

RESOLUTION APPROVING AN AMENDMENT
TO THE TERM SHEET RELATING TO THE
REDEVELOPMENT OF PEMBROKE MALL

WHEREAS, Pembroke Square Associates, LLC, a Virginia limited liability company (“Developer”) owns approximately 29 acres of the Pembroke Mall complex (the “Mall”) and has developed a multi-phased plan to transform the majority of the Mall into a new mixed-use, multi-level development with senior housing, a hotel, apartments, structured parking, and retail (the “Project”);

WHEREAS, Developer proposes that the City, through the City of Virginia Beach Development Authority (the “Authority”), acquire a 582+/- space parking garage as part of Phase II (the “Phase II Garage”) and a 209+/- space parking garage as part of Phase III (the “Phase III Garage”) and collectively, the “Garages”). All other elements of the Project would be privately owned;

WHEREAS, on July 3, 2024 and July 16, 2024, City Council and the Authority each respectively approved a term sheet reflecting the rights and responsibilities of the parties for the development of the Project (the “Term Sheet”) and authorized the development of the definitive project documents (the “July 2024 Approval”);

WHEREAS, in addition to the actual design and construction cost of the Garages, the Authority agreed to pay up to \$2,750 for each space for construction loan interest attributable to the construction of the Phase II or Phase III Garage, as applicable;

WHEREAS, the Developer has also requested the establishment of a special service district (“SSD”) similar to that at Town Center, which would be established by separate action of City Council;

WHEREAS, the parties anticipated requesting City Council establish the initial rate of the SSD at \$.045 per \$100 of assessed value of real estate;

WHEREAS, given changes in interest rates, the amount of construction loan interest anticipated to be applicable to each of the Garages has increased since July 2024, and the Developer has requested an increase in the maximum amount of construction loan interest attributable to each parking space acquired by \$1,720 for a total of \$4,470 interest per space;

WHEREAS, to finance these increased costs, the parties have agreed to request that City Council consider an increase to the initial rate of the SSD to \$0.47 per \$100 of assessed value of real estate;

WHEREAS, staff and Developer have revised the Term Sheet to reflect the amended terms, as shown on Exhibit A attached hereto (the “Amended Term Sheet”);

WHEREAS, the obligations of the Authority outlined in the Amended Term Sheet would be supported by a support agreement between the City and the Authority (the “Support Agreement”);

WHEREAS, the Support Agreement obligations would be structured to be paid, subject to annual appropriation, using real estate taxes generated at the Project, with the proposed SSD funds serving as an initial backstop for any shortfalls;

WHEREAS, the City Council will consider approval of the Amended Term Sheet at its February 18, 2025 meeting;

WHEREAS, the Authority finds that the Project will stimulate the City's economy, increase public revenues, enhance public amenities and further the City's development objectives for the Pembroke area of the City; and

WHEREAS, the Authority, subject to the subsequent approval by City Council, desires to authorize the execution of definitive project documents in substantial conformity with the terms outlined in the Amended Term Sheet, including, but not limited to a development agreement and the Support Agreement (collectively, the "Definitive Project Documents").

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

1. That Authority hereby approves the Amended Term Sheet between the Authority and the Developer, a copy of which is attached hereto as Exhibit A and made a part hereof.
2. That the Authority authorizes the execution of the Definitive Project Documents so long as such documents are in substantial conformity with the terms set forth in the Amended Term Sheet and such other terms, conditions or modifications as may be acceptable to the Chair and City Manager, and in a form deemed satisfactory by the City Attorney.
3. The Authority's approvals set forth in this Resolution shall not be effective unless and until the City Council adopts a Resolution approving the Amended Term Sheet and the Definitive Project Documents.

Adopted this 11th day of February, 2025, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

APPROVED AS TO CONTENT:



Economic Development

By: 

Secretary/Assistant Secretary

APPROVED AS TO LEGAL
SUFFICIENCY:



City Attorney

EXHIBIT A

PEMBROKE MALL REDEVELOPMENT

AMENDED TERM SHEET

Staff of the City of Virginia Beach (the “City”) and the City of Virginia Beach Development Authority (the “Authority”) were approached by Pembroke Square Associates and its affiliates (the “Developer”) about public participation in the redevelopment of portions of the existing Pembroke Mall. Pembroke Square Associates owns the Pembroke Mall and intends to replace portions of the existing indoor retail and surface parking with a multi-phased project that will expand the commercial tax base in the City and provide additional amenities for the citizens of Virginia Beach.

As set forth below, the Developer proposes the development of a mixed-use development project consisting of senior housing, multifamily residential, retail, hotel, and parking uses. The Developer has requested the Authority and the City to publicly participate in the Project (further defined below) primarily in the form of the acquisition of structured parking facilities. In addition, the Developer has requested the establishment of a special service district (as further described below, the “SSD”) to offset certain costs related to the public parking facilities and to provide enhanced services within the project area. These forms of participation will allow the Developer to address public parking needs, provide public amenities and dramatically enhance the density and quality of development, consistent with the City’s goals in the Town Center area of Virginia Beach.

This Term Sheet is an outline of terms. Moreover, this Term Sheet is not, nor is it intended to be, an offer, an acceptance, or a binding agreement of any kind. To the contrary, this Term Sheet is only a summary of the basic terms of a possible transaction, which may be agreed in principle only. Although this Term Sheet identifies many of the material issues, any possible transaction is complex and issues may arise during preparation and negotiation of definitive documentation that have not been discussed in this Term Sheet. Accordingly, legal obligations among the parties will only be as specified in any definitive agreements that ultimately may be approved by City Council, the Authority’s Board of Commissioners and the Developer’s principals, and executed by all of the parties. Any and all obligations of the City and the Authority are subject to appropriation of sufficient funds to meet those obligations by the City Council of the City of Virginia Beach. Additionally, none of the parties to this Term Sheet are under any obligation or duty to attempt to negotiate a transaction or any related documentation or, if such negotiations commence, to continue such negotiations. Nonetheless, by approving this Term Sheet, each party indicates its belief that this Term Sheet can form the basis for a transaction and their respective willingness to commence negotiation and preparation of definitive documentation toward that end.

Project Description: The project will be constructed in three (3) phases (described below) on approximately 5.273 acres of property currently owned by Developer and operated as Pembroke Square (the “Property”). The Developer intends to construct a mixed-use development project containing multiple buildings and use categories generally as described below. The Project will involve demolition of portions of the existing indoor mall, some surface parking and certain existing outbuildings. The following elements will constitute the “Project”, with all numbers approximated and subject to refinement:

a. **Phase I:** a 7-story, 153-unit senior living community in what was formerly surface parking at the northeastern corner of the Pembroke Square. Phase I will be supported by surface parking. The Developer’s anticipated investment is approximately \$64,300,000.

b. **Phase II.** a 7-story multi-use structure with approximately 35,000 square feet of ground floor retail and 6 levels of apartments with 272 market rate units. There will also be a 7-story parking garage (“Phase II Garage”) adjacent to the multi-use structure consisting of approximately 611 spaces. Phase II will be in the area that is formerly the central area of the Pembroke Mall. Developer’s anticipated investment in Phase II is approximately \$2,500,000 for the retail and approximately \$68,600,000 for the apartments. The anticipated public investment in the parking in Phase II is approximately \$18,330,000 plus a portion of the SSD monies per Section 3(b) below. Phase II will be a multi-unit condominium with each element of the Phase a separate condominium unit.

c. **Phase III.** A 7-story hotel, parking garage, and restaurant. The ground floor will be a restaurant, 2 levels of parking garage, and 4 levels of hotel. The parking garage (the “Phase III Garage” and collectively with the Phase II Garage, the “Garages”) will consist of approximately 134 spaces and the 4 levels of hotel will consist of approximately 163 rooms. In addition to the structured parking, there will be approximately 29 surface parking spaces around and in the immediate vicinity of the Phase III structure. Phase III will be adjacent to Virginia Beach Boulevard where the SunTrust/Truist bank was formerly located. Developer’s anticipated investment in Phase III is approximately \$31,883,000. The public investment in the parking in Phase III is anticipated to be approximately \$4,020,000 plus a portion of the SSD monies per Section 3(b) below. Phase III will also be a multi-unit condominium with each element of the Phase a separate condominium unit.

2. Developer Obligations.

a. The Developer will construct, or cause to be constructed, all elements of the Project. All components above are subject to mutual collaborative refinement.

b. Developer acknowledges that its proposed private investment, and the proposed uses in the Project are the basis for the level of financial support offered by the Authority. Material deviations in investment or form resulting in a reduction of Developer’s private investment could require the public investment be likewise reduced. Alternatively, any

increase in Developer's private investment could result in the public investment likewise being increased.

c. The Developer's construction of the Project shall comply with the City Council's Small Business Enhancement Program. In addition, the Developer acknowledges the City Council's 12% minority subcontractor goal and will work with the City to identify and use minority subcontractors to the extent commercially reasonable. (Please provide a copy of the City's Small Business Enhancement Program.)

3. City / Authority Participation.

a. To satisfy the expressed need for additional public parking, the Developer shall construct and sell to the Authority, and the Authority shall purchase each Garage from the Developer at the completion of the applicable Phase. Each Garage to be purchased pursuant to a condominium parking unit purchase agreement in form and substance mutually satisfactory to the City and the Developer. On completion of construction of each Garage, the Authority will acquire the Garage for \$30,000 per space, inclusive of all hard and soft costs except as set forth in Section 3(b) below. In addition to the \$30,000 per space, the City will also pay up to ~~\$2,750~~4,470 per space for construction loan interest incurred by Developer during and attributable to the construction of the Garages. The City shall have the option of paying construction costs of the Garages prior to completion to reduce interest incurred during construction, provided, any such payments shall be applicable to the purchase price of the applicable Garage upon completion. The Garages shall be free and open to the public for a period of 30 years from the date each Garage opens. The Authority shall grant to the Developer a mutually agreeable parking license wherein the Developer, or its successors and assigns, shall have the exclusive right to use a designated number of parking spaces throughout the Project, with the locations and cost of such Parking License to be established in the development documents.

b. The Developer shall agree that the Project will be subject to a special assessment established pursuant to a Special Services District ("SSD"). The initial amount of the SSD is anticipated to be an additional ~~\$0.45~~47 to the real estate tax rate. It is anticipated that (I) \$5,500,000 of the SSD monies will be used to pay for costs of the Garages in excess of \$30,000 per space, including a total of \$1,500,000 in design/soft costs for the Garages currently allocated as follows: (a) \$860,000 for Phase II and (b) \$640,000 for Phase III. Included in the \$1,500,000 design/soft costs shall be a development fee for the Garages and (II) \$1,281,400 of the SSD monies will be used to pay for up to \$1,720 in actual construction loan interest for each parking space in the Garages. The remainder will pay for certain enhanced services at the Project, and for maintenance and upkeep of the Garages. The SSD rate will be set by City Council after consultation with the Developer during the pre-development period described below.

- c. All obligations of the City and Authority to be expressly subject to the City Council appropriating sufficient funds to the Authority to meet its obligations.

4. Guaranty of Assessed Value:

As set forth in Section 3 above, the City/Authority intends to finance the cost of the Garages with (i) real estate and hotel taxes generated at the Project and (ii) a portion of the SSD monies. It is possible that the City/Authority will experience a loss of certain of the material benefits of its bargain under the Project (including, without limitation, a material reduction of anticipated tax revenues) if the private elements of the Project do not yield the anticipated assessed values, or if the Phases are not complete within the timeframes set forth below in Section 5. In consideration of such potential loss, Developer shall cause the entities owning the projects to pay a reimbursement amount (the “RA Amount”) sufficient to restore any shortfall in actual taxes to the amounts projected (based on the existing real estate tax rate). The RA Amount will be secured on terms and in a form acceptable to the City/Authority. (Please provide a copy of the reimbursement guaranty and there should be separate guaranties for each project.)

5. Proposed Timeline:

- a. Phase I is in progress and anticipated to be complete by Fall 2024.
- b. Phase II to commence construction within 16 months of approval of Project by City Council. Completion within 26 months thereafter.
- c. Phase III to commence construction within 16 months of approval of Project by City Council. Completion within 24 months thereafter.

6. Next Steps

- a. Public briefing of revised Term Sheet
- b. Public Comment and City Council and Authority vote on Term Sheet and authorization to execute Definitive Documents.

A RESOLUTION (1) ACCEPTING THE TRANSFER OF PROPERTY LOCATED AT 2656 LISHELLE PLACE FROM THE CITY OF VIRGINIA BEACH AND (2) AUTHORIZING THE SALE OF THAT PROPERTY TO VIDARR INC.

WHEREAS, on January 7, 2025, the City Council of the City of Virginia Beach adopted an ordinance (the “January 7, 2025 Ordinance”) authorizing the transfer of property located at 2656 Lishelle Place (GPIN: 1496-54-4149) (as further depicted on Exhibit A, the “Property”) to the City of Virginia Beach Development Authority (the "Authority");

WHEREAS, the Property was acquired by the City of Virginia Beach (the “City”) in 2008 as a part of the City’s APZ-1 Use and Acquisition Plan to eliminate a 150-person call center;

WHEREAS, City and Authority staff have negotiated terms for the sale of the Property to ViDARR, INC, a New Hampshire corporation (the “Purchaser”);

WHEREAS, the Purchaser intends to expand its business into the Commonwealth of Virginia at the Property with a use that is consistent with the APZ-1 Use and Restriction Plan;

WHEREAS, the January 7, 2025 Ordinance requires all net proceeds from the sale of the Property by the Authority be returned to the City;

WHEREAS, the full terms and conditions of the proposed transaction are set forth on Exhibit B, attached hereto; and

WHEREAS, the Authority is of the opinion that the transaction as currently contemplated would help promote the establishment of a new business in the Commonwealth of Virginia, put the Property to a use compatible with the existing restrictions and be in the best interests of the Authority and the City.

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


1. The Authority hereby accepts the transfer of the Property from the City of Virginia Beach on the terms set forth in the January 7, 2025 Ordinance.
2. The Chair or the Vice Chair is hereby authorized to execute and deliver a Purchase Agreement with ViDARR, INC, a New Hampshire corporation, authorized to transact business in Virginia, for the sale of the Property as depicted on Exhibit A, attached hereto and made

a part hereof, on the terms and conditions outlined on Exhibit B, attached hereto and made a part hereof, and such other terms, conditions or modification as may be acceptable to the Chair or Vice Chair and in a form deemed satisfactory by the City Attorney.

3. That all net proceeds from the sale of the Property received by the Authority shall be returned to the City as required by the January 7, 2025 Ordinance.

Adopted this 11 day of February, 2025 by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By 
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:



Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:



City Attorney

EXHIBIT A

(Legal Description)

ALL THAT certain piece or parcel of land, with the buildings and improvements thereon and the appurtenances thereunto belonging, lying, situate and being in the City of Virginia Beach, Virginia, being known, numbered and designated as Parcel A-9, 1.572 ACRES as shown on that certain plat entitled, "SUBDIVISION OF PARCEL A-8 AND A-9, LYNNHAVEN SQUARE (D.B. 2511 P. 1657) (M.B. 172, P. 36) PRINCESS ANNE BOROUGH-VIRGINIA BEACH, VIRGINIA", dated May 1987, and made by Basgier and Associates, which plat is recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia, in Deed Book 2655, at page 1740.

(Location Map)



EXHIBIT B

LANDOWNER: City of Virginia Beach Development Authority (the “Authority”)

PURCHASER: ViDARR, INC., a New Hampshire corporation or related entity.

PROPERTY: 16,500+/- square feet of space on a 1.5+/- acre lot located at 2656 Lishelle Place (GPIN: 1496-54-4149)

PURCHASE PRICE: One Million Three Hundred Thousand Dollars (\$1,300,000).

DEPOSIT: Ten Thousand Dollars if Closing has not occurred by March 7, 2025.

CLOSING: Anticipated to occur by March 7, 2025. Closing date may be extended until July 7, 2025 by mutual agreement. Closing must occur by July 7, 2025, unless deadline extended by Authority and City Council.

DUE DILIGENCE PERIOD: From execution of agreement through Closing.

BROKER/
REAL ESTATE
COMMISSION: Three percent (3%) of Purchase Price payable by Authority to S.L. Nusbaum Realty, Co.

SPECIAL TERMS: Property sold as-is.

A RESOLUTION APPROVING THE PROVISION
OF \$147,600 IN ECONOMIC DEVELOPMENT
INVESTMENT PROGRAM FUNDS TO VIDARR, 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 ViDARR, INC, a New Hampshire corporations, authorized to transact business in Virginia (the "Recipient"), to expand its operation to 2656 Lishelle Place, Virginia Beach, Virginia 23452 (the "Property");

WHEREAS, the inducement includes an agreement to recommend the award to Recipient of \$147,600 in EDIP funds to underwrite a portion of costs associated with the relocation of Recipient's headquarters 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 \$107,600 of the \$147,600 total award; and
- (c) Employment Opportunity: 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 of at least \$66,018 (1.2 times the Average Annual Wage), excluding benefits, with the maximum award for this criteria to be limited to \$40,000 of the \$147,600 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 \$107,600 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 the remaining \$40,000 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 of at least \$66,018 (1.2 times the Average Annual Wage), 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 \$147,600 in EDIP funds to ViDARR, INC., a New Hampshire corporation, authorized to transact business in Virginia (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 \$147,600 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 \$147,600 in EDIP funds to the Recipient to underwrite a portion of the costs associated with the expansion and relocation of the Recipient’s operation in Virginia Beach, with \$107,600 of the award to be based on capital investment and \$40,000 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 \$107,600 to be disbursed for capital investment and not more than \$40,000 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 \$147,600 within thirty-six (36) months of the date of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

Adopted this 11th day of February, 2025, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: CA [Signature]
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:

[Signature]

Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:

[Signature]

City Attorney

A RESOLUTION APPROVING THE PROVISION
OF \$150,000 IN ECONOMIC DEVELOPMENT
INVESTMENT PROGRAM FUNDS TO
ATLANTIC DIVING SUPPLY, 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 Atlantic Diving Supply, Inc., a Virginia corporation (the "Recipient"), to expand its operation at 2505 Aviator Drive, Virginia Beach, Virginia 23453 (the "Property");

WHEREAS, the inducement includes an agreement to recommend the award to Recipient of \$150,000.00 in EDIP funds to underwrite a portion of cost associated with the expansion of the Recipient's operations 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 that one or more of the following performance criteria (the "Performance Criteria") within 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 (36) months; and/or
- (b) Capital Investment: For every dollar of EDIP funds received, Recipient shall make a new capital investment of at least Thirty-Four and 33/100 Dollars (\$34.33).

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 every one dollar (\$1.00) in EDIP funds provided, Recipient will spend at least Thirty-Four and 33/100 dollars (\$34.33) in new capital investment.

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

- 1. That the Authority hereby finds:
 - a. that the provision of \$150,000.00 in EDIP funds to Atlantic Diving Supply, Inc., a Virginia corporation (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 retain and expand its headquarters 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, the provision of \$150,000.00 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 expansion and/or construction of the proposed improvements.

4. That based on these findings, the Authority hereby approves the provision of \$150,000.00 in EDIP funds to the Recipient to underwrite a portion of the costs associated with the expansion of the Recipient's operations in Virginia Beach.

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. 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 where EDIP funds are paid prior to complete satisfaction of any Performance Criteria, the Director may require the Recipient to enter into a Recapture Agreement approved by the Director. 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.

8. 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.

9. The Authority may terminate this award and decline to pay any unpaid funds if the recipient has not requested the full \$150,000.00 within thirty-six (36) months of the date of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

Adopted this 11th day of February, 2025, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: 
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:



Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:



City Attorney

A RESOLUTION APPROVING EDIP-PART F GRANTS TO
SMALL, WOMEN-OWNED, MINORITY OWNED, VETERAN
OWNED AND SERVICE-DISABLED VETERAN OWNED
BUSINESSES

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 Council has adopted a policy for the Authority to promote investment, reinvestment, and workforce development, known as the Economic Development Investment Program (the "EDIP");

WHEREAS, to fund the EDIP, City Council has made annual appropriations to the Authority with such funds to be used in a manner consistent with the EDIP policy;

WHEREAS, on June 18, 2024 and September 17, 2024, the Authority and City Council respectively approved amending the EDIP policy to, among other things, add Part F to the EDIP policy ("Part F") to authorize incentive awards up to ten thousand dollars (\$10,000) to small, woman-owned, minority-owned, veteran-owned and service-disabled veteran-owned businesses;

WHEREAS, as contemplated by Part F, a selection committee has reviewed all completed applications and made a recommendation to the Authority to approve awards under Part F to the

business and in the amount and for specific purpose as set forth on Exhibit A, attached hereto and incorporated herein (the “Award”);

WHEREAS, the Authority is of the opinion that the payment of the Award will further economic development within the City to the benefit of the local economy.

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

1. The Authority makes the following findings with respect to the Award:
 - a. That the recipient as shown on Exhibit A qualifies under the requirements of Paragraph 2 of Part F;
 - b. That the animating purpose of the proposed provision of EDIP funds for each Award is for the public purpose of promoting economic development and retaining business and employment opportunities in the City of Virginia Beach;
 - c. That the expenditure of such funds will only incidentally enure to private interests, if at all;
 - d. That the proposed provision of funds for each Award is in furtherance of the purposes for which the Authority was created; and
 - e. That the provision of funds for each Award will promote the continued operation and/or expansion of each business in the City.
2. That based on the above findings, the Authority hereby approves the Award under Part F to the recipient and in the amount and for the specific purpose as shown on Exhibit A.
3. The funds provided pursuant to this Resolution are to be used for expenses as set forth in the application and in a manner consistent with the requirements of Paragraph 7 of Part F.
4. That disbursement of 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, who shall be authorized to require appropriate verification as to qualifying expenditures as set forth in Paragraph 10 of Part F.
5. The Chair or Vice Chair is authorized to execute any documents necessary to implement Part F, so long as such documents are acceptable to the Chair or Vice Chair and in a form deemed satisfactory by the City Attorney.

[SIGNATURES ON FOLLOWING PAGE]

Adopted this 11th day of February, 2025, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: 
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:


Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:


City Attorney

EXHIBIT A

**Virginia Beach Economic Development
Small Business Grant
Recommended Awardees
February 11, 2025**

Executive Decision LLC (Council District 1)

5521 Chandler Scott Ct

Virginia Beach, Virginia 23464

Grant Amount: \$8,281

Use of Funds:

- 2 laptop screen extenders (multi monitor set up): \$468
- Score App (software assessment tool for lead generation): \$390
- Branded banner, backdrop and table drape: \$920
- Photographer for professional headshots: \$800
- Videographer for website video content (Cheryl Tan Media): \$1,000
- SEO Optimization, website update, IT software integration support, and branding and logo review: \$ 2,500
- Content creation and speaker sheet (topics company can train or present to organizations): \$500
- Kit or Kajabi (Email marketing and funnels to increase exposure): \$828
- Flevy Pro (Access to a repository of consultant templates and KPI resources): \$375
- Branded promotional items: \$500