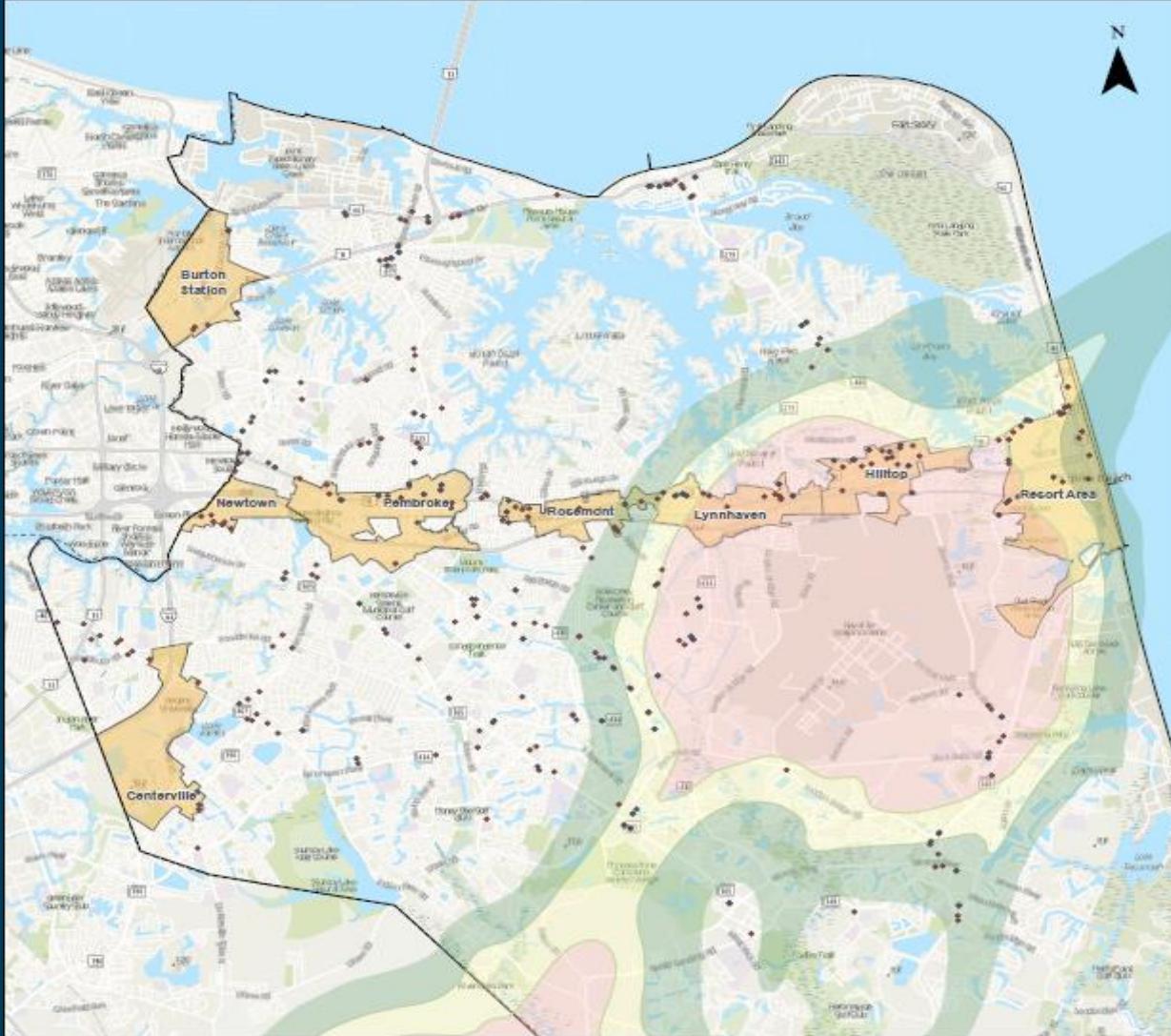
Purpose of EDIP Part B

Select Considerations for Part B Projects:

- Demonstrate property is a brownfield, greyfield, or vacant, abandoned, under improved or underdeveloped **AND** in a target area (i.e., SGA, SEGA, ERA).
- Investment Leverage: Every \$12.50 in private investment equals to \$1 of EDIP
- EDIP may be provided for office, industrial, retail, hotel and mixed-use development (including high density and multi-family residential uses).



SHOPPING CENTER DATA



0

Aircraft Noise

Aircraft noise

65-70 dB

65-70 dB

- Shopping Center Data
- Costar Shopping Data
- Strategic Growth Areas

 CITY OF
VIRGINIA
BEACH

Workgroup Considerations



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

- Occupancy vs. vacancy rate of shopping centers: Most centers are above 70% occupancy (via CoStar).
- Areas to focus on outside of the SGAs and growth corridors designated through the updated Comp Plan.
- Considered incentivizing the tenant vs. the developer and the ROI.

Regional Comparison Data

Jurisdiction	Occupancy Average	Est. Total Inventory SF
Virginia Beach	83.81%	11.8 Million
Chesapeake	76.05%	7.2 Million
Norfolk	79.54%	6.6 Million
Hampton	72.72%	3.9 Million

***Please note:** Vacancy rates shown reflect general market conditions based on available data on CoStar for Q1 2026.*

Data Takeaways

- Past VBDA support of retail (Part B): include 17th Street Properties LLC, Pembroke Square, and Armada Hoffler. VBDA support included support of public infrastructure (i.e., parking, streetscape, and multi-use redevelopment).
- There are 6 individual commercial spaces located within shopping centers that have a >15K SF vacant space.
- Current market conditions do not indicate a clear need for an amended EDIP policy.

Workgroup Recommendations

- The workgroup recommends no changes to the EDIP policy at this time.
- Current market conditions do not indicate need for amendment with high occupancy and limited individual vacancies.
- Council retains discretion to consider projects that fall outside of the policy.
- Staff will continue to monitor conditions and return if circumstances change.



Questions?



Select Vacancies (Individual)



Kemps River Crossing

- 1205 Fordham Drive
- 256,491 SF
- Built in 1984
- Vacant Space: 60K SF
- 52.2% Leased



Birchwood Shopping Center

- 3770 Virginia Beach Blvd (SGA)
- 77,612 SF
- Built in 1974
- Vacant Space: 38K SF
- 86.5% Leased



Chimney Hill Shopping Center

- 3600 Holland Road
- 207,175 SF
- Built in 1983
- Vacant Space: 25K SF
- 75.2% Leased



Lake 1 Stormwater Bid Approval Virginia Beach National Golf Course

City of Virginia Beach Development Authority

Pamela Witham, Senior Planner

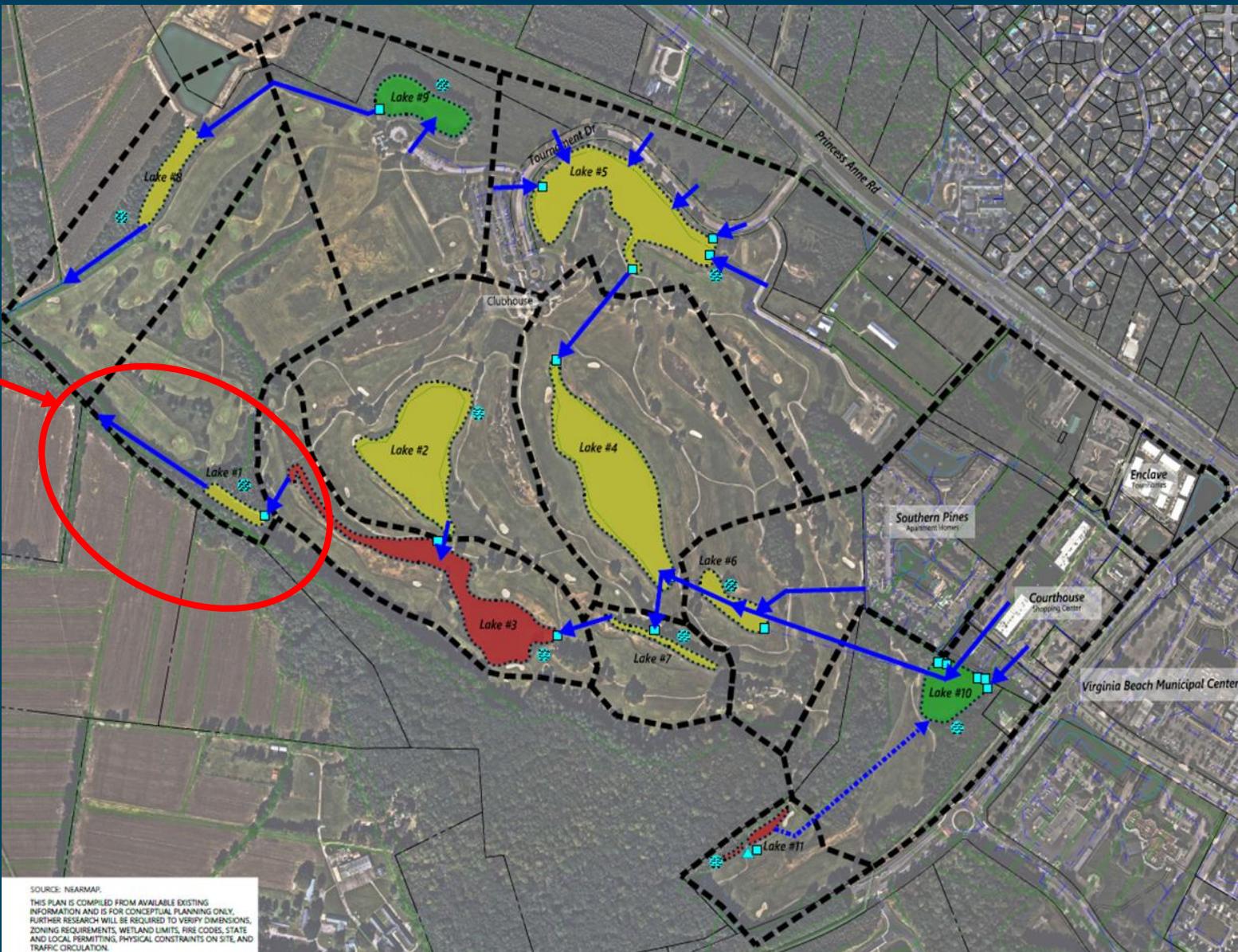
January 13, 2026

Disclosures (Contractor)

- Contractor: Vanar Divergent Construction Management Group, Inc.
- Representative: Tyler Hoagland

Background

- An assessment of the stormwater management facilities was conducted in the first quarter of 2024, detailing deficiencies based on 2023 City Auditor report and Public Works findings.
- On May 8th of 2024, the VBDA Asset Committee and operators met to discuss recommendations for repairs and listed Lake #1 and its outfall ditch as the top priority
- Lake #1 is the stormwater outfall for the property's entire drainage system and will be beneficial for the course as a whole
- The estimated repair cost for Lake #1 was \$519,375



VBNG Lake 1 Bid Award

- On December 17, 2025, one responsive bid was received by Divergent Construction Management Group, Inc bid of \$836,648.85 includes the add-alt for the necessary ditch work
- The cost for the maintenance for the ditch is \$175,832; which is to be paid by Public Works
- The VBDA's portion to provide maintenance to the lake is \$660,816.85
- Asking for approval of \$826,021 which includes a 25% contingency for lake maintenance



Overall View of Pond – looking towards the South



View towards outfall ditch

Recommendation

Approve the submitted bid and amount of \$826,021 to complete the necessary maintenance of Lake #1



Questions?



Miller Group Construction Design

January 13, 2026 | Open Session

Presenter: Pamela Witham, Senior Planner



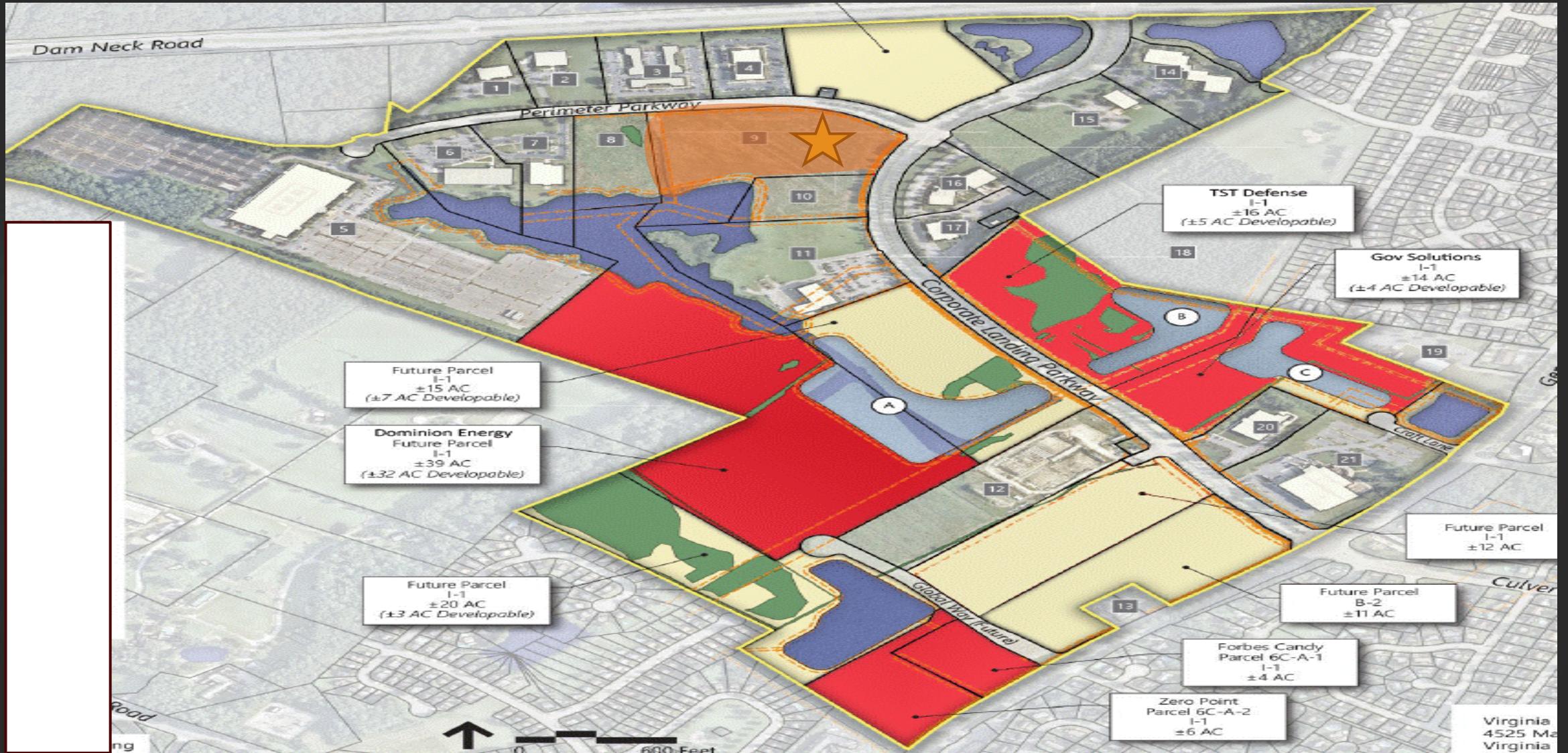
Disclosures

2

- Owner/Developer: The Miller Group
- Principals: Jerry Miller/ Timothy Harkins/Catherine Law
- Engineering: Kimley Horn
- Architect: Covington Hendricks Anderson
- Accounting: Wall Einhorn & Chernitzer, P.C.
- Legal: Sands Anderson PC

Location In Corporate Landing Business Park

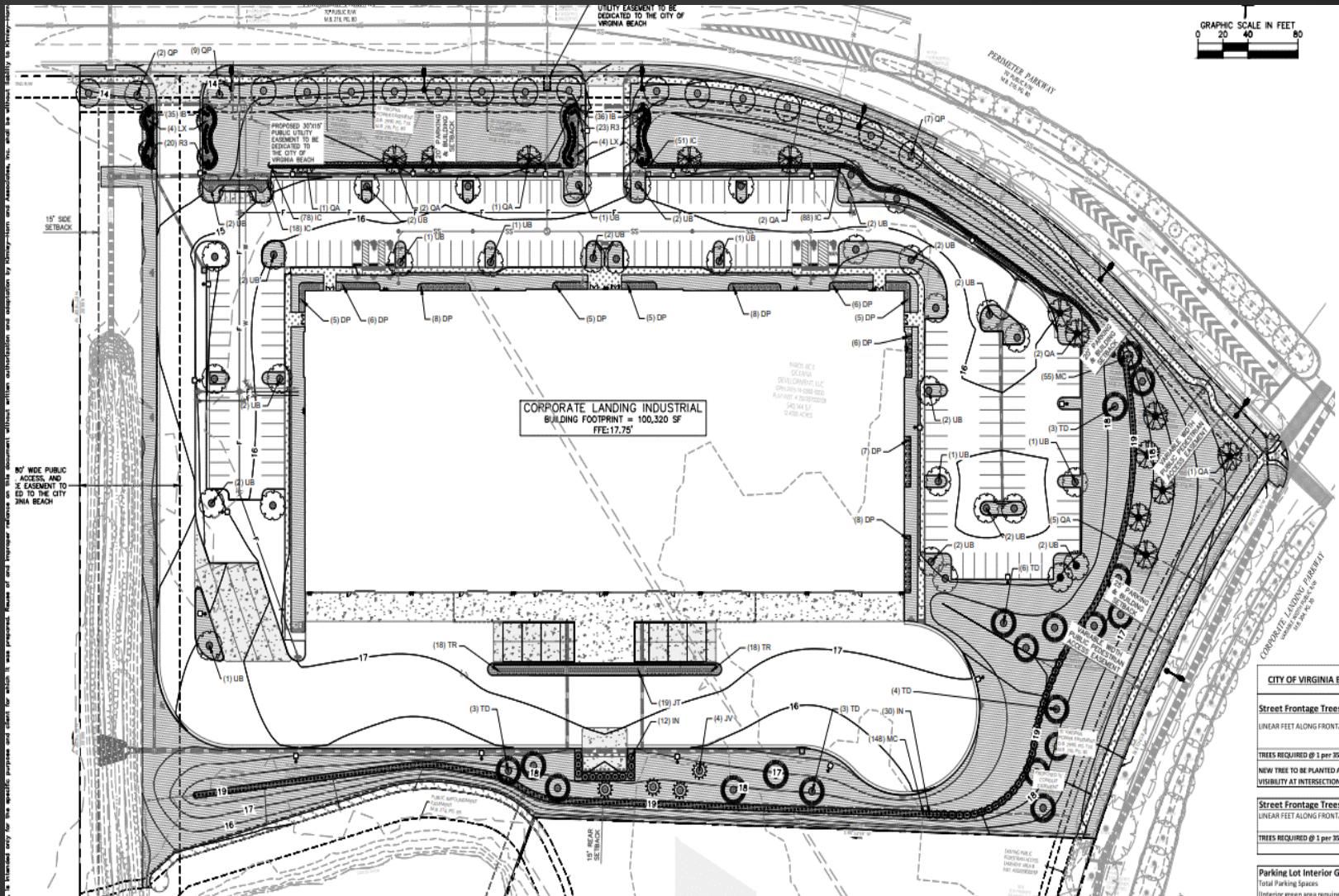
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History

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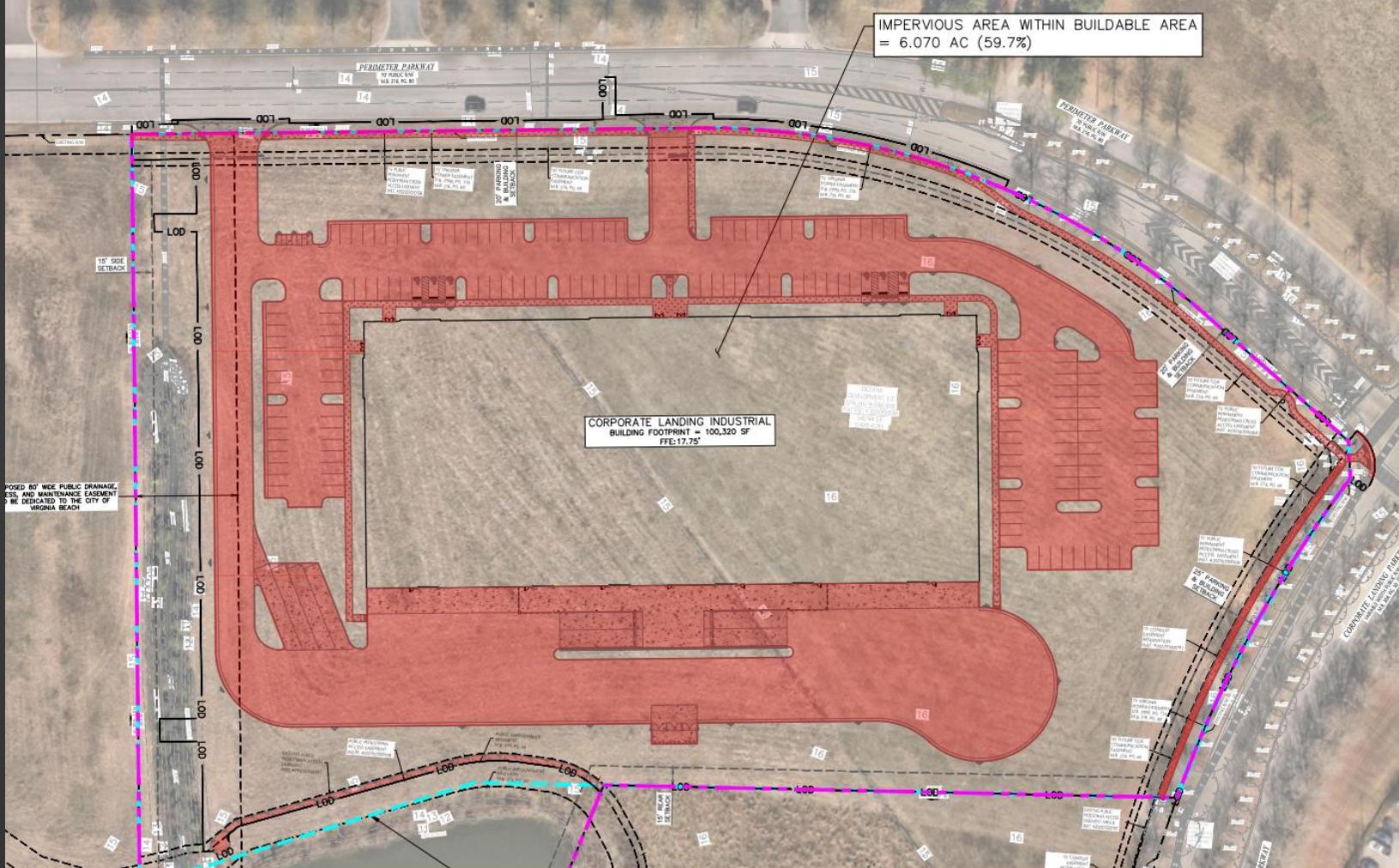
- A land swap was carried out in 2022 to enable the expansion of the Sanjo Facility
- VBDA acquired 7.72 acres of next to existing Sanjo facility
- Oceana Development LLC (Miller Group) acquired 10.4 acres in Corporate Landing to construct a 100,000 square foot Industrial Spec Facility
- Commencement Deadline expires March 1, 2026



Construction Design

5

- 12.40 Acre site
- Zoned I-1
- 100,320 SF building footprint
- 181 Parking spaces
- Proposed Use: Warehouse and Office Space
- Construction Materials to include metal and brick finishes
- Not seeking a variance or waiver from the design guidelines.



Elevations

6



Side & Rear Elevations

7



3D View 2



Recommendation

8

- Meets Corporate Landing Design Criteria
- Construction to begin as soon as permit is obtained, but no later than July 1, 2026.
- Recommend Approval.



Questions?





Acoustical Sheetmetal Construction Plans

City of Virginia Beach Development Authority

January 13, 2026 | Open Session

Pamela Witham, Senior Planner

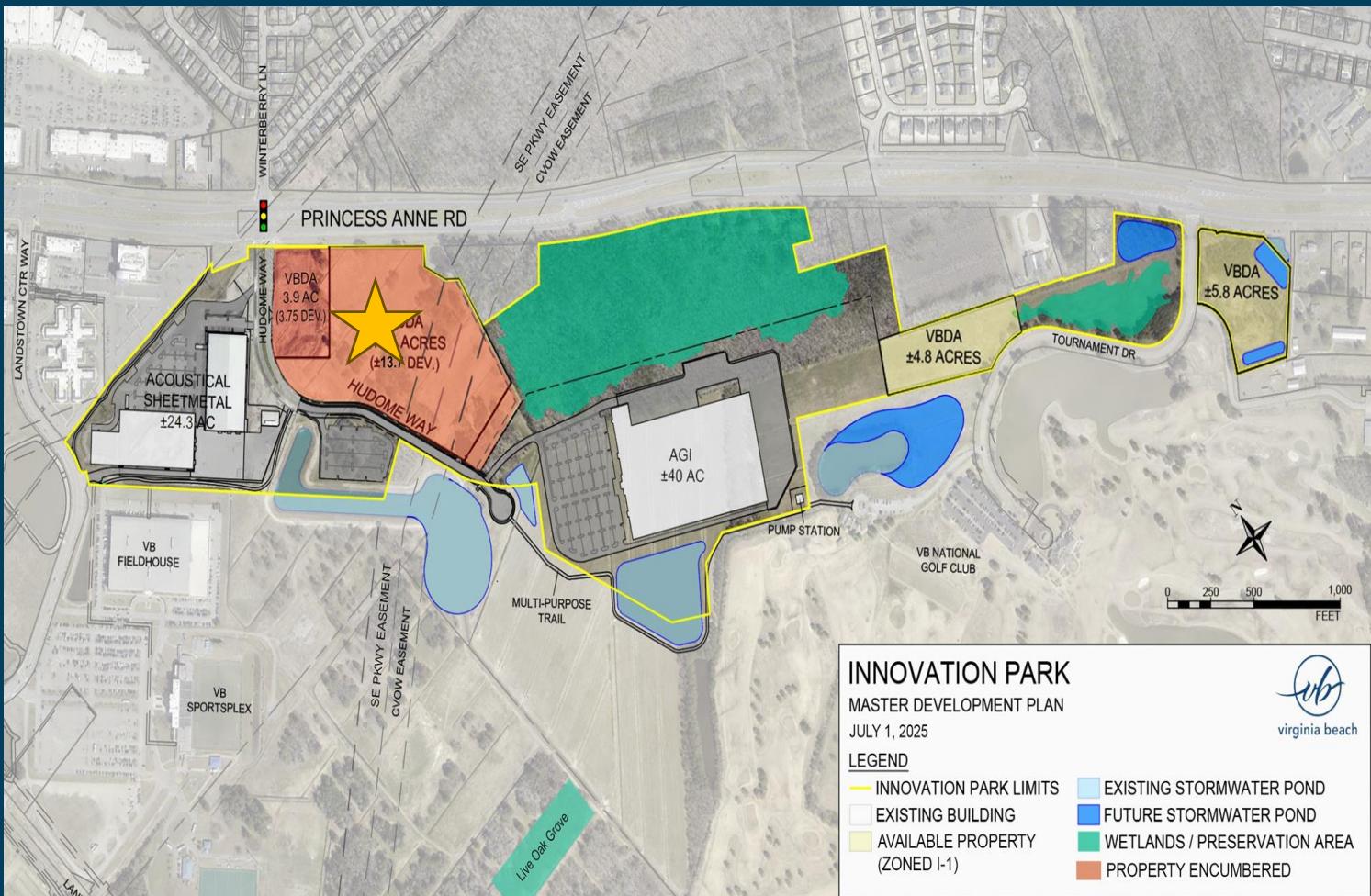


Disclosures (Applicant)

- Applicant's name: ASC Real Estate, LLC
- Affiliated Business Entity relationships with Property Owner
 - Young Capital Partners, LLC: James Young, Jeffery Moore
 - ASI Investment, LLC: Margaret Shaia
- Construction Contractors: Clancy & Theys
- Engineers: Kimley Horn
- Accountant: Elliot Davis
- Financing: Atlantic Union Bank
- Legal Services: Flora Petit PC

ASC Background

- ASC currently operates over 200,000 square feet of manufacturing space in Innovation Park
- Economic Development negotiated ASC Phase III and IV expansion on 21 acres in Innovation Park for an additional 250,000 square feet
- Expansion is over \$45 Million in capital investment, and 350 new jobs to make them a top employer in the City
- Expansion announced in June 2025 with Governor Youngkin



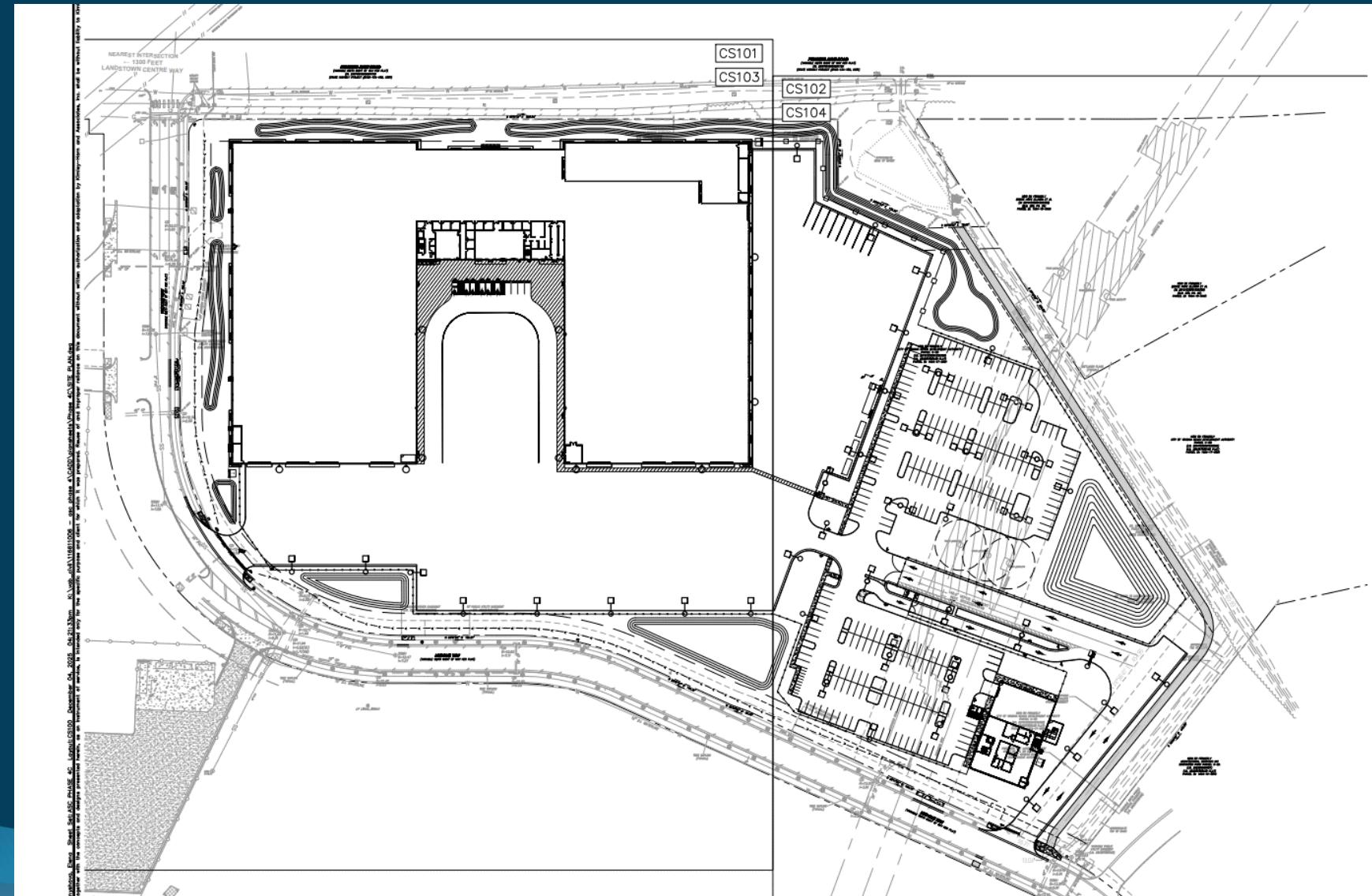
Current Site Conditions





Construction Design

- 17.4 Developable acres
- 259,153 Square foot Production building
- 16,167 Square foot Field Services building
- 272 Parking Spaces
- Additional Dry Detention Basin
- Construction materials to include metal and glass
- Not requesting a Waiver or variance to the design guidelines



Elevations



Elevations



Elevations



Elevations



Recommendation

- Meets Innovation Park Design Criteria
- Construction has commenced with the building pad for the field service building completed.
- Target for vertical construction is 2/2/2026 and target completion date 1/1/2027.
- Recommend approval

QUESTIONS





SubSea Craft International Incubator

City of Virginia Beach Development Authority

January 13, 2026 | Open Session

Presenter: Paige Fox, Head of Business Attraction

Disclosures

- Applicant Name: SubSea Craft, Inc
- Parent Company: SubSea Craft, Limited
- Directors: Camilla Martin, Chris Carrington-Smith, Jeffrey Johnson

Company Profile

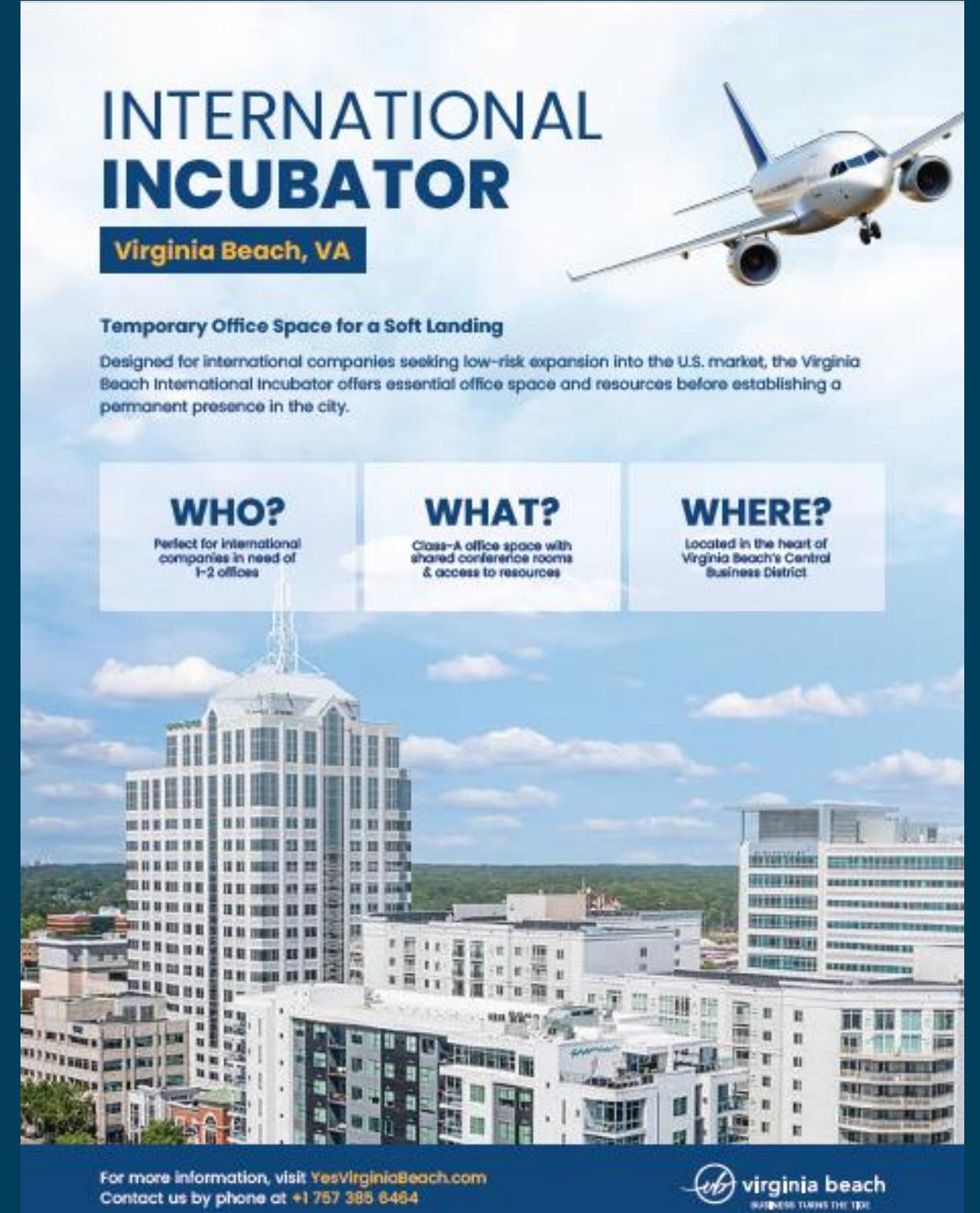


- Based in Portsmouth, United Kingdom
- Maritime technology company for commercial and defense applications
- Products focused on high-speed surface vessels, both crewed and uncrewed
- Additional drone products
- Company has active partnerships with a Virginia Beach defense company
- Company recruited in partnership with Alliance and VEDP
- Initial office space is part of a larger growth plan



International Incubator

- VBDA approved 1st tenant in September 2021
- Incentive for companies seeking expansion to United States
- Most international businesses begin with a smaller US sales office before scaling
- Designed for companies only needing 1-2 offices
- Expanded footprint in 2024, new furnishing added in 2025
 - 4 vacant spaces remaining
 - Membership lease option added in 2025



INTERNATIONAL INCUBATOR
Virginia Beach, VA

Temporary Office Space for a Soft Landing

Designed for international companies seeking low-risk expansion into the U.S. market, the Virginia Beach International Incubator offers essential office space and resources before establishing a permanent presence in the city.

WHO?
Perfect for international companies in need of 1-2 offices

WHAT?
Class-A office space with shared conference rooms & access to resources

WHERE?
Located in the heart of Virginia Beach's Central Business District.

For more information, visit YesVirginiaBeach.com
Contact us by phone at +1 757 385 6464

virginia beach
BETTER THINGS ARE COMING

Sublease Terms

Private Office Sublease

- U.S. Mailing Address
- Access to Conference and Shared Rooms
- Payment structure based on one office
 - Months 1 – 6: (no rent)
 - Months 7 – 12: (\$120.83/ month)
 - Months 13 – 18: (\$241.66 / month)
 - Months: 19 – 24: (\$337.50 / month)



SCAN ME to learn about entering the U.S. market:



INCUBATOR OFFERINGS

Start your soft landing in one of two ways. Please consult with a VBED team member for more details.

1 Private Office Lease

- Furnished office
- 2-YEAR maximum lease term
- First 6 months free
- Virginia Beach, VA mailing address
- Lease rates incrementally increase as a ratio of the market rate

2 Membership

- 2-YEAR maximum lease term
- Virginia Beach, VA mailing address
- Access to shared working spaces

ADDITIONAL RESOURCES

Tenants and members also gain access to complimentary support from Economic Development staff.

The HIVE Business Resource Center



International Advisory Committee



SUCCESS STORIES



LOCAL & REGIONAL POINTS OF INTEREST

- 1 Port of Virginia
- 2 NATO Headquarters
- 3 Coastal Virginia Offshore Wind Project
- 4 Norfolk International Airport
- 5 NASA Langley Research Center
- 6 Naval Station Norfolk
- 7 Carrier-Neutral Data Center Campus

For more information, visit YesVirginiaBeach.com
Contact us by phone at +1 757 385 6464

Recommendation

- Approve sublease of Virginia Beach Development Authority's International Incubator to Subsea Craft



Questions?



Atlantic Avenue Grant (AAG) Program



- A matching grant program offering \$10,000 to \$25,000 to support businesses between 2nd to 40th Street on Atlantic Ave in Virginia Beach, VA.
- 50% match of the actual capital investment for the property.
- Work must be completed within 12 months of award.

Facade Improvement Grant (FIG) Program



- A matching grant program offering \$1,000 to \$10,000 to small businesses, non-profits, and organizations in Virginia Beach, VA.
- 50% match of the actual capital investment for the property.
- Work must be completed within 6 months of award.

