Monthly Cash Flow – June 2026

City of Virginia Beach Development Authority

July 14th, 2026

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**

Cont. Operating Account Summary: June 2026

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)**	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 During June 2026.	

Capital Maintenance: June 30, 2026 (Continued)

VB National Golf Course		**$ 954,058**
✓ May Monthly Revenue Share Agreement	$ 27,448	
✓ Lake Maintenance #1 – Mobilization and Surveying Pay Applications #2 & 3 – Divergent Construction	($ 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	$ 812,270
EDIP Grant Funds Available as of 6/30/2026	**$ 4,542,489**

Attainable Workforce Housing Performance Grant Program Update

2.20 Explore the opportunity to further encourage the development of new attainable workforce housing through potential efforts, such as expedited plan review and/or by reducing, waiving, or deferring fees for qualifying projects.

Housing & Neighborhood Preservation | July 14, 2026

CITY OF VIRGINIA BEACH

Staff Request of VBDA

- Staff is requesting VBDA pass a resolution to amend the current AWHP program to:
  - Conform with requirements of new state legislation
  - Align with program application document
  - Set a not-to-exceed performance grant award amount for the grant period
- Changes are required to conform with new state legislation
- City Council
  - Briefed on June 9, 2026
  - Passed Ordinance July 7, 2026, to amend the program

Background

- **May 2025:** Ordinance approved to establish Virginia Beach Attainable Workforce Housing Performance (AWHP) Grant Program
  - City of Virginia Beach and City of Virginia Beach Development Authority (VBDA) partnership
- **September 2025:** Program officially launched; began accepting applications
- 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.

Purpose of AWHP Grant Program

- To address shortage of affordable housing and further economic development
- To incentivize the construction of new affordable rental housing units in Virginia Beach
  - Units that are rented and affordable to households at or below 80% of Area Median Income (AMI) ($86,150 annual income for a household of four)
  - Program includes an incentive to provide units that are rented and affordable to households with incomes at or below 50% of AMI ($53,850 annual income for a household of four)
- Intended to make the development of affordable housing more feasible by helping to fill funding gaps

Recent State Legislation

- HB 352 enacted in 2026 General Assembly session: Affordable Housing Performance Grant Programs
- Allows any locality that meets the requirements of the Act may, by ordinance, establish an Affordable Housing Performance Grant Program
- Indicates that the Performance Grant Program shall include reasonable regulations and provisions that are outlined in the legislation
- **HNP staff is proposing changes to the City's program to conform with the requirements of this legislation**

Examples of Required Changes to Align with Legislation

- Prior to the payment of any funds awarded, the property subject to the grant must be encumbered with a recorded restrictive covenant requiring the property to be used for affordable housing for the term of the grant agreement, not to exceed 30 years.
- Other non-substantive changes to conform with the new legislation:
  - Add a specific definition of affordable housing
  - Must identify the local officer designated by the governing body to accept applications
  - Change to the timeline for the commencement of the grants: July 1-Jan. 1 of the year following completion of construction

Additional Changes Proposed by Staff

- Information contained in the current program application will be added to the policy such as:
  - Requirements for land use approvals
  - Definition of multi-family rental housing
  - Description of the occupancy, rent and utility allowance standards
  - Description of how compliance monitoring will be accomplished
- Grant Award Changes

Current Policy: Grant Award

- Performance Grant is capped at 100% of the amount of the incremental new real estate taxes to be levied and collected for improvements on the Project Site.
- The amount is adjusted based on:
  - The percentage of residential square footage in the development, and
  - The percentage of units that are affordable in the development
- A grant amount of two times the Performance Grant Percentage, up to 100% of the incremental value, is available to a qualified property if 20% or more of the residential units are affordable at or below 50% of the AMI.

Example: Mixed Use and Mixed Income

Row	Project Information	Amount ($)	%
1	Gross square feet of Residential use	100,000	
2	Gross square feet of Non-Residential use.	50,000	
3	Total Building Gross Square Footage. (The sum of Rows 1 and 2)	150,000	
4	Percentage of property that is for residential use. (Row 1 divided by Row 3)		67%
5	Total number of residential units	100	
6	Number of Affordable Units at or below 80% AMI but above 50% AMI	20	
7	Number of Affordable Units at or below 50% AMI.	0	0%
8	Total number of Affordable Units (Row 6 plus Row 7)	20	
9	The Percentage of Affordable Units in the property (Row 8 divided by Row 5)		20%
10	The Performance Grant Percentage. (Row 4 multiplied by Row 9)		13%
11	The Percentage of Affordable Units in the property that are at or below 50% AMI that may qualify the property to receive a Performance Grant increase. (A performance grant percentage increase of 2 times the performance grant percentage, up to 100%, is available to a Qualified Property when twenty (20%) or more of the residential units are at or below 50% AMI (Row 10 multiplied by 2).		0%

Example: Mixed Use and Mixed Income with Incentive for Units At or Below 50% AMI

Row	Project Information	Amount ($)	%
1	Gross square feet of Residential use	100,000	
2	Gross square feet of Non-Residential use.	50,000	
3	Total Building Gross Square Footage. (The sum of Rows 1 and 2)	150,000	
4	Percentage of property that is for residential use. (Row 1 divided by Row 3)		67%
5	Total number of residential units	100	
6	Number of Affordable Units at or below 80% AMI but above 50% AMI	0	
7	Number of Affordable Units at or below 50% AMI.	20	20%
8	Total number of Affordable Units (Row 6 plus Row 7)	20	
9	The Percentage of Affordable Units in the property (Row 8 divided by Row 5)		20%
10	The Performance Grant Percentage. (Row 4 multiplied by Row 9)		13%
11	The Percentage of Affordable Units in the property that are at or below 50% AMI that may qualify the property to receive a Performance Grant increase. (A performance grant percentage increase of 2 times the performance grant percentage, up to 100%, is available to a Qualified Property when twenty (20%) or more of the residential units are at or below 50% AMI (Row 10 multiplied by 2).		27%

Proposed Changes: Grant Award

- Set a not-to-exceed performance grant award amount for the grant period
- Amount based on:
  - Comparable Assessed Values of current affordable multi-family developments
  - Current real estate tax rate
  - Annual increase in assessed value of 3% per year over the grant period. This is based on standard underwriting assumptions for Virginia Housing lending and tax credit programs.
  - Annual tax amount reduced by base tax amount before improvements
- Documented in Grant Agreement
- Annual grant determined by actual assessment growth

Grant Award Example under Proposed Changes

- 175 units: 100% affordable development and 100% Residential
- Estimated assessed value at completion of $124,000/unit, or $21,700,000 based on recent assessed values of recently constructed affordable housing developments.
- Current tax rate of $.97/$100 of assessed value = $210,490 taxes in year 1
- <u>3%</u> annual escalation of assessed value
- Base amount of real estate taxes before improvement: $17,897
- **<u>Not-to-Exceed amount of $9,477,254</u>**
- Average Performance Grant Per Unit/Year: $1,805

Grant Award Example: Policy Comparisons

Using 175-unit development example from previous slide

Not-to-exceed amount = $9,477,254

Actual assessed value increased 5% annually at same tax rate

30-Year Total Grant: Current Policy	30-Year Total Grant: Proposed New Policy
$13,447,818	$9,477,254

If City pays the full amount of the incremental taxes each year, the owner would receive the maximum grant amount at year 25 and could not request additional grant funds for the remaining grant term.

Actual assessed value increased 2% annually at same tax rate

30-Year Total Grant: Current Policy	30-Year Total Grant: Proposed New Policy
$8,002,280	$8,002,280

No impact of the new policy on the owner.

Summary

- Staff is requesting VBDA pass a resolution to amend the current AWHP program to:
  - Conform with requirements of new state legislation
  - Align with program application document
  - Set a not-to-exceed performance grant award amount for the grant period
- City Council Passed Ordinance July 7, 2026, to amend the program

Thank You!

Questions?

CITY OF
VIRGINIA
BEACH

Atlantic Avenue Grant (AAG) Program

Virginia Beach Development Authority – July 14, 2026

Presenter: Eric Severn, Planner II

virginia beach

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
- **Present Funds Available: $147,167**

AAG Review Process

- Applications ranked by:
  - ✓ Completeness of Application (1 point)
  - ✓ Business Eligibility (1 point)
  - ✓ Proposed Improvements Eligibility (1 point)

AAG Summary

- Five (5) grant awards totaling $102,833
- Received only one application since last presentation in June
- Business community has expressed concerns about affordability of grant participation and interest levels (ie: Atlantic Ave Association)
- <u>Proposed update:</u> Lower the minimum grant award match to $5,000 from the original $10,000
  - New matching grant amount range would become $5,000 to $25,000
  - Businesses would need to spend no less than $10,000 on improvements; an updated eligibility requirement.

Staff Recommendation:

- *Lower minimum matching grant amount from $10,000 to $5,000.*
  - *New range = $5,000 to $25,000*

- *The Atlantic Avenue Grant is still open and accepting applications.*

- *www.yesvirginiabeach.com/aag or*

Kletz Enterprises LLC

City of Virginia Beach Development Authority
July 14, 2026 | Open Session

Presenter: Ihsane Mouak

virginia beach

Disclosures (Applicant)

- CEO: Ryan Kletz
- Financing: Towne Bank
- Contractor: Taylor Construction, Convington associates.
- Legal Services: Gregory J. Montero, Esq. Inman & Strickler, PLC
- Property Owner: Kletz Enterprises LLC, DBA – One Hour Heating & Air Conditioning

About the Company

Headquarters: Virginia Beach

Industry: Skilled Trades (HVAC, Electrical, Plumbing)

Operations: 6 offices across 4 states | 40+ years

Business Overview:

- Full – service provider delivering HVAC, electrical, and plumbing services, supported by centralized operations model and acquisition – driven growth strategy.

Scale and Growth:

- ~175 employees nationwide (100 in Virginia Beach)
- ~ $40M annual revenue
- Target: $250M topline revenue within 10 years.
- Virginia Beach Role:

  Serves as the long – term headquarters for operations, leadership, and expansion strategy.

Workforce Development & Training

In-House Skilled Trades Training Program

- Paid, no-cost training for individuals with no prior experience
- Direct pathway into HVAC, electrical, and plumbing careers

Addresses Critical Workforce Shortage

- Targets high – demand skilled trades facing regional labor gap
- Expands local talent pipeline without reliance on external labor markers

High Wage Career Opportunities

- Technicians earning ~ $40,000 to $175,000 + annually
- Clear progression into six figure roles within the organization

Virginia Beach as a Training Hub

Centralized Training and operations based in Virginia Beach. Supports regional workforce development and long-term growth.

Project Overview

- Project type: Headquarters Relocation and Facility Investment
- Current Location: 240 – 306 Clearfield Ave Suite 306B, Virginia Beach, VA
- Headquarters Relocation: Oceana Industrial Park / 2649 Production Road Virginia Beach, VA 23454
- Total Capital Investment: ~ $4,450,000
- Project Timeline : July 1st 2026 – January 1st 2027
- Number of new employees (Full Time) – 20

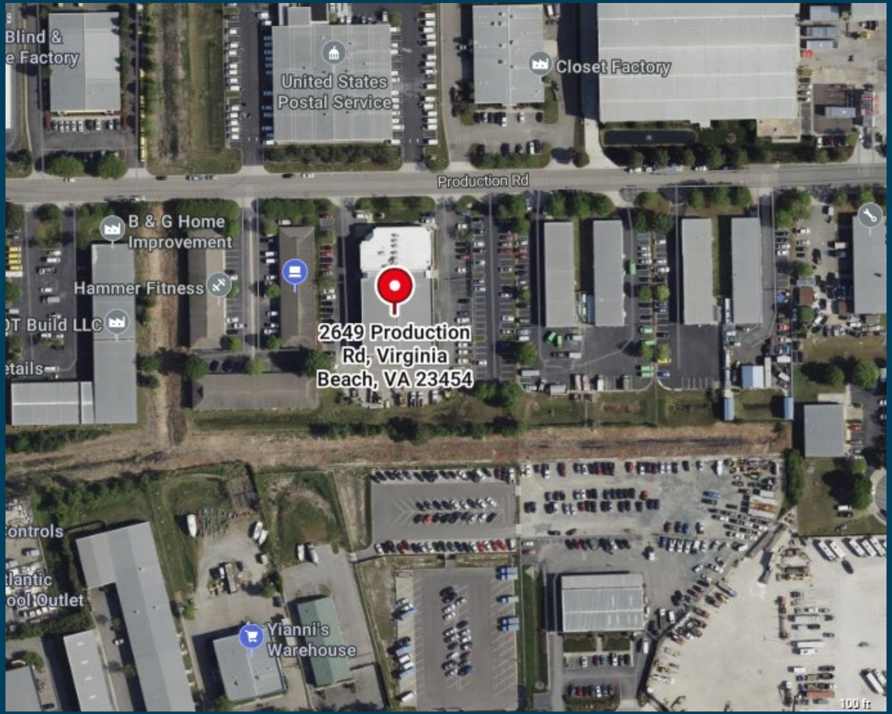
Operational Scope :

- Establishes Long term headquarters presence in Virginia Beach.
- Supports growing multi-state operations (6 offices across 4 states currently).
- Centralizes training, leadership, and administrative functions.

Positions Virginia Beach as the long –term operational and training hub for continued national expansion.

Project Overview

- Current Location: 240 – 306 Clearfield Ave Suite 306B, Virginia Beach, VA
- Headquarters Relocation: Oceana Industrial Park / 2649 Production Road Virginia Beach, VA 23454



Economic Impact

CAPITAL INVESTMENT	AMOUNT
REAL ESTATE	$4,050,000
MACHINERY & TOOLS	$200,000
FF&E	$200,000
TOTAL:	$4,450,000
Qualifying Capital Investment	400,000

Recommendation

Economic Development Investment Program grant, Part A - $16,000

- ✓ Pursuant to “Part A” of the EDIP Policy for Capital Investment

Target industry sector:

- APZ – 1 Conforming Use Expansion Supporting Compatible Industrial Activity
- Workforce Development (In – House Training Model)
- Skilled Trades & Essential Infrastructure services.

Questions?

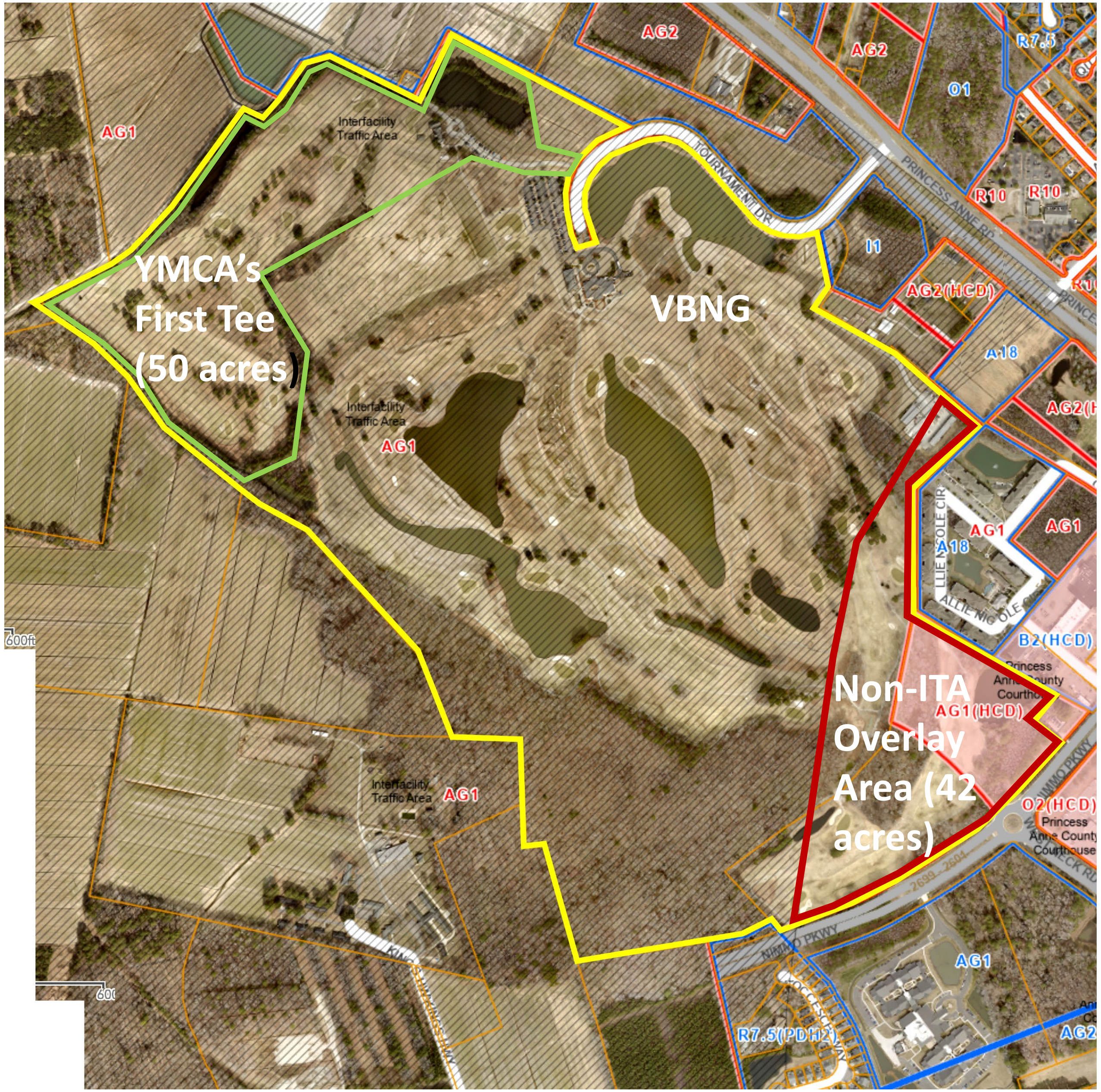
Request for Proposals – Virginia Beach National Golf Club

Emily Archer, Economic Development Acting Director

VBDA, July 14, 2026

2500 Tournament Dr

- Area: 350 Acres
- Uses: An 18-hole, 7,432-yard course designed by Pete Dye for both tournament and public play & the YMCA's First Tee 9-hole youth golf campus and driving range
- Zoned: AG1, ITA Overlay (308 acres), & Courthouse District Overlay (13 acres)
- City Council District: 2
- Assessed value: $13,614/acre ($4.8 Mil)
- Market value estimate: $18,500/acre ($6.5 Mil)



VBNG Overview

- The City of Virginia Beach leased the property to the Virginia Beach Development Authority (VBDA) in 1997 for the development of a Tournament Players Club (TPC) Golf Course and cost participated at $3.5 Mil with TPC for offsite infrastructure and drainage improvements.
- The City of Virginia Beach purchased the course for $4,584,318 in December 2006 from TPC.
- The VBDA and Virginia Beach Golf Club, LLC, entered into a management agreement in 2007, which expires December 2026.
- An Audit was completed on VBNG in October 2023 and detailed numerous items in disrepair. Including:
  - Stormwater facilities inspections that were given “serious” and “degraded” grades
  - Clubhouse with rotting eaves and fascia board along the roofline
  - Mold in the restaurant and rotted baseboards
  - Deteriorating ceiling caused by leaks
  - Non-functioning HVAC unit in the kitchen
- In Spring 2024, VBDA conducted condition assessments, $7.7 Mil in Capital repairs were identified. VBDA appropriated $1.8 Mil of Innovation Park Land Sale proceeds to address Capital Maintenance needs.

Golf Course Background

2005 Aerial

2025 Aerial

VBNG Financial Summary

2007 - 2026	Capital Maintenance Payments (to VBDA)	Operation Payments (to the City)	Profit Sharing Payments (to the City)	Net Balance (VBDA Capital Maintenance balance)	Total Taxes Remitted to City*	Total Operation Payments and Taxes Remitted
Annual 19 Yr Average	$116,635	$117,932	$29,620	$(3,652)	**$92,754**	**$230,543 (19 yr avg)**
Total 2007 - 2026	$2,216,058	$2,240,714	$562,778	$(69,384)	**$1,576,821**	**$4,380,313**

**Total taxes remitted include admissions, personal property, BPOL, sales, and food & beverage*

Per the current operations agreement, the Virginia Beach Golf Club, LLC pays:

- Profit Sharing of 25% of net income over $100,000 – To the City
- Capital Improvement Payment of 5% of gross revenues – To VBDA
- Operations Payment of 5% of gross revenues – To the City

- Virginia Beach Golf Club, LLC is responsible for all maintenance under $5,000 and VBDA is responsible for capital maintenance over $5,000.
- VBDA's portion of capital maintenance receipts is not adequate for the current level of maintenance needed.

RFP Process

- **September 2025** - Following mounting capital expenditures and unsolicited interest from two (2) parties, City Council authorized an RFP
- **October 2025** - RFP widely advertised for 45 days seeking proposals to acquire and maintain a publicly accessible 18-hole course
- **November 2025** - Nine (9) responses received, 4 with a housing component, and 5 for new golf course operations
- **December 2025 to January 2026** – Four (4) shortlisted respondents identified after a Review Committee convened and Council closed briefings, 2 with a housing component and 2 for new golf course operations
- **January to February 2026** - Interviews conducted
- **February 2026** – City Council authorized negotiation of a term sheet with the top-ranking respondent

Dragas Companies Disclosures

PRINCESS ANNE Landing

Century GOLF PARTNERS

Nationwide golf course owner and operator with an extensive portfolio of premier courses including **Walt Disney World Golf**, and rights to the Arnold Palmer Golf Management brand.

- **62 GOLF COURSES OWNED OR MANAGED** INCLUDING PGA WEST
- **100+ PROFESSIONAL EVENTS HOSTED** INCLUDING THE PGA TOUR AMERICAN EXPRESS TOURNAMENT
- **ESTABLISHED 2005**

THE DRAGAS COMPANIES

Nationally acclaimed, local homebuilder with a 58-year track record of building beautiful, amenitized communities of enduring quality, value, and award-winning aesthetics in Virginia Beach and Hampton Roads.

- **63 RESIDENTIAL COMMUNTIES CONSTRUCTED**
- **DECADES OF IMPACTFUL LOCAL CHARITABLE CONTRIBUTIONS AND CIVIC SERVICE**
- **ESTABLISHED 1968**

TIMOTHY LIDDY + ASSOCIATES

International golf course architect who worked hand-in-hand with Pete Dye for nearly three decades, Timothy Liddy brings world-class expertise and design acumen to Virginia Beach.

- **PROTÉGÉ OF PETE DYE FOR 28 YEARS**
- **53 GOLF COURSES DESIGNED OR RENOVATED** INCLUDING 30 PETE DYE COURSES
- **27 GOLF MASTER PLANS**

Dragas Companies Proposal

Ⓐ A vastly improved public golf course

- An estimated $38,160,000 will be invested into the Golf Course
- World-class operations by Century Golf Partners and the redesign shall retain the style of Pete Dye
- 99-year repurchase option retained by the City

Ⓔ 659 mixed-for-sale housing units with over half at or below 120% Area Median Income (AMI)

Ⓓ New childcare facility (1.8 acres)

Ⓕ Woodlands and environmental preservation (45 acres)

- $3.4 Mil estimated in new annual tax revenue per year at stabilization

Golf Course Renovations

- Carefully crafted redesign by Timothy Liddy
- No impact to First Tee
- No homes on fairways or greens

10 HOLES RETAIN PETE DYE'S EXISTING DESIGN

The original front nine and signature 18th hole retain Pete Dye's design and serve as inspiration for the new holes

8 NEW OR MODIFIED GOLF HOLES

A new tee and green complex around holes 12, 13, and 14 is tournament-ready and will offer a unique space for close views of match play from the clubhouse.

Golf Course Proposal

- Projected pricing includes a robust loyalty card program to keep golf affordable and locals engaged
- Unlike now, VB residents will pay no initiation fee or annual dues
- Virginia, non-Virginia and players club card offerings
- Non-membership rates will start at $69 in season and $49 in off-season

		Initiation Fee	Annual Dues	In Season May - Sept
LOYALTY CARDS	Virginia Beach Resident	$0	Free	$79
	Senior Virginia Beach Resident	$0	Free	$69
	Virginia Resident	$0	$99	$79
	Senior Virginia Resident	$0	$49	$69
	Non-Resident	$0	$199	$89
Players Club Card		$0	$440	$49
Military, Police, and Firefighters		$0	$0	$69
Non-Resident Daily Fee		$0	$0	$119

Proposed Housing Types

GARDEN FLATS 168 HOMES

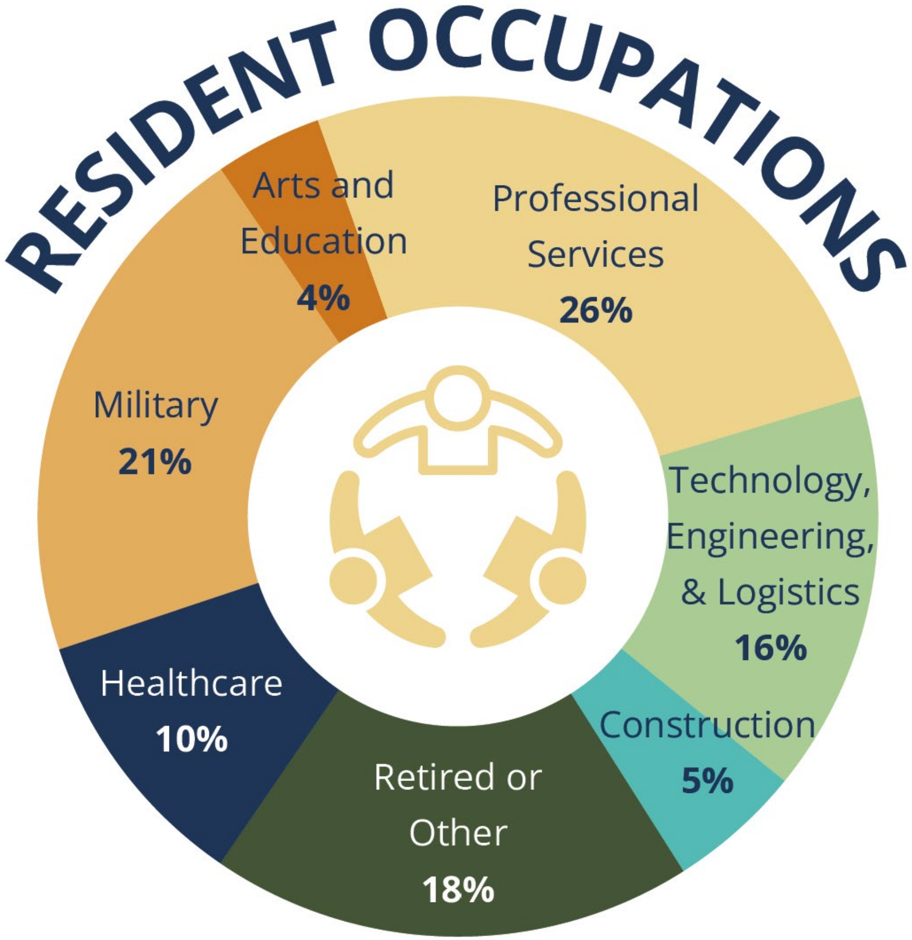
NEO-GEORGIAN TOWNHOMES 107 HOMES

TERRACE HOMES 192 HOMES

GOLF VERANDAS 192 HOMES

Housing Diversity and Attainability

- Housing types meet the diversity and attainability goals outlined for the Courthouse Area in the Comprehensive Plan
- Anticipates that over half of the attainable units will be under 120% of AMI
- At the Developer's nearby Guilford at Spence Crossing community, more than 90% of homeowners earn at or below 100% AMI
- Developer is experienced with the City's rezoning process and is prepared to undertake that process during the due diligence period
- Density will be no higher than the Southern Pines Apartment community adjacent



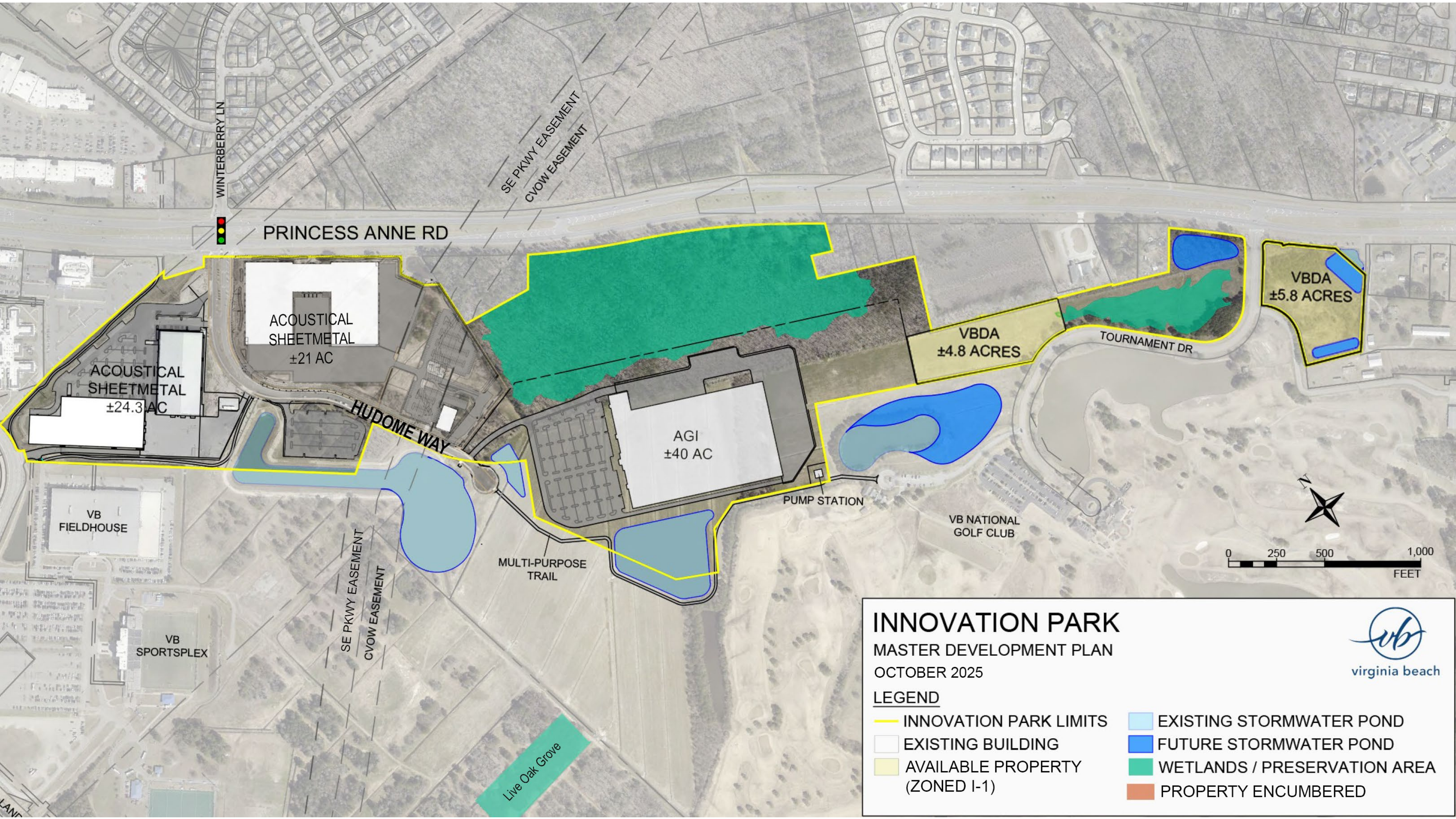
Purchase Terms

- Developer to purchase the property for $17,940,000. Those funds, plus a VBDA contribution of $1,820,000, will be utilized for golf course improvements in addition to $18,400,000 in private investment.
  - Purchase price and VBDA contribution will be placed at closing into an escrow account to be drawn from after verifiable golf course improvement expenses are submitted
  - Several proposals received had a similar purchase structure
- 99-yr repurchase option: The golf course will be subject to a one-time market rate repurchase should the property cease to be used for a public golf course for a period of more than 2 yrs. City has the right to enter and maintain if closed for more than 6 months.

Public Infrastructure & Project Contingency

- City contribution for public infrastructure improvements:
  - $4,300,000 for roadway turn lanes, Tournament Drive streetscape improvements, utility relocation, and a sewer extension
- There are various unknowns at this time related to stormwater, subsurface conditions, and traffic impact
- For that reason, a contingency is being proposed, with the upfront risk being shared between the City and Developer:
  - Developer: $10.2 M or 74%
  - City: $3.6 M or 26%
- Should overages occur requiring use of the developer's contingency, future realized "But For" taxes would be provided in the form of a performance grant for reimbursement (not to exceed $10.2 million).

$3.4 Mil is estimated in real estate taxes per year for this project (avg over 20 yrs)



INNOVATION PARK
MASTER DEVELOPMENT PLAN
OCTOBER 2025
virginia beach
LEGEND
INNOVATION PARK LIMITS
EXISTING BUILDING
AVAILABLE PROPERTY (ZONED I-1)
EXISTING STORMWATER POND
FUTURE STORMWATER POND
WETLANDS / PRESERVATION AREA
PROPERTY ENCUMBERED
PRINCESS ANNE RD
WINTERBERRY LN
SE PKWY EASEMENT
CVOW EASEMENT
ACOUSTICAL SHEETMETAL ±21 AC
ACOUSTICAL SHEETMETAL ±24.3 AC
HUDOME WAY
AGI ±40 AC
VBDA ±4.8 ACRES
VBDA ±5.8 ACRES
TOURNAMENT DR
PUMP STATION
VB NATIONAL GOLF CLUB
MULTI-PURPOSE TRAIL
VB FIELDHOUSE
VB SPORTSPLEX
SE PKWY EASEMENT
CVOW EASEMENT
Live Oak Grove
N
0
250
500
1,000
FEET

Fiscal Impact Summary

	Cap Invest $7.9 M
Revenue	
Sale of Property	$17,940,000
Real Estate	$3.4 Million (avg 20 yr)
BPOL, Trustee Tax (Amusement, Meal, Hotel, etc.)	$75,000 (avg) Childcare & Hotel
Expenditures	
VBDA Investment	$1.82 M
Golf Course Renovations	$17.94 M
Public Infrastructure	$4.3 M
Contingency Cap	Up to $3.6 M
Contingency Reimbursement Grant	Up to $10.2 M*
20 YR Cumulative Fiscal Impact	**$43.2 M**
20 YR NPV	**$18.0 M**

**Future annual "But For" revenue - reimbursing demonstrated overages*

Rate of Return on Public Investment

- Current Rate of Return:

	Public Revenues
1999 Public Investment	$3.5 M
2006 Public Investment	$4.5 M
Total	**$8.0 M**
Cumulative Revenue to date	$4.4 M (City since 2007)
Revenue Less Expenses	($3.6 M)
Payback Year	**2032, assuming no additional capital investment in the golf course**

- Proposal: should all of the contingencies and additional investment be needed, the City Cost Recovery is estimated to be between 2032-2037, assuming an 8-year construction period:

	Infrastructure, Contingency, Grant
Public Infrastructure	$4.3 M
City Contingency Funding	Up to $3.6 M
Contingency Performance Grant	Up to $10.2 M*
Payback Year	**< 10 yrs**

**Future annual "But For" revenue - reimbursing demonstrated overages*

VBDA Future Consideration

A. City Council Vote is 8/11/26 to authorize the City Manager to enter into a purchase agreement (public hearing held 7/7)

B. VBDA will be asked to engage a short-term operator at the expiration of the current management agreement

   i. If City Council approves the sale to Dragas, it will most likely be Century Golf Partners

   ii. If City Council does not approve or defers the sale, three viable responses were received for a short-term operations RFP conducted this spring

C. If the sale is approved, VBDA will also be asked to agree to the termination of its lease with the City and appropriate funds prior to closing

Discussion

Virginia Beach National Golf Club Hot Topics page established for more information and to stay informed

Utility Easement Request

Virginia Natural Gas Easement Request 110 Independence Blvd

City of Virginia Beach Development Authority

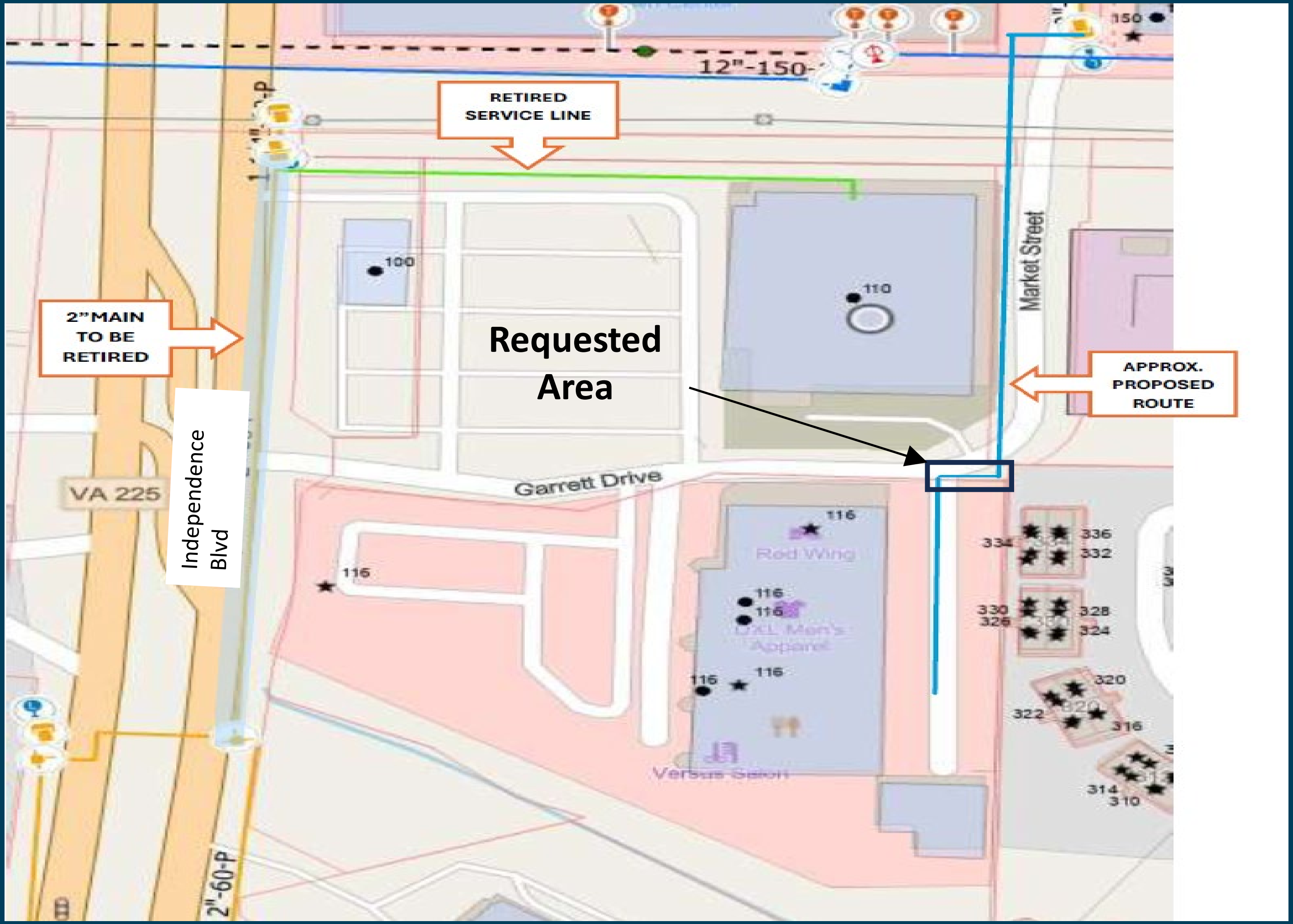
July 14, 2026 | Open Session

Presenter: Pamela Witham

virginia beach

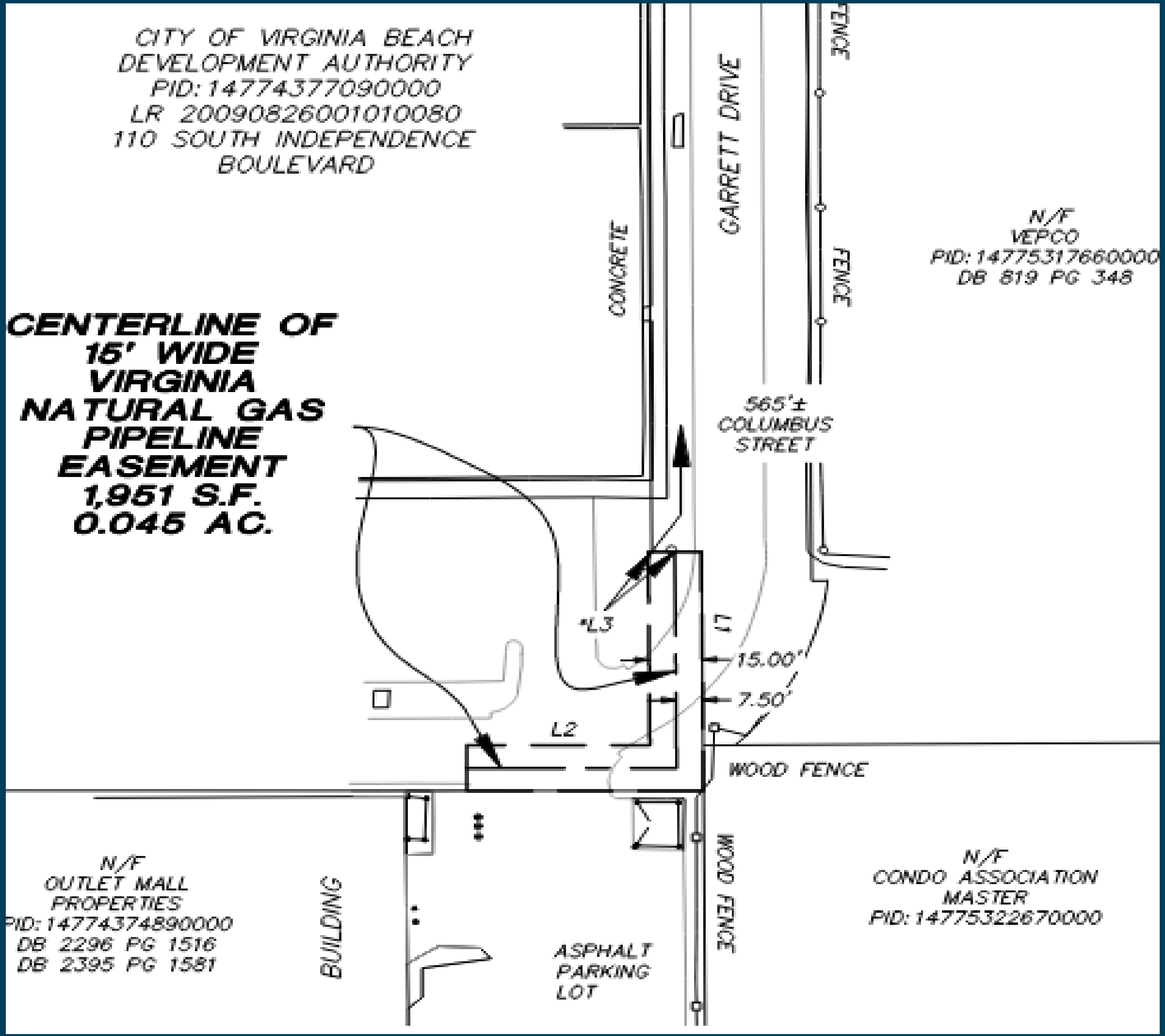
Project Request

- **Virginia Natural Gas is requesting to utilize a 15’ wide easement along the southeast corner of the property. The 2" main is to service their customers located at 116 S. Independence.**



Project Request

- The 2” main will run just outside of the eastern property along Market St as it transitions into Garret St, however, the main will make a 90 degree turn west and cross into the property before continuing south to their customer.
- VNG is requesting a 15’ easement along the eastern and southern edges of the property totaling 1,951 SF for future access and maintenance of their infrastructure.



Considerations

✓ Approve the easement request with the condition that VNG be required to vacate and move the line at their own expense should the area be in conflict with future development

Questions?

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ACAPULKA International Incubator

City of Virginia Beach Development Authority

July 14, 2026 | Open Session

Presenter: Paul Bayer, Business Attraction

Disclosures

- Applicant Name: ACAPULKA
- Parent Company: ACAPULKA
- Directors: Alexander Bierwald
- Legal Services: Wilcox Savage

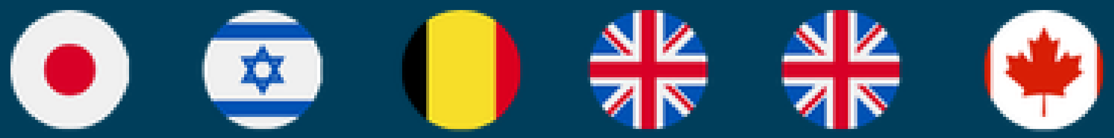
Company Profile

- Headquartered in Norway, with additional manufacturing in Germany
- Connected through NADIC (Norwegian American Defense Industry Council), a Norwegian defense cluster, and met with company at SOF Week in May, 2026
- Manufacturer of pulk sleds, harnesses, transport bags, and glideboard sets
- Manufacturing for multiple branches of the military: Army, Navy, Special Forces
- Establishing initial sales office, with plans to expand to a manufacturing center

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 businesses begin with a smaller U.S. sales office before scaling
- Designed for companies only needing 1 - 2 offices
- 13 total private offices with 7 vacant spaces remaining

Sublease Terms

Private Office Sublease

- U.S. Mailing Address
- One private 1 - 2 person office
- Access to Conference and Shared Rooms
- Payment structure based on private office
  - Months 1 - 6: N/A (no rent)
  - Months 7 - 12: $120.83/month
  - Months 1 - 18: $241.66/month
  - Months 19 - 24: $337.50/month

Recommendation

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

Questions?

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