

RESOLUTION APPROVING THE ASSIGNMENT OF
TDFP PERFORMANCE AGREEMENT BETWEEN
THE CITY OF VIRGINIA BEACH, THE CITY OF
VIRGINIA BEACH DEVELOPMENT AUTHORITY,
AND CAVALIER HOTEL DEVELOPER

WHEREAS, in its 2011 Session, the General Assembly provided a new initiative that allows a qualifying tourism project to receive specified portions of state and local tax monies to provide “gap financing,” as such term is defined in § 58.1-3851.1 of the Code of Virginia (the “Statute”);

WHEREAS, the City Council of the City of Virginia Beach (the “City Council”) has adopted a tourism zone, a tourism plan, and endorsed the Cavalier Project (the “Project”), by ordinance, as required by the Statute;

WHEREAS, the Statute authorizes a local development authority (the “Authority”) to enter into a performance agreement with the Developer wherein the Authority collects the state portion, the local portion, and the access fee and disburses these funds to pay the “gap financing;”

WHEREAS, the entry into the Performance Agreement does not make the debt associated with the Project the debt of the Authority, City or Commonwealth;

WHEREAS, in 2014, the City Council and the Authority each approved the execution of a Performance Agreement associated with the Project related to the redevelopment of the Historic Cavalier Hotel and the development of the Oceanfront Marriott (the “2014 Performance Agreement”);

WHEREAS, in 2017, the City Council and the Authority each approved a modification to the 2014 Performance Agreement to include the development of an Embassy Suites adjacent to the Oceanfront Marriott (the “2017 Performance Agreement”, and collectively with the 2014 Performance Agreement, the “Performance Agreement”);

WHEREAS, the developer parties to the Performance Agreement are Cavalier Associates, LLC, Oceanfront Investments, LLC, Atlantic Coast Development, LLC, and Oceanfront South, LLC (collectively, the “Developer Parties”);

WHEREAS, the Developer Parties have approached the City and the Authority and requested approval to assign the Developer Parties’ interest in the Performance Agreement to affiliates of Wheelock Street Capital LLC as a part of a sale of the Historic Cavalier, the Oceanfront Marriot, the Embassy Suites and assorted amenities including the Oceanfront Beach Club;

WHEREAS, the requested consent to assignment would not increase the financial commitment of the Commonwealth, the City or the Authority nor are any other terms of the Performance Agreement to be amended; and

WHEREAS, the Authority is of the opinion that the sale of the Cavalier complex would promote the continued operation of those amenities in Virginia Beach to the benefit of the tourism industry and the overall economy of Virginia Beach and the Commonwealth of Virginia.

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

1. The City of Virginia Beach Development Authority hereby consents to the assignment of the Developer Parties' interest in the Performance Agreement to Wheelock Street Capital LLC, or affiliates thereof, so long as such assignment is also approved or endorsed by the City Council and the Commonwealth of Virginia as required by the Statute;

2. The appropriate officers of the Authority are authorized to execute and deliver such documents as necessary to evidence the consent to assignment, so long as such document is in a form acceptable to the Chair or Vice-Chair and the City Attorney.

Adopted this 12th day of May, 2026, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: Signed by David Weiner
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:

Signed by Emily Archer
Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:

Signed by Alexander Stiles
City Attorney

A RESOLUTION APPROVING THE PROVISION
OF \$800,000 IN ECONOMIC DEVELOPMENT
INVESTMENT PROGRAM FUNDS TO
GLOBALINX DATA CENTER, LLC

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

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

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

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

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

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

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

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

WHEREAS, the Department of Economic Development (the "Department"), acting on behalf of the Authority, has induced Globalinx data center, LLC, a Virginia limited liability company (the "Recipient"), to expand its operation to 1632 & 1672 Corporate Landing Parkway, Virginia Beach, Virginia 23454 (the "Property");

WHEREAS, the inducement includes an agreement to recommend the award to Recipient, or affiliated entity, of \$800,000 in EDIP funds to underwrite a portion of costs associated with the expansion of Recipient's operation at the Property;

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

- (a) Tax Revenues: The net amount of direct tax revenues returned to the City as a result of the Recipient's operation will exceed the amount of EDIP Funds provided in thirty-six (36) months; and/or
- (b) Capital Investment: For every One Dollar (\$1.00) of EDIP funds received, Recipient shall make a new capital investment of at least \$25.00; with the maximum award for this criteria to be limited to \$787,000 of the \$800,000 total award; and
- (c) Employment Opportunity (Tier 1): For every One Thousand Dollars (\$1,000) of EDIP funds received, Recipient will create and/or retain one (1) New Job or Retained Job (as defined in the EDIP policy) in its operation with an average salary between \$69,900 and \$98,599, excluding benefits, with the maximum award for this criteria to be limited to \$7,000 of the \$800,000 total award; and
- (d) Employment Opportunity (Tier 2): For every Three Thousand Dollars (\$3,000) of EDIP funds received, Recipient will create and/or retain one (1) New Job or Retained Job (as defined in the EDIP policy) in its operation with an average salary of at least \$98,600, excluding benefits, with the maximum award for this criteria to be limited to \$6,000 of the \$800,000 total award.

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

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

(ii) For \$787,000 of the award: for every one dollar (\$1.00) in EDIP funds provided, Recipient will spend at least twenty-five and 00/100 dollars (\$25.00) in new capital investment, and

(iii) For \$7,000 of the award: for every One Thousand Dollars (\$1,000) in EDIP funds provided, the Recipient will create and/or retain at least one (1) New Job or Retained Job (as

defined in the EDIP policy) in its operation with an average salary between \$69,600 and \$98,599, excluding benefits; and

(iii) For \$6,000 of the award: for every Three Thousand Dollars (\$3,000) in EDIP funds provided, the Recipient will create and/or retain at least one (1) New Job or Retained Job (as defined in the EDIP policy) in its operation with an average salary of at least \$98,600, excluding benefits.

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

1. That the Authority hereby finds:

- (a) that the provision of \$800,000 in EDIP funds to Globalinx data center, LLC, a Virginia limited liability (the “Recipient”) will primarily serve the valid public purpose of fostering and stimulating economic development in the City; and
- (b) that the provision of the EDIP funds is in furtherance of the purposes for which the Authority was created; and
- (c) that it is unlikely the Recipient would expand its operation within the City without the stimulus of the EDIP award.

2. That the Authority hereby further finds that, based on the direct benefits to the City of Virginia Beach and its citizens resulting from the capital investment and employment opportunities to be generated by the Recipient as a result of its proposed expansion of its operation in Virginia Beach, the provision of \$800,000 in EDIP funds to the Recipient will only incidentally enure to the benefit of private interests.

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

4. That based on these findings, the Authority hereby approves the provision of \$800,000 in EDIP funds to the Recipient to underwrite a portion of the costs associated with the expansion of the Recipient’s operation in Virginia Beach, with \$787,000 of the award to be based on capital investment and \$13,000 based on creation and/or retention of new employment opportunities.

5. That disbursement of EDIP Funds by the Authority shall be at the discretion of the Director of the Department of Economic Development of the City of Virginia Beach or his designee (the “Director”), who shall be authorized to require appropriate verification as to qualifying expenditures.

6. That disbursement of EDIP funds to the Recipient shall be on a pro-rata reimbursement basis upon presentation of original receipts for qualifying expenditures to the Director with not more than \$787,000 to be disbursed for capital investment and not more than \$13,000 to be dispersed for creation of employment opportunities. At the sole discretion of the Director, disbursement may not be prior to the completion of the Employment Opportunity Performance Criteria. Disbursement of EDIP funds shall be from time to time, but not more frequently than once per month, until fully expended.

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

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

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

10. The Authority may terminate this award and decline to pay any unpaid funds if the recipient has not requested the full \$800,000 within thirty-six (36) months of the date of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

Adopted this 12th day of May, 2026, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: Signed by David Weiner
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:

Signed by Emily Archer
Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:

Signed by Alexander Stiles
City Attorney

A RESOLUTION APPROVING THE PROVISION
OF \$45,820 IN ECONOMIC DEVELOPMENT
INVESTMENT PROGRAM FUNDS TO
SUBSEA CRAFT, INC.

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

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

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

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

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

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

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

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

WHEREAS, the Department of Economic Development (the "Department"), acting on behalf of the Authority, has induced SubSea Craft, Inc., a Virginia corporation, or related entity (the "Recipient"), to expand its operation at 2517 Squadron Court, Virginia Beach, Virginia 23453 (the "Property");

WHEREAS, the inducement includes an agreement to recommend the award to Recipient, or affiliated entity, of \$45,820 in EDIP funds to underwrite a portion of costs associated with the expansion of Recipient's operation at the Property;

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

- (a) Tax Revenues: The net amount of direct tax revenues returned to the City as a result of the Recipient's operation will exceed the amount of EDIP Funds provided in thirty-six (36) months; and/or
- (b) Capital Investment: For every One Dollar (\$1.00) of EDIP funds received, Recipient shall make a new capital investment of at least \$25.00; with the maximum award for this criteria to be limited to \$18,820 of the \$45,820 total award; and
- (c) Employment Opportunity (Tier 1): For every One Thousand Dollars (\$1,000) of EDIP funds received, Recipient will create and/or retain one (1) New Job or Retained Job (as defined in the EDIP policy) in its operation with an average salary between \$69,900 and \$98,599, excluding benefits, with the maximum award for this criteria to be limited to \$6,000 of the \$45,820 total award; and
- (d) Employment Opportunity (Tier 2): For every Three Thousand Dollars (\$3,000) of EDIP funds received, Recipient will create and/or retain one (1) New Job or Retained Job (as defined in the EDIP policy) in its operation with an average salary of at least \$98,600, excluding benefits, with the maximum award for this criteria to be limited to \$21,000 of the \$45,820 total award.

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

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

(ii) For \$18,820 of the award: for every one dollar (\$1.00) in EDIP funds provided, Recipient will spend at least twenty-five and 00/100 dollars (\$25.00) in new capital investment, and

(iii) For \$6,000 of the award: for every One Thousand Dollars (\$1,000) in EDIP funds provided, the Recipient will create and/or retain at least one (1) New Job or Retained Job (as

defined in the EDIP policy) in its operation with an average salary between \$69,900 and \$98,599, excluding benefits; and

(iii) For \$21,000 of the award: for every Three Thousand Dollars (\$3,000) in EDIP funds provided, the Recipient will create and/or retain at least one (1) New Job or Retained Job (as defined in the EDIP policy) in its operation with an average salary of at least \$98,600, excluding benefits.

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

1. That the Authority hereby finds:

- (a) that the provision of \$45,820 in EDIP funds to SubSea Craft, Inc., a Virginia corporation, or related entity (the “Recipient”) will primarily serve the valid public purpose of fostering and stimulating economic development in the City; and
- (b) that the provision of the EDIP funds is in furtherance of the purposes for which the Authority was created; and
- (c) that it is unlikely the Recipient would expand its operation within the City without the stimulus of the EDIP award.

2. That the Authority hereby further finds that, based on the direct benefits to the City of Virginia Beach and its citizens resulting from the capital investment and employment opportunities to be generated by the Recipient as a result of its proposed expansion of its operation in Virginia Beach, the provision of \$45,820 in EDIP funds to the Recipient will only incidentally enure to the benefit of private interests.

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

4. That based on these findings, the Authority hereby approves the provision of \$45,820 in EDIP funds to the Recipient to underwrite a portion of the costs associated with the expansion of the Recipient’s operation in Virginia Beach, with \$18,820 of the award to be based on capital investment and \$27,000 based on creation and/or retention of new employment opportunities.

5. That disbursement of EDIP Funds by the Authority shall be at the discretion of the Director of the Department of Economic Development of the City of Virginia Beach or his designee (the “Director”), who shall be authorized to require appropriate verification as to qualifying expenditures.

6. That disbursement of EDIP funds to the Recipient shall be on a pro-rata reimbursement basis upon presentation of original receipts for qualifying expenditures to the Director with not more than \$18,820 to be disbursed for capital investment and not more than \$27,000 to be dispersed for creation of employment opportunities. At the sole discretion of the Director, disbursement may not be prior to the completion of the Employment Opportunity Performance Criteria. Disbursement of EDIP funds shall be from time to time, but not more frequently than once per month, until fully expended.

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

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

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

10. The Authority may terminate this award and decline to pay any unpaid funds if the recipient has not requested the full \$45,820 within thirty-six (36) months of the date of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

Adopted this 12th day of May, 2026, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: Signed by David Weiner
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:

Signed by Emily Archer
Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:

Signed by Alexander Stiles
City Attorney

A RESOLUTION APPROVING MODIFICATION
OF THE TERMS OF THE SALE OF
APPROXIMATELY 4.53 ACRES OF PROPERTY
LOCATED IN THE CORPORATE LANDING
BUSINESS PARK TO ARSENICK ACRES, LLC

WHEREAS, the City of Virginia Beach Development Authority (the "Authority") is the owner of land located in the Corporate Landing Business Park in Virginia Beach, Virginia; and

WHEREAS, on March 15, 2022 the Authority adopted a resolution authorizing the sale of approximately 4.53 acres of land at Corporate Landing, now designated as GPIN: 2415-10-6269-0000 and shown as Parcel 6C-A-2 on Exhibit A attached hereto (the "Property") to Zero Point, Inc., a Virginia corporation (the "2022 Resolution");

WHEREAS, pursuant to the 2022 Resolution, the Authority and Arsenick Acres, LLC, an entity formed by the principals of Zero Point, Inc. to acquire the Property (the "Purchaser"), entered into a purchase agreement dated July 11, 2023 (the "Purchase Agreement");

WHEREAS, the Purchase Agreement contained certain milestones for the commencement of construction that were not met due to financing and other unforeseen challenges experienced by Purchaser;

WHEREAS, Purchaser has requested that the Authority consent to the amended terms as set forth on Exhibit A, attached hereto; and

WHEREAS, the Authority is of the opinion that agreeing to amend the terms as requested would promote the development of the Property as proposed by Purchaser in a manner consistent with the goals of the Authority.

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

The Chair or the Vice Chair of the Authority is hereby authorized to execute and deliver an amendment to the Purchase Agreement with the Purchaser for the purchase of the Property on the amended terms outlined on Exhibit B, and such other terms, conditions and modifications as may be satisfactory to and approved by the Chair or the Vice Chair, the Director of the City of Virginia Beach Department of Economic Development and the City Attorney.

[SIGNATURES ON FOLLOWING PAGE]

Adopted this 12th day of May, 2026, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: Signed by David Weiner
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:

APPROVED AS TO LEGAL
SUFFICIENCY:

Signed by Emily Archer
Economic Development

Signed by Alexander Stiles
City Attorney

EXHIBIT B
AMENDED TERMS

Outside Closing Date: Extended to December 31, 2026.

Outside Construction Commencement Date: If construction does not commence by December 31, 2027 Authority to have right to reacquire property for purchase price paid.

Outside Construction Completion Date: If construction is not complete by December 31, 2029, Authority to have right to reacquire property for current value of the Property.

Except as set forth above, all terms and conditions to Purchase Agreement remain unchanged.