



## The City of Virginia Beach Development Authority 2023-2024 Annual Report to City Council

**From:** Lisa M. Murphy, Chair

**Date:** August 13, 2024

### **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.

### **Executive Summary**

During the fiscal year covering the period of July 1, 2023– June 30, 2024, the City of Virginia Beach Development Authority (VBDA) volunteers and liaisons met 12 times. Two additional VBDA events were held:

- On May 3, 2024, the 17th Annual Business Appreciation Golf Tournament, a prelude to Virginia’s statewide business recognition week, brought together Virginia Beach businesses, key stakeholders, and partners across multiple sectors. A donation of \$10,000 was made to Families of Autistic Children in Tidewater from the proceeds.
- December 6, 2024 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.

Our most significant accomplishments are detailed below.

### **Accomplishment of Goals and Objectives**

Over the past fiscal year, the VBDA, through its appointed Commissioners and City staff 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 the past year, the VBDA awarded 4 EDIP grants totaling **\$444,000**, resulting in an anticipated **\$5,590,000** new capital investment in our City.

- a. Through these projects, **355** jobs will be created, and **336** jobs will be retained.
- b. The EDIP awards were:
  - i. \$100,000 to Hermes Abrasives (Hermes). The company committed to \$3.6M in capital investment while creating 30 new jobs and retaining 103 existing positions within the City. Hermes, a German manufacturer of industrial abrasives with its North American headquarters in Virginia Beach since 1981, is a key player in the region's advanced manufacturing sector. Hermes received assistance from the Virginia Jobs Investment Program (VJIP) for workforce development.
  - ii. \$47,600 to Rinker Design and Associates, P.C. (Rinker). The company committed to \$190,000 in capital investment while creating 10 new jobs and retaining 11 existing positions within the City. Rinker is a prominent civil engineering firm headquartered in Manassas, Virginia, that provides comprehensive services across land development, commercial, industrial, and residential sectors.
  - iii. \$130,000 to ThayerMahan, Inc. (ThayerMahan), a data-driven marine services firm headquartered in Connecticut. The company committed to \$125,000 in capital investment while creating 40 new jobs and establishing its Mid-Atlantic headquarters in the City. With a significant customer base, including the U.S. Navy and Dominion Energy, and a workforce comprised largely of military veterans, Thayer Mahan is a critical contributor to the region's growing maritime, defense, and offshore wind industries.
  - iv. \$167,000 to DOMA Technologies, LLC (DOMA), a Virginia Beach-based cloud software company, to expand its operations to a larger facility in the City. The company committed to \$1.675M in capital investment while creating 275 new jobs and retaining 222 existing positions within the City. With a strong client base in government, healthcare, public and commercial sectors, DOMA's expansion contributes to the City's growing information technology sector. Governor announced that the Virginia Economic Development Partnership (VEDP) awarded a \$245,600 grant for Virginia Jobs Investment Program to DOMA.

2. Façade Improvement Grant (FIG) Program:

The FIG program provides matching grants to small, locally owned and operated businesses for making exterior building improvements, which enhances the overall appearance and attractiveness of the businesses and adds to the overall economic vitality of the City.

This year the VBDA awarded the following **16** grants totaling **\$126,320**, which resulted in **\$530,861** in private investment for façade improvements throughout the City:

- a. Plaza Bakery, LLC - \$3,699
- b. Get Nail'D, LLC - \$1,425
- c. Yorkies Modern Deli - \$10,000
- d. SEDA Inc. (21st Street Grill) - \$10,000

- e. DuBay Properties - \$10,000
- f. Chambord Commons, LLC - \$6,605
- g. Pizzamaniac, Inc. (204 Pizza) - \$9,600
- h. Pinnacle Group Engineering, Inc. - \$3,657
- i. Koch Development Corporation - \$8,000
- j. 1st Class Assets, LLC (Real Estate Office) - \$10,000
- k. Chez Madeleine, Inc. - \$6,557
- l. Jungle Golf of Virginia Beach, Inc. - \$10,000
- m. North Bay, LLC - \$10,000
- n. Cosmo's Corner, Inc. - \$10,000
- o. MPN Group, LLC - \$10,000
- p. Intracoastal Assets, LLC (Ives Contracting) - \$6,777

3. 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 **3** new tenants to its International Incubator:

- a. Silogic Technology, a UK-based global data science company using AI to secure wind turbines and predict failures, optimizing wind farm operations.
- b. Surus Marine, a government contractor offering a range of services for maintaining and repairing various types of marine vessels.
- c. Cassiopeia Space Systems, an Israeli and U.S. company specializing in developing and selling satellite communication terminals for maritime, land, and air applications.
- d. Chorus Intelligence, the first company that joined the International Incubator, successfully outgrew the incubator and opened their own office in Town Center, with the Virginia Beach Police Department being a major customer of their analytic software programs.

4. VBDA Assets:

- a. The Virginia Beach Amphitheater celebrated its 27<sup>th</sup> season in 2023 by holding **22** shows with over **235,000** attendees. Its 28<sup>th</sup> season for 2024 has already brought **10** events with **153,000** attendees generating **\$1.44M**. Since 1996, the Amphitheater has provided performances for more than **7.3M** attendees and generated more than **\$37.7M** in direct revenue for the City.
- b. The Virginia Beach National Golf Course generated more than **\$295,971** 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 **\$209,391** to fund capital repairs and maintenance to the facility.
- c. Precision Measurements Incorporated, a full-service land surveying firm broke ground in the Corporate Landing Business Park in early 2024, beginning construction on a **16,000**-square-foot facility, employment is projected to grow 25% over the next 3 years. The overall investment of the project is **\$5M**.

5. Atlantic Park Project:
  - a. VBDA has entered into all contracts as a public partner, holds title to the real estate and administers the Capital Improvement Program onsite. Upon completion of the project, VBDA will hold title to parking garages and entertainment venues. The projected completion date of the venue is Spring 2025.
  
6. Ribbon Cuttings:
  - a. Powertrain Industries opened their new 100,000 sq. ft. manufacturing facility, after receiving a \$192,000 EDIP grant. The company's expansion also increased employee numbers from 35 to 135."
  - b. 360 IT Partners opened their new headquarters, after receiving a \$40,000 EDIP grant. The company's expansion included adding 10 new high-wage jobs.

**Membership and Attendance (attached separately)**

**Budget Report (attached separately)**

**Goals and Objectives for the Coming Year**

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

Key Industries:

- Advanced Manufacturing
- Defense & Aerospace
- IT/Cyber
- Maritime/Logistics
- Renewable Energy
- The HIVE/ Local Business Growth & Entrepreneurship
- Professional Office & Retail

**Recommendations to City Council**

On February 20, 2024, the Virginia Beach Development Authority (VBDA) approved amendments to the EDIP Policy to:

- More closely align with the policy governing the implementation of the Commonwealth Opportunity Fund, administered by the Virginia Economic Development Partnership (VEDP);
- Adjust the thresholds for awards based on job creation or retention to be at or above the Average Annual Wage;
- Remove Part E from the Policy as the local emergency justifying the inclusion of Part E has ended and all awards made under Part E have been fully administered (the "February 2024 Amendments") and;
- Add a new EDIP Part F, establishing policy and procedures for grants for qualifying small, women-owned, minority owned, veteran-owned and service-disabled veteran owned businesses. This new Part F is intended to increase access to funding for historically underserved and marginalized small businesses in the City of Virginia Beach.

VBDA recommends City Council adopt an ordinance approving the Amended Policy of Economic Development Investment Program (EDIP) to include the February 2024 Amendments and the addition of Part F as well as continuing to support and advance the strategic economic growth and development for the City of Virginia Beach.

Please feel free to reach out to me at [lmurphy@wilsav.com](mailto:lmurphy@wilsav.com) with any questions or should you require additional information.

**The City of Virginia Beach  
Virginia Beach Development Authority  
2023 Attendance Record**

<b>Name</b>	<b>Term Expires on:</b>	<b>Jul 18<sup>th</sup></b>	<b>Aug 15<sup>th</sup></b>	<b>Sep 19<sup>th</sup></b>	<b>Oct 17<sup>th</sup></b>	<b>Nov 17<sup>th</sup></b>	<b>Dec 19<sup>th</sup></b>	<b>Total Present</b>
Commissioner David Bernd	8/31/2025	P	N/A	N/A	N/A	N/A	N/A	1/1
Commissioner William Brown, MD (Ret)	8/31/2024	A	P	P	P	P	P	5/6
Commissioner William Brunke	8/31/2026	P	P	P	P	P	P	6/6
Commissioner Nneka Chiazor	8/31/2023	A	P	R	R	R	R	1/2
Commissioner W. Taylor Franklin	8/31/2026	A	P	E	P	P	P	4/6
Commissioner Linda Garris-Bright	8/31/2027	N/A	N/A	P	P	P	P	4/4
Commissioner Eric Keplinger	8/31/2025	N/A	N/A	N/A	P	P	E	2/3
Commissioner Penny Morgan	8/31/2026	E	P	P	P	P	P	5/6
Commissioner Lisa Murphy	8/31/2025	P	P	P	P	P	P	6/6
Commissioner Ronnie Parker	8/31/2026	P	P	E	E	P	P	4/6
Commissioner Michael Standing	8/31/2024	P	P	E	P	P	P	5/6
Commissioner Joseph Strange	8/31/2023	P	A	R	R	R	R	1/2
Commissioner David Weiner	8/31/2027	N/A	N/A	P	P	P	P	4/4
Commissioner Guenter Weissenseel	8/31/2024	P	E	P	P	E	P	4/6
<b>Total Present</b>		7/11	8/10	7/10	10/11	10/11	10/11	

Vice Mayor Rosemary Wilson	N /A	P	P	P	P	P	P	6
Council Member liaison- Michael Berlucchi	N/A	P	P	P	P	P	P	6
Staff Liaison – Kathy Warren	N/A	P	P			P	P	4
Staff Liaison - Elisabeth Parker	N/A	P	P	P	P	P	P	6
Staff Liaison – ShiKim Holden	N/A	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	P	P	P	3

Key: Present (P) Absent (A) Resigned (R) Excused Absence (E) Cancelled (C)

**The City of Virginia Beach  
Virginia Beach Development Authority  
2024 Attendance Record**

Name	Term Expires on:	Jan 16 <sup>th</sup>	Feb 20 <sup>th</sup>	Mar 19 <sup>th</sup>	Apr 16 <sup>th</sup>	May 22 <sup>nd</sup>	Jun 18 <sup>th</sup>	Total Present
Commissioner William Brown, MD (Ret)	8/31/2024	P	P	P	A	P	P	5/6
Commissioner William Brunke	8/31/2026	P	P	P	P	P	P	6/6
Commissioner W. Taylor Franklin	8/31/2026	P	P	P	P	P	P	6/6
Commissioner Linda Garris-Bright	8/31/2025	E	E	P	E	P	P	3/6
Commissioner Eric Keplinger	8/31/2027	P	P	P	P	P	P	6/6
Commissioner Penny Morgan	8/31/2026	P	P	P	P	P	P	6/6
Commissioner Lisa Murphy	8/31/2025	P	P	P	P	P	P	6/6
Commissioner Ronnie Parker	8/31/2026	P	P	P	P	E	E	4/6
Commissioner Michael Standing	8/31/2024	P	A	P	P	E	P	4/6
Commissioner David Weiner	8/31/2027	P	P	P	P	P	P	6/6
Commissioner Guenter Weissenseel	8/31/2024	E	P	P	P	P	P	5/6
<b>Total Present</b>		9/11	9/11	11/11	9/11	9/11	10/11	
Vice Mayor Rosemary Wilson	N / A			P	P	P		
Council Member liaison- Michael Berlucchi	N/A	P		P				
Staff Liaison – Charlies Rigney	N/A	P	P		P	P		



Staff Liaison – Laura Hayes	N/A		P	P	P	P	P	
Staff Liaison - Elisabeth Parker	N/A	P	P	P	P	N/A	N/A	
Staff Liaison – Kayla Dotson	N/A	N/A	N/A		P	P	P	

Key: Present (P) Absent (A) Resigned (R) Excused Absence (E) Cancelled (C)

## City of Virginia Beach Development Authority Fiscal Year 2024

		FY 2024	
		Budget	Actual
<b>OPERATING</b>			
<b>VBDA Operations</b>			
<b>Revenues</b>			
Sale of Land		-	25,000
Industrial Revenue Bond Fee Inc		240,125	695,471
Lease Income - TC Outdoor Cafes		-	29,845
Lease Income - Incubator		-	7,840
Interest Income		60,000	296,664
Miscellaneous Income		26,000	50
<b>Total Revenues</b>		<b>326,125</b>	<b>758,156</b>
<b>Expenditures</b>			
Land Proceeds to City of VB		-	-
General, Administrative and Strategy Expenses		(86,600)	(28,577)
Amphitheater box seating		(49,650)	(43,904)
Annual Reception/Events		(28,600)	(17,624)
Audit Fees		(46,300)	(20,183)
Transfer to Capital Maintenance		-	-
<b>Total Expenditures</b>		<b>(211,150)</b>	<b>(110,288)</b>
 <b>Atlantic Park</b>			
Bond Proceeds		-	-
Legal, Inspection and Support		-	860,393
		-	<b>860,393</b>
 <b>Corporate Landing</b>			
Revenue from Land Sales		550,000	740,000
Repurchase of Land Inventory		-	-
Architecture and Engineering		(120,000)	(23,486)
Maintenance and Landscaping		(52,043)	(49,388)
Conduit Management		(169,228)	(171,095)
Utilities and Other		(5,600)	(64,335)
<b>Corporate Landing Net Increases</b>		<b>203,129</b>	<b>431,696</b>
 <b>Innovation Park</b>			
Revenue from Land Sales		760,000	1,046,941
Architecture and Engineering		(244,000)	(73,750)
		<b>516,000</b>	<b>973,191</b>
 <b>110 S Independence Blvd</b>			
Utilities and Other		-	(38,743)
Demolition		-	97,731
		-	58,988

<b>Total 110 S Independence Expenditures</b>	-	<b>58,988</b>
<b>2656 Lishelle Place Buildout</b>		
Buildout	-	(94,142)
Utilities and Other	(10,030)	(9,792)
<b>Total 2656 Lishelle Place Buildout</b>	<b>(10,030)</b>	<b>(103,934)</b>
<b>Oceana Future Base Design</b>	-	-
<b>Revenues over Expenditures</b>	<b>824,074</b>	<b>2,868,201</b>
(Use of Fund Balance)		
<b>INITIATIVES</b>		
<b>Bio Accelerator</b>		
Revenues	-	-
Expenditures (Facility Logix)	-	-
Expenditures (Bendix Lease)	-	(144,568)
<b>Bio Accelerator</b>	<b>-</b>	<b>(144,568)</b>
<b>Façade Improvement Grants</b>		
Revenues	100,000	100,000
Expenditures (Awards)	(100,000)	(102,031)
<b>Façade Improvement Grant Increases Net Activity</b>	<b>-</b>	<b>(2,031)</b>
<b>Small Business Grant Program</b>		
<b>CAPITAL MAINTENANCE</b>		
<b>Amphitheater</b>		
Revenue from City	-	8,565
Capital Maintenance Repairs	-	(8,565)
<b>Amphitheater Net Increases</b>	<b>-</b>	<b>-</b>
<b>Human Services</b>		
Lease Income - Social Services	-	574,928
Capital Maintenance Repairs	-	(103,294)
<b>Social Services Net Increases</b>	<b>-</b>	<b>471,634</b>
<b>Virginia Beach National Golf Course</b>		
Lease Income - VBGC	-	226,078
Capital Maintenance Repairs	-	(179,385)
Transfer from Operating Cash	-	-
<b>VB National Net Increases</b>	<b>-</b>	<b>46,693</b>
<b>EDIP</b>		
Annual Appropriations from CoVB	-	<b>1,659,582</b>