



City of Virginia Beach Development Authority 2025-2026 Annual Report to City Council

Chair: Lisa M. Murphy

Date: August 11, 2026

Executive Summary

During the fiscal year covering the period of July 1, 2025 – June 30, 2026, the Virginia Beach Development Authority (VBDA) members and liaisons:

- Met 12 times during the fiscal year.
 - An annual meeting was held September 9, 2025, to elect officers and review annual business.
- Held two additional events:
 - December 10, 2025, the annual VBDA Holiday Party provided an opportunity for members of the VBDA to connect with the Virginia Beach business community and reflect on the impact of programs like the Economic Development Incentive Program and Façade Improvement Grant. Attendees, also including City staff, engaged in productive discussions about future projects and economic development initiatives. For the first time since it's completion the event was held at The Dome by Rutter Mills – showcasing a major development project supported by the VBDA.
 - On May 8, 2026, the inaugural VBDA Taste of the Vibe Tour was held, in conjunction with International Economic Development Week, and brought together Virginia Beach businesses, key stakeholders, and partners across multiple sectors. This event was created to offer a unique, curated food and beverage experience and an inside look to local small businesses. The day concluded with a celebratory block party that featured a Proclamation acknowledging International Economic Development Week presented by Mayor

Dyer and a donation of \$5,000 was presented to both the Creative Well Arts Foundation and the Virginia Beach Community Development Corporation from the event's proceeds.

Mission Statement

The VBDA was established by the Virginia General Assembly in 1964 as a component, but legally separate unit, of the City of Virginia Beach (City). The VBDA facilitates the expansion of the tax base by incentivizing through a variety of programs aimed at recruiting, expanding, and enhancing existing businesses and facilitating job creation. This mission is carried out with an emphasis on vision, innovative leadership, participation in local and regional business development activities, and fostering a positive local, regional, national, and international view of the City as a location for business development and growth.

Our most significant accomplishments are detailed below, along with recommendations for your consideration.

Accomplishment of Goals and Objectives

Over the past fiscal year, the agency, through its appointed volunteers and its liaisons, worked on the following key matters in furtherance of its mission:

1. Economic Development Investment Program (EDIP)

The City's Economic Development Investment Program (EDIP) is a locally funded discretionary incentive program available to assist qualifying companies with their growth needs in Virginia Beach. The VBDA has administered the EDIP on behalf of City Council since 1994. The EDIP provides cash grants to eligible companies based on the average annual salary and number of new jobs created, and/or new capital investment made over a specified period. In fiscal year 2025-2026, the VBDA awarded 9 EDIP grants totaling \$2,289,860 resulting in an anticipated \$107,774,677 new capital investment in our City.

- a. Through these projects, 363 jobs will be created, and 807 jobs will be retained.
- b. The EDIP awards were:
 - i. SubSea Craft (District 5) a maritime technology company from the United Kingdom, was awarded a \$45,820 EDIP to locate in Virginia Beach and establish their first U.S. operations center. As part of the expansion, the company will be hiring 13 new jobs with an average annual salary of over \$119,000.
 - ii. Batten University, FKA, Virginia Wesleyan University (District 4) was awarded a \$155,000 EDIP to relocate the Sentara College of Health

Sciences to Virginia Beach. This expansion supports workforce development in the critical area of nursing and healthcare, with plans to grow the student offering and annual capacity, to create a strong pipeline of employees for our region.

- iii. Groundworks (District 5) received \$309,800 to support a 23,000-square-foot office expansion at Corporate Landing, leveraging a \$3,870,000 investment, retaining 543 jobs and creating 75 new positions with an average salary of \$114,866.
- iv. GovSolutions (District 5) received \$193,000 for a 30,000-square-foot warehouse and light manufacturing facility, tied to a \$4,650,000 investment, retaining 26 jobs and creating 55 new jobs at an average salary of \$49,772.
- v. TST Defense (District 5) was awarded \$508,000 to construct a 20,000-square-foot warehouse and 15,000-square-foot office, supporting a \$7,075,000 investment, retaining 150 jobs and creating 135 new jobs with an average salary of \$88,222.
- vi. OneSpace Architects (District 9) received \$12,240 to renovate 1,834 square feet in a newly purchased building on a 1.9-acre site, supporting a \$2,517,000 investment and creating 12 new jobs with an average salary of \$60,454.
- vii. PT2Go (District 8) was awarded \$36,000 to renovate 5,800 square feet within a newly purchased 10,000-square-foot building on South Independence Boulevard, linked to a \$2,350,000 investment, retaining 23 jobs and creating 16 new jobs with an average salary of \$74,438.
- viii. Globalinx (District 6) received \$800,000 to support a 53,000-square-foot campus expansion in Corporate Landing, backed by a \$34.5 million investment, retaining 4 jobs and creating 20 new jobs with an average annual salary of \$100,313.
- ix. Hourigan (District 4) was awarded \$75,000 to support the expansion and consolidation of multiple divisions into a regional facility in Virginia Beach, representing a total investment of \$2,628,177 and the creation of 12 new jobs.

2. Façade Improvement Grant (FIG) Program:

The FIG program is a 50% matching grant program that supports small, locally owned and operated businesses, non-profits, and organizations. Grant funding is for significant exterior building improvements, which enhances the overall appearance and attractiveness of the businesses. Overall, these enhancements and improvements add to the economic prosperity of the city. Improvements must be completed within six months. The VBDA awarded the following 14 grants totaling \$112,255, which resulted in \$453,527 in capital investment for façade improvements throughout Virginia Beach:

- i. Rudees on the Inlet, LLP: \$10,000 (District 5)
- ii. KinderKidz Learning Center, LLC: \$10,000 (District 10)
- iii. Eco Lux Hair & Nail Spa: \$2,509 (District 6)
- iv. 17th Street Automotive: \$4,850 (District 6)
- v. Kingcuts, LLC: \$3,473 (District 5)
- vi. FJ Beauty Studios & Academy: \$8,150 (District 7)
- vii. Montessori Children's House III: \$8,611 (District 3)
- viii. Green Cat, LLC: \$10,000 (District 6)
- ix. Robins Consulting, PLLC: \$10,000 (District 3)
- x. Coastal Virginia Collective Realty, LLC: \$8,573 (District 9)
- xi. Law Offices of Daniel J. Miller: \$10,000 (District 3)
- xii. Virginia Asset Group: \$10,000 (District 3)
- xiii. Atlantic Veterinary Center: \$10,000 (District 2)
- xiv. Virginia Beach Neptune Festival: \$7,974 (District 3)

3. Atlantic Avenue Grant (AAG) Program:

The AAG program is a new 50% matching grant program, limited to the 25-26 year, that was requested by City Council to support businesses and property owners located along Atlantic Avenue from 2nd Street to 40th Street. Grant funding is for significant exterior building and outdoor dining improvements, which enhances the overall appearance and attractiveness of the businesses. These enhancements and improvements add to the overall economic prosperity of the city. Improvements must be completed within twelve months. The VBDA awarded the following five grants totaling \$102,833, which resulted in \$216,106 in capital investment for façade improvements along Atlantic Avenue:

- i. The Cutty Sark: \$23,750 (District 6)
- ii. The Oceanfront Inn: \$10,608 (District 6)
- iii. Hilton Virginia Beach Oceanfront: \$25,000 (District 6)
- iv. The Shack on 8th: \$18,475 (District 5)
- v. Four Points by Sheraton Virginia Beach Oceanfront: \$25,000 (District 5)

4. EDIP Part F Small Business Grant

In 2025 the VBDA reallocated emergency COVID funds into the EDIP Part F – Small Business Grant. The program seeks to increase access to funding for historically underserved and marginalized small businesses in Virginia Beach, focusing on women, minority-owned, veteran, and service-disabled veteran-owned businesses.

- i. All awards were distributed in FY25-26, with full participation totaling \$144,811 across 17 small businesses (including women-, minority-,

veteran-, and service-disabled veteran-owned). The program is currently paused and expected to resume by late 2026.

5. Site Readiness

Staff are Increasing effort to pursue site readiness grants on behalf of the VBDA, including the following:

Virginia Business Ready Sites Program (VBRSP)

- In June 2026, staff applied to the VEDP's Virginia Business Ready Sites Program (VBRSP) on behalf of VBDA for a 59-acre private site near Oceana zoned I-2. The goal is to prepare the site for industrial uses such as advanced manufacturing, defense, and aerospace. This competitive statewide grant decision will be announced in late October, with a comprehensive update to follow.

Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund (VBAF)

- In October 2025, staff submitted an application for the Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund (VBAF) Site Remediation Grant Program on behalf of the VBDA. The VBAF program provides funding to address environmental remediation challenges at brownfield sites. The application requested \$500,000 to support remediation activities at the former DHL Sports Complex property in the Burton Station Strategic Growth Area. While the application was not selected for funding the effort positioned the Authority to support similar opportunities.

6. International Incubator:

VBDA maintains office space which is available on a short-term basis to international companies establishing a presence in U.S., with the intent to incentivize and support their long term here in the City. This year, VBDA welcomed 4 new tenants to its International Incubator:

- i. SubSea Craft (United Kingdom, Defense)
 - ii. Luna's Light International Sourcing (Taiwan, Logistics)
 - iii. Optii Corporation (Canada, Defense)
 - iv. Mehrer Compression PA (Germany, Advanced Manufacturing)
- Due to the interest generated for the International Incubator, 2 additional offices were added, creating more capacity for tenants. The total space now includes 13 private offices, 2 collaboration suites, and a remodeled conference room.
 - Additionally, a new membership lease option was added to reach international businesses at all stages of growth.

7. VBDA Assets:

- a. The DOME by Rutter Mills
 - i. A new 70,000-sq. ft. venue at Atlantic Park located in the Central Resort Area of Virginia Beach officially opened on May 4, 2025, with 62 shows scheduled from July 1, 2025 through June 30, 2026. The venue features an indoor capacity of 3,500 and a total capacity of 5,000 when incorporating outdoor areas.
 - ii. From July 1, 2025 through June 30, 2026, the Dome by Rutter Mills has generated \$137,013 in revenue towards capital maintenance and \$120,451 in operating income.
 - iii. The Virginia Beach Amphitheater celebrated its 29th season in 2025 by holding 26 shows generating \$2.4M in rent and taxes. Since 1996, the Amphitheater has provided performances for more than 8M attendees and generated more than \$43.9M in direct revenue for the City.
 - iv. The VBDA committed over \$416,000 to the Virginia Beach Amphitheater in FY 2025-2026 to assist in capital improvements, which included increased parking for patrons, installation of a walk-in cooler within the VIP Area, additional HVAC units in the artists' wing, and stage lighting replacement to modern LEDs. In addition, all improvements enhanced the artist and guest experience significantly.
- b. The Virginia Beach National Golf Course generated more than \$351,625 of total income to the City from the facility in addition to the taxes generated, which were paid to support basic City services. The VBDA also received management fees of more than \$233,773 to fund capital repairs and maintenance to the facility.
 - i. The VBDA invested more than \$533K in the Virginia Beach National Golf Course within the last year. The exterior and interior improvements range from roof renovations to the replacement of flooring, new paint, new windows, rental furniture for the restaurant, and doors. These improvements have increased event rentals and improved guest experience at the Golf Course.

8. Ribbon Cuttings and Ground Breakings

- a. BMK Ventures, Inc., a growing defense and medical technology company, broke ground on its new corporate headquarters in Corporate Landing Business Park on November 7, 2025. The company was previously awarded an EDIP to expand their operations in the City.
- b. Trader Joe's opened in block 16 of Town Center with a ribbon-cutting on December 19, 2025. The project was supported by a redevelopment Part B EDIP incentive. The redevelopment included a Golf Galaxy, which opened its doors in mid-October 2025.

Membership and Attendance (Attached Separately)

Financial Report (Attached Separately)

Goals and Objectives for FY26-27

Continued outreach and marketing initiatives identified by our targeted key industries as listed below.

- Key Industries:
 - Defense & Aerospace
 - Technology & Innovation
 - Renewable Energy
 - Advanced Manufacturing
 - Uncrewed Systems
 - Professional Services
- The HIVE/Small Business & Entrepreneurship
- Innovation Park Expansion
- FIG Grant
- Attainable Workforce Housing Performance Grant—In FY25-26, the VBDA will work with the Department of Housing & Neighborhood Preservation to administer the newly created Attainable Workforce Grant Program on behalf of the City Council by reviewing and disbursing City-Council approved grants for attainable housing development in the City.

Recommendations to City Council

Continued consideration of adoption of the draft Innovation Park Master Plan into the 2025 Comprehensive Plan to support the Authority's goal of expanding Innovation Park for business retention and expansion, as well as continuing to support and advance the strategic economic growth and development for the City of Virginia Beach. A letter of support is attached to this document.

Closing

Should you have any questions or desire a formal City Council briefing from our agency, please contact Chair Lisa M. Murphy at lmurphy@wilsav.com, Emily Archer at earcher@vbgov.com or Paige Fox at PMcgraw@vbgov.com.

ANNUAL REPORT

The VBDA awarded **9** Economic Development Incentive Program grants totaling **\$2,289,860**, inducing:



\$107.8M
in capital investment from EDIP



807
Jobs Retained



363
Jobs Created

FEATURED PROJECTS



1 SUBSEA COLOCATION FACILITY

Globalinx (District 5) received **\$800,000** to support a **53,000-square-foot** campus expansion in Corporate Landing, backed by a **\$34.5 million** investment, retaining 4 jobs and creating 20 new jobs with an average annual salary of \$100,313.

2 TST TACTICAL DEFENSE SOLUTIONS

TST Defense (District 5) was awarded **\$508,000** to construct a **20,000-square-foot** warehouse and **15,000-square-foot** office, supporting a **\$7,075,000** investment, retaining 150 jobs and creating 135 new jobs with an average salary of \$88,222.

INTERNATIONAL INCUBATOR

SOFT LANDING SPACE

Due to growing interest, **2** offices were added, now totaling **13** private offices, **2** collaboration suites, and **1** remodeled conference room. The International Incubator welcomed **4** new tenants.



Subsea Craft, a UK maritime defense manufacturer specializing in autonomous surface vehicles. They have since expanded into their own light industrial facility.



Luna's Light, a Taiwanese CMMC machining parts manufacturer



Optii Corporation, a Canadian optics company specializing in passive radio frequency detection



Mehrer Compression, a German manufacturer specializing in gas compression

INFRASTRUCTURE GRANTS

1 FAÇADE IMPROVEMENT GRANT (FIG)

Matching grants to small, locally-owned businesses for exterior improvements, enhancing overall appearance and vitality of the city.

 **14**
businesses awarded

 **\$453,527**
in private investment

 **\$112,255**
total funds granted

2 ATLANTIC AVENUE GRANT (AAG)

New matching grant program for businesses and property owners located along Atlantic Avenue for significant exterior building and outdoor improvements.

 **5**
businesses awarded

 **\$216,106**
in private investment

 **\$102,833**
total funds granted

ENTERTAINMENT ASSETS

1 THE DOME BY RUTTER MILLS

 **52**
live shows
(July 2025 - June 2026)

 **\$120,451**
generated in operating income

2 THE AMPHITHEATER

 **26**
live shows in 29th season

 **\$2.4 M**
generated in revenue

BMK VENTURES GROUNDBREAKING

BMK Ventures, Inc. (District 5), a growing defense and medical technology company, broke ground on its new corporate headquarters in Corporate Landing Business Park on November 7, 2025. The company was previously awarded an EDIP grant to expand their operations in the City.

EXPANSION HIGHLIGHT

