Dear Virginia Beach City Council, Citizens and Business Community:

The Virginia Beach Development Authority exists to support the implementation of the City’s strategic economic vision. We experienced increased production in FY2017-18 for Virginia’s most populous city, as a rising national economy paired with a number of existing company expansions and new announcements brought our unemployment rate to just 3.3%. The Department of Economic Development recorded the creation of 2,371 new jobs and private investment of $319 million across 37 projects. Targeted initiatives surrounding the rapidly growing biomedical and cybersecurity industries, along with the arrival of transoceanic subsea cables laid by industry titans Telxius, Microsoft, Facebook, and Google helped keep Virginia Beach on the cutting edge. The Authority approved 26 investment grants totaling $5.58 million, which leveraged $308 million in capital investment, a ratio of 55 to 1. Significant growth occurred among each of our target business sectors, including 13 announcements by small businesses, an important part of our economy. Our workforce development program continued to innovate, from providing roundtables and job fairs to the introduction of the LENA Start program from GrowSmart.

The Development Authority treats the tasks and responsibilities granted to it by the City Council with the utmost care. Virginia Beach has seen an exponential economic rise in its 55 years, from being known as a small agricultural and beach town in the 1960s to being named among the “best big cities to live in” by WalletHub in 2018. Through our work with the City Council and Economic Development staff, we hope to see our City’s economy grow and thrive for decades to come, and to make the citizens of Virginia Beach proud.

Respectfully,

Dorothy L. Wood
CITY COUNCIL

William D. Sessoms, Jr.
Mayor (July 2017–April 2018)

Louis R. Jones
Vice Mayor (July 2017–April 2018)
Mayor (May 2018–Present)

James L. Wood
Vice Mayor (May 2018–Present)

Rosemary C. Wilson
Liaison to the Virginia Beach Development Authority

Jessica Abbott
Benjamin Davenport
Bob Dyer
Barbara M. Henley
Shannon DS Kane
John Moss
John E. Uhrin

VIRGINIA BEACH DEVELOPMENT AUTHORITY

Dorothy L. Wood
Chair
JD&W, Inc.

David L. Bernd
Commissioner
Sentara Healthcare

Linwood O. Branch
Commissioner
Days Inn at the Beach

Bryan D. Cuffee
Treasurer
Gold Key | PHR, Inc.

Michael H. Levinson
Secretary
Michael H. Levinson & Associates

Stephen J. McNulty
Assistant Secretary
TowneBank

Jerold L. Miller
Commissioner
The Miller Group

Shewling Moy
Commissioner (July–August 2017)
Keller Williams Realty
Coastal Virginia

Lisa Murphy
Commissioner
Wilcox Savage
(September 2017–Present)

Peter K. Mueller
Commissioner
STHL, Inc.

Charles M. Salle
Vice Chair
ADS, Inc.

Joseph E. Strange
Commissioner
Tidewater Sew-Vac

KEY CITY STAFF

David L. Hansen
City Manager

Mark D. Stiles
City Attorney

Ronald H. Williams, Jr.
Deputy City Manager

Alexander W. Stiles
Senior City Attorney

Ruth Hodges Fraser
City Clerk (Former)

Amanda Barnes
City Clerk (Current)

VIRGINIA BEACH ECONOMIC DEVELOPMENT

Warren D. Harris
Director

Linda Assaid
Economic Development Technician/Clerk to the Virginia Beach Development Authority

Michelle Chapleau
Business Development Coordinator

Betty Clark
Executive Assistant to the Director

David Couch
Business Development Coordinator

Devon Cowhey
GrowSmart Development Specialist

Scott Hall
Business Development Coordinator

Kelsey Harkins
GrowSmart Administrative Technician

Steve Harrison
Business Development and Research Manager

Rob Hudome
Project Development Manager

Lloyd Jackson
Business Development Manager

Letitia Langaster
Business Development Manager (APZ-1)

Barbara Lito
GrowSmart Coordinator

Olivia O’Bry
Office Manager

Jeffrey Smith
Business Development Manager (Small, Women- and Minority-Owned Business)

Jerry Stewart
Workforce Development Coordinator

Svetla Tomanova
Marketing Assistant

Mark Wawner
Project Development Coordinator

Ray White
Business Development Manager

Vicente Álvarez
Representative Europe – Madrid, Spain

Michael Vossel
Representative Europe – Düsseldorf, Germany

PEOPLE
ANOTHER YEAR OF REALLY BIG ACTION IN VIRGINIA BEACH.

The City continues to grow in numbers, acclaims and prominence. The biggest companies in the world are taking notice and driving business here, while an entrepreneurial revolution is building the next wave of difference-making companies.

TOTAL ANNOUNCEMENTS
- **37 COMPANIES**
- **2,371 NEW JOBS**
- **5,796 RETAINED JOBS**
- **1,278,240 SQUARE FEET**
- **$319.39 MILLION IN CAPITAL INVESTMENT**

EXPANSIONS
- **32 COMPANIES**
- **2,115 NEW JOBS**
- **$249.29 MILLION INVESTMENT**
- **995,640 SQUARE FEET**

NEW LOCATIONS
- **5 COMPANIES**
- **256 NEW JOBS**
- **$70.10 MILLION INVESTMENT**
- **282,600 SQUARE FEET**
Your Virginia Beach Development Authority (VBDA) is charged with driving and promoting economic activity in the City. In FY2017-18, neither our mission nor the results of our efforts changed—it was another year of wins and accomplishments. The following are the highlights.

- Awarded over $5.5 million in EDIP Funds
- Leveraging $308 million in capital investment
- $36 million and $85 million of industrial revenue and refunding bonds to Virginia Wesleyan University and Westminster Canterbury, respectively
- Since 1994 over $2.3 billion in capital investment for incentive grants and public-private partnerships

**Global Technical Systems**

GTS, a premier provider of advanced engineering solutions for defense and international customers, will invest $54.7 million on a new electro-mechanical energy storage system manufacturing operation and will construct a 500,000-sq-ft advanced manufacturing center. 1,100 employees will be hired at an average annual salary of $74,000.

**Top Accomplishments**

During the fiscal year July 1, 2017 through June 30, 2018, EDIP assistance was approved for the following companies (listed chronologically):

### Traditional Grants

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>AMOUNT OF EDIP</th>
<th>AMOUNT OF INVESTMENT</th>
<th>EMPLOYEES RETAINED</th>
<th>NEW</th>
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<tr>
<td>LifeNet Health</td>
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<td>$12,246,000</td>
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<td>321</td>
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<tr>
<td>G2-Ops</td>
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<td>10</td>
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<tr>
<td>Disrefy Design Group</td>
<td>$72,000</td>
<td>$131,000</td>
<td>-</td>
<td>7</td>
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<tr>
<td>Mermaid Vineyard &amp; Winery</td>
<td>$38,000</td>
<td>$1,072,000</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Hermes Abrasives</td>
<td>$125,000</td>
<td>$3,750,000</td>
<td>155</td>
<td>12</td>
</tr>
<tr>
<td>Altmeier</td>
<td>$100,000</td>
<td>$2,850,000</td>
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<td>3</td>
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<tr>
<td>GET Solutions</td>
<td>$125,000</td>
<td>$1,650,000</td>
<td>65</td>
<td>10</td>
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<tr>
<td>STIHL Inc.</td>
<td>$500,000</td>
<td>$20,000,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Coastal Hospitality</td>
<td>$200,000</td>
<td>$24,000,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vibrant Shore Brewing</td>
<td>$20,000</td>
<td>$827,000</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Farmhouse Brewing</td>
<td>$20,000</td>
<td>$750,000</td>
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<td>5</td>
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<tr>
<td>TDI</td>
<td>$75,000</td>
<td>$2,200,000</td>
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<td>13</td>
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<tr>
<td>Winik</td>
<td>$130,000</td>
<td>$3,160,000</td>
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<tr>
<td>Global Technical Systems</td>
<td>$1,800,000</td>
<td>$54,700,000</td>
<td>-</td>
<td>1,100</td>
</tr>
<tr>
<td>Bcause</td>
<td>$500,000</td>
<td>$66,000,000</td>
<td>-</td>
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<td>ACA International</td>
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<td>$2,100,000</td>
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<td>30</td>
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<tr>
<td>Isley Brewing Company</td>
<td>$30,000</td>
<td>$825,000</td>
<td>-</td>
<td>10</td>
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<tr>
<td>Lingerfelt Commonwealth Partners</td>
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<td>$25,000,000</td>
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<tr>
<td>Custom Panel &amp; Controls LLC &amp; CPC Investments LLC</td>
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<tr>
<td>Suburban Capital</td>
<td>$200,000</td>
<td>$26,299,000</td>
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</tbody>
</table>

### APZ-1 Grants

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>AMOUNT OF EDIP</th>
<th>AMOUNT OF INVESTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad Bay Cotton</td>
<td>$10,000</td>
<td>$127,000</td>
</tr>
<tr>
<td>Ironclad Media Alliance</td>
<td>$30,000</td>
<td>$675,000</td>
</tr>
<tr>
<td>STIHL Inc.</td>
<td>$20,000</td>
<td>$246,000</td>
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<tr>
<td>Southampton Roads Construction</td>
<td>$60,000</td>
<td>$1,243,000</td>
</tr>
<tr>
<td>EPIC Manufacturing</td>
<td>$100,000</td>
<td>$2,004,385</td>
</tr>
<tr>
<td>Seigler Reels</td>
<td>$55,000</td>
<td>$975,000</td>
</tr>
</tbody>
</table>
TOP ACCOMPLISHMENTS

VETERANS UNITED HOME LOANS AMPHITHEATER
The Amphitheater celebrated its twenty-second season in 2017 by holding 31 events with attendance of over 280,000 patrons. In the first 22 years of operation, the amphitheater has provided performances for more than 6.1 million music lovers and generated more than $28 million in direct revenue for the City.

$28 MILLION

VIRGINIA BEACH NATIONAL GOLF COURSE
The Virginia Beach National Golf Course, which is owned by the VBDA, continues to be operated by Virginia Beach Golf Club, LLC. The VBDA received more than $145,000 of rental income for FY2017-18 from the facility in addition to the taxes generated, which were paid to the City to support basic City services. In addition, the VBDA is utilizing a portion of the rent revenues received to fund capital repairs and maintenance to the facility.

OVER $145,000

TOWN CENTER PHASE 6
This newest addition to Town Center is expected to include 39,000 square feet of retail and restaurant space and 131 apartment homes. In addition to the retail and residential components, Zeiders American Dream Theater will occupy a 17,000-sq-ft, 300-seat performing arts theater on the second level. The City will provide public infrastructure to include an open-air public plaza and a pedestrian bridge connecting to the adjacent parking garage.

$42 MILLION INVESTMENT
Cybersecurity activities and concerns continue to grow throughout our community. Regent University took up the challenge by giving students cutting-edge training at its newly launched Cyber Range Training Center in partnership with Cyberbit Ltd.

Cyberbit is the leading provider of cybersecurity products enabling detection, response and training across IT and Operational Technology Systems. The world-class facility will provide hands-on cybersecurity training and simulation platforms with real-time attack scenarios and security breaches. The Cyber Range will also serve as a training center for local businesses, government and military organizations, and features customizable capabilities to meet every industry’s data protection needs.

G2 Ops, Inc., a small, women- and minority-owned (SWaM) certified business founded in 2013, relocated and expanded its corporate headquarters to a 7,711-sq-ft facility in the Lynnhaven corridor. The company, which provides systems engineering, cybersecurity, architectural analysis and strategic consulting, will add 10 new jobs with the expansion, paying an average annual salary of $65,000.

VIRGINIA HAS THE MOST CYBERSECURITY COMPANIES PER CAPITA IN THE NATION.
This region of the East Coast was once the gateway for international expansion, exploration, progress and exchange of ideas. Much the same thing is happening in Virginia Beach today, with the arrival of several transatlantic cables and the resulting explosion of data centers and data companies to distribute and use all that power and information.

Make no mistake, Virginia Beach is now a tier-one digital port city and emerging global innovation hub. The world’s fastest subsea data cables installed by Microsoft, Facebook and Telxius connect Virginia Beach to Europe and South America. ACA International LTD and South Atlantic Express International Ltd. will soon land the third 72-terabit, high-speed subsea cable that will be the only system connecting South Africa directly to the U.S. It will combine with a partner system from Fortaleza, Brazil to offer a truly diverse transatlantic network, with a planned second phase from South Africa to Asia. And most recently, Google announced a new subsea cable that will link France to Virginia Beach.

**THE BIGGEST SEA LANDINGS IN VIRGINIA BEACH IN CENTURIES**

This region of the East Coast was once the gateway for international expansion, exploration, progress and exchange of ideas. Much the same thing is happening in Virginia Beach today, with the arrival of several transatlantic cables and the resulting explosion of data centers and data companies to distribute and use all that power and information.

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**THE WORLD’S FASTEST SUBSEA DATA CABLES INSTALLED BY MICROSOFT, FACEBOOK AND TELXIUS.**

BCAUSE LLC, a privately held company established in Virginia Beach in 2013, announced plans to expand its operations and move its corporate headquarters to 5465 Greenwich Road. The new location offers 84,000 sq ft of space that will house its corporate headquarters and the computers and systems necessary to mine digital currency for the global financial market and support the company’s data processing needs. They are among the largest operations of this kind in North America and will add 100 new full-time jobs with average annual salaries of $60,000.

**WHAT TO DO WITH ALL THAT DATA?**

Welcome to Corporate Landing, a 325-acre publicly developed business park owned by VBDA. Virginia Beach has laid the groundwork for a world-class telecommunications system complete with 163 acres of available sites, certified power requirements, available fiber-access hubs and a streamlined permitting process. Additional benefits include a low cost of doing business, reduced property taxes for data centers, no machinery and tools tax and a highly skilled workforce. The cable landing station in Corporate Landing provides high-capacity, reliable connectivity options to carriers, data center and co-location facility operators. Virginia Beach’s infrastructure and economic potential have been ranked in the top 10 for mid-sized cities in the Western Hemisphere.
Microsoft, Facebook and Telxius' MAREA cable connected Virginia Beach with Bilbao, Spain in Fall 2017.

Telxius' BRUSA cable connects Virginia Beach with Rio De Janeiro, Brazil in 2018.

SAEx announces new cable from Cape Town, South Africa to land in Virginia Beach in 2020.

Globalinx purchases 11 acres of land in Corporate Landing to develop the first 138,000-square-foot carrier-neutral co-location campus in Virginia Beach.

ACA International contracts for a 10-acre site in Corporate Landing to build 130,000-square-foot data center.

NxtVn has acquired 10 acres of land adjacent to Corporate Landing to develop a data center campus.

The carrier hotel and carrier-neutral data center being developed by Globalinx will offer any carrier direct access to these cables, which means businesses in Virginia Beach can reach customers in Europe, South Africa and South America more quickly and efficiently than from anywhere else in the world.

**Ownership**
- **MAREA:** Microsoft, Facebook
- **BRUSA:** Telxius
- **SAEx:** TBD

**Announced Cables**
1. Microsoft, Facebook and Telxius' MAREA cable connected Virginia Beach with Bilbao, Spain in Fall 2017.
2. SAEx announces new cable from Cape Town, South Africa to land in Virginia Beach in 2020.
Virginia Beach continues to make waves as an emerging hub for biomedical and healthcare companies. The Development Authority took ownership of approximately 155 acres in the Princess Anne Commons corridor of Virginia Beach to create VABeachBio Innovation Park, the first biomedical research park in Hampton Roads. Here’s what we helped make happen at the Park during the last year:

Selected Olympia Development to construct the first building in the VABeachBio Innovation Park
- 60,000-sq-ft facility
- VABeachBio Accelerator, a wet lab space with shared equipment designed for start-ups and international companies just beginning their journey in the American biomedical industry

More than 80 teams are vying to commercialize inventions and create start-up companies in Virginia Beach. A partnership with The Center for Advancing Innovation (CAI), the Challenge will create 20+ start-ups focused on veteran’s health, including, but not limited to PTSD, diabetes, and cardiovascular disease in Virginia Beach.

Examples of inventions include a portable device for non-invasive cancer screening from NASA Langley, a miniature brain stimulation device to treat neurological disorders from Virginia Tech and a portfolio of best-in-class drugs to treat diabetes from the University of Virginia.

Established relationships with multiple international bio clusters, including:
- Oxford Biotech Network in the United Kingdom
- ASEBio in Spain

Partnered with Virginia Bio to promote workforce development and industry growth in biosciences
Virginia Beach has aggressively sought businesses from across the globe for decades. Some of our longest tenured and most successful local companies are foreign-based. Not only do more than 30 international companies have their U.S. or North American headquarters here, we also have dedicated international offices in Germany, Spain and the Philippines. When it comes to communicating our City’s valuable assets, we all speak the same language. Here are some of our recent highlights:

STIHL INC., a manufacturer of professional-grade chainsaws, has continually grown and improved its campus facilities in Virginia Beach. The company announced plans to begin construction of the state-of-the-art, 80,000-sq-ft administration facility as part of its commitment to growing U.S. operations in Virginia Beach. This expansion from the existing 21,000-sq-ft administration building will allow STIHL to comfortably continue its anticipated growth at its Virginia Beach facility and allow the company to better serve its network of 9,000 independent servicing dealers and customers. The company will invest $25 million in the project.

IMS GEAR, a German-based manufacturer of automotive equipment, will invest $1.05 million to upgrade its CNC cutting machine in Virginia Beach. The company’s 115 employees will be retrained to operate the new machinery with support from the Virginia Jobs Investment Program.

HERMES ABRASIVES, founded in Hamburg, Germany in 1927, is a leading manufacturer of industrial coated and bonded abrasives used in the automotive, aerospace, metalworking and woodworking industries. The VBDA was responsible for the initial location of the company’s North American headquarters to Virginia Beach in 1979 and has assisted the company with several expansions over the years. In the FY2017-18, the company invested $3.75 million and created 12 new jobs.

• Opened a new European office in Madrid to assist the Spanish, Portuguese and French markets
• Our consultants in Germany and Spain attended 21 trade shows and 28 marketing events in Germany, Turkey, The Netherlands, Austria, Spain and France resulting in 160 leads.

OTHER NOTABLE EVENTS:

• Established MOUs with three Spanish business institutions
• Created a social media marketing campaign for the Spanish-speaking market
The VBDA seriously considers and supports small businesses. We use a targeted, comprehensive set of programs to support our small business community, including workshops and special events, funding of small business programming by Small Business Development Center of Hampton Roads and regional ODU Procurement Technical Assistance Center (ODU-PTAC), and hosting weekly counseling sessions, among other initiatives.

The Department strives to expand the breadth of services through outreach efforts and events to strengthen small businesses through training opportunities and facilitating business-to-business meetings. Notably, Virginia Beach accounts for one-third of the region’s start-up activity. The City has twice the start-up activity of its closest neighboring cities. Approximately 95% of all Virginia Beach businesses have 50 or fewer employees.

From FY14 through FY18 (YTD), the VBDA awarded 85 EDIP grants totaling $18.6 million. Of these, 81% (69 grants totaling $15.9 million) went to existing Virginia Beach companies; 62% (52 grants totaling $4.2 million) were awarded to companies with fewer than 50 employees or who were SWaM-certified.

Additionally, the VBDA contributes $15,000 annually to the Small Business Development Center of Hampton Roads, and $7,500 to the ODU-PTAC, to provide operational and marketing assistance to the City’s small business community. Annually, SBDC provides services to approximately 250 Virginia Beach companies, while ODU-PTAC supports more than 30.

When working with relocation projects to the City, the VBDA regularly provides introductions to existing small businesses that may be able to provide services, support or supplies to potential new companies.

SWaM AND SMALL BUSINESS

HIGHLIGHTS:

- Hosted Bio-Focused SWaM Forum, September 2017
- Hosted 5th year of SWaM workshops
- 13 project announcements

- 81% of EDIP grants awarded to existing Virginia Beach companies
- 62% of EDIP grants awarded to companies with fewer than 50 employees

- 48 new job announcements
- Retained 371 jobs
- $14.68 million total investment
- 90,640 new square footage
- Co-sponsored 757 Accelerate

CATAPULT The City of Virginia Beach, in conjunction with the Navy and NASA, launched Catapult, a two-day expo and landmark event to connect Hampton Roads’ academic and business tech talent pool with the renowned Naval Research Enterprise, as it serves a powerful and growing Naval fleet and force. Regional talent had an opportunity to discuss the areas of unmanned systems, cybersecurity and modeling and simulation. This marketplace gives local companies, including start-ups and entrepreneurs, the ability to meet with Naval technology experts and decision makers and learn how to become Naval suppliers, gain visibility and recognition as leading technology solutions providers, and maintain relationships.
IN ALMOST EVERY CATEGORY.

HIGHLIGHTS FROM ANOTHER BIG YEAR IN VIRGINIA BEACH, ACROSS THE BOARD.

SUCCESS ACROSS THE CITY, ACROSS THE BOARD.

RETAIL

WEGMANS, a family-owned regional supermarket chain, broke ground on its Hampton Roads location in the Town Center/Central Business District area. The 130,000-sq-ft store will include a parking deck and a mezzanine for café seating with the look and feel of European open-air markets.

FLOOR & DECOR, a leading specialty retailer of hard-surface flooring, opened its first Hampton Roads store in the former Kmart Town Center/Central Business District area. The 90,000-sq-ft store and design center offers homeowners and contractors a superstore range of selections, showroom quality and warehouse prices.

PROFESSIONAL SERVICES

GET SOLUTIONS will relocate its current corporate headquarters from 204 Grayson Road to 5465 Greenwich Road expanding from 11,600 sq ft to 29,000 sq ft. A capital investment of $3.65 million includes real estate and equipment. GET will add 10 new full-time jobs with average annual salaries projected to be $40,000, excluding benefits.

G2 OPS, INC. a small, women- and minority-owned business, has relocated and expanded its corporate headquarters creating 10 new jobs with average salaries of $65,000.

WILLIAMS-SONDAMA and POTTERY BARN, two national retailers, opened in the Town Center of Virginia Beach. They occupy 18,000 sq ft in the project’s sixth phase of development.

PARK LANE TAVERN, a European tavern-themed restaurant, opened its first Southside location in the former Ruby Tuesday’s in the KemsپRiver Shopping Center.

COOPER’S HAWK WINERY AND RESTAURANTS based in Illinois, one of the largest winemakers in the U.S., will open an 11,000-sq-ft tasting room and eatery in Lynnhaven Mall by the end of 2018.

GEICO announced more than 500 new jobs for their Virginia Beach facility.

IRONCLAD MEDIA, a boutique media agency specializing in digital cinema, will relocate from 1,800 sq ft at 207 25th Street and triple its footprint to 5,060 sq ft with the purchase of a building at 1136 Jensen Drive. Ironclad will invest $675,000 in real estate and business equipment and add three full-time employees with salaries of $40,000, excluding benefits. (APZ-1)

G2 OPS, INC.

DEFENSE

CUSTOM PANEL & CONTROLS, an electrical contractor for marine and commercial industries, relocated to a larger facility in the Lynnhaven corridor adding 15 new jobs with average annual salaries of $50,000. They will invest $3.22 million on their expansion.

MANUFACTURING

BROAD BAY COTTON COMPANY produces a variety of textile products such as backpacks, bags, aprons, and supplies in addition to custom wood-based products such as plaques, trays, cutting boards and skateboards. Broad Bay Cotton Company is relocating from a 5,000-sq-ft facility on Thurston Avenue to a 8,000-sq-ft facility on Reliance Drive and will make a capital investment of $172,000 for furniture, fixtures and equipment for the expansion. (APZ-1)

SEIGLER REELS manufactures, assembles and distributes 10 models of performance fishing reels to U.S. and international retailers. The company is doubling in size and will bring a high-quality manufacturing operation to Virginia Beach, relocating six jobs here while creating six to 12 new full-time positions with salaries exceeding $37,000. (APZ-1)

OMNIIO is an innovative and creative company providing goat milk bath and body products for the natural grocery and global gift industries. The company is relocating from 3,400 sq ft at its current location at 2521 Engagement Court to 4,785 sq ft at 2744 Soric Drive. Omniio will invest $370,000 in the expansion and add four full-time jobs with salaries of $31,200, excluding benefits. (APZ-1)

TDI, a firm that specializes in tactical gear and high-end tactical equipment, purchased a 2.59-acre site at 641 Phoenix Drive in Virginia Beach. The site includes an 11,495-sq-ft facility for the company’s corporate headquarters in addition to manufacturing, printing and distribution.

OSPREY DESIGN GROUP provides automation and integration services for robotics, contract manufacturing, machine design and assembly, maintenance, technology and software development. The company has six full-time employees in Virginia Beach and will create nine jobs for mechanical engineers, project managers and technicians with average annual salaries of $60,000, excluding benefits.

EPIC MANUFACTURING provides precision machining with design, welding and fabrication services. The company will relocate from 2513 Performance Court to 2500 Squadron Court in Virginia Beach. It will occupy 3,600 sq ft of an existing building. The company will bring a $2 million capital investment in real estate, machinery and tools. (APZ-1)

DEFENSE

TARGET SECTOR REPORTS
New Realm Brewing, the Southeast-based craft brewery, will open a second brewery and taproom in Virginia Beach. The 58,000-sq-ft facility is capable of brewing 40,000 barrels annually and will feature a tasting room with a wide variety of beers on tap, an outdoor beer garden and restaurant.

Vibrant Shore Brewing will open a craft brewery and tasting room at 505 18th St. in Virginia Beach’s ViBe Creative District. The capital investment of $827,800 will include real estate, furniture and fixtures, and equipment.

Farmhouse Brewing, a partnership with Back Bay Brewing Co., has recently announced plans to build an additional 2,500-sq-ft building that will become the first Virginia Farm Winery in Virginia Beach. The new facility will focus on producing hard cider using Virginia apples. Five jobs with average annual salaries of $45,000 will be added.

Isley Brewing Company will open a second location in Virginia Beach’s ViBe Creative District at 315 Virginia Beach Blvd. The new facility will include a brewery capable of producing 2,000 barrels of beer a year, a tasting room, live music and events. The company will invest $825,000 in real estate, business property and machinery and tools. Additionally, 10 full-time jobs will be created.

Mermaid Winery opened a second regional location at 4401 Shore Drive in Virginia Beach. Virginia’s first urban winery opened a 8,084-sq-ft location with more than $1 million in capital investment including real estate, machinery and furniture, fixtures and equipment. Mermaid Winery is a small, women-owned business and the expansion will bring 25 new jobs to the City.
Several presenters at 1 Million Cups Virginia Beach have made great strides and received regional and national recognition due to their participation. The program gives entrepreneurs a chance to present start-up ideas to mentors, advisors and entrepreneurs. Presenters learn ways they can improve their businesses, get real-time feedback, connect with a like-minded community and get an invaluable jumpstart for their vision. More than 1,150 people attended these sessions during the year, with over 40 entrepreneurs presenting their business vision and plans.

1701 CoWorking, in the City’s ViBe District, has continued to grow, attracting 150+ entrepreneurs who use this facility to operate their businesses and collaborate with other business owners. More than 65 business licenses have been acquired by new companies at 1701 since opening in 2016. Fifteen “graduate” companies have created approximately 30 jobs in the community. New co-working facilities launched during the past year include College Park Executive Suites and The Annex.

**YESOCEANA**

YesOceana, Virginia Beach’s award-winning Oceana Land Use Conformity Program, was created to help reduce the incompatible land uses surrounding Naval Air Station Oceana, the Navy’s East Coast Master Jet Base. NAS Oceana generates 17,000 jobs with a total payroll of more than $1.3 billion and is one of the most important components of the Virginia Beach economy.

### Progress to Date

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount of Investment</th>
<th>Amount of EDIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad Bay Cotton</td>
<td>$327,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Ironclad Media Alliance</td>
<td>$675,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>Omniio</td>
<td>$370,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Southampton Roads Construction</td>
<td>$1,243,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>EPIC Manufacturing</td>
<td>$2,004,385</td>
<td>$100,000</td>
</tr>
<tr>
<td>Seigler Reels</td>
<td>$975,000</td>
<td>$55,000</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$5,394,385</strong></td>
<td><strong>$275,000</strong></td>
</tr>
</tbody>
</table>

Non-Conforming Commercial Properties Eliminated: $3.1 Million in EDIP Grants Awarded

$58.1 Million in New and Retained Private Investment

$58.4 Million Committed to 46 Businesses to Promote Compatible Uses

Non-Conforming commercial properties eliminated: $3.1 million in EDIP grants awarded. $58.1 million in new and retained private investment. $58.4 million committed to 46 businesses to promote compatible uses.
Two manufacturing roundtables were held this year: A session at the Advanced Technology Center (ATC) enabled attendees to tour the City’s public school classrooms and engineering labs. A second session at Old Dominion University provided an overview of digital manufacturing and the use of augmented reality as a training tool.

Departmental staff worked closely with the Virginia Employment Commission’s SEVA Rapid Response Team and Opportunity, Inc. at the Virginia Beach Convention Center to coordinate a hiring event for transitioning Farm Fresh employees. According to the Rapid Response Coordinator, the Convention Center was an outstanding venue for conducting the hiring event, with the participation of 130 employers and over 800 attendees.

Virginia Beach City Public Schools Career and Technical Education students earned 13,161 industry credentials during the 2017-2018 school year. This is the highest number to date and indicates students are prepared to enter directly into the local workforce. Other items of interest:

- Added a new Information Technology and Cyber Foundations course at the ATC to help connect students to the growing regional info tech field
- The HVAC program at the Tech Center completed full accreditation through HVAC Excellence
- Dual enrollment with Tidewater Community College was expanded to include Welding, Cybersecurity, CISCO, and Accounting
- The STEM Trifecta turned 10 years old with the addition of a STEM Career Expo

Tidewater Community College Center for Workforce Solutions conducted training for six companies and organizations impacting over 70 employees. In addition, nine companies were provided apprenticeship training affecting 50 employees.

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**Company Investment Program Projects**

<table>
<thead>
<tr>
<th>Company</th>
<th>Capital Investment</th>
<th>Employees Retained</th>
<th>New</th>
<th>Jobs Reimbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mystics</td>
<td>$7,500,000</td>
<td>154</td>
<td>114</td>
<td>10</td>
</tr>
<tr>
<td>IMS Gear</td>
<td>$1,050,000</td>
<td>295</td>
<td>115</td>
<td>-</td>
</tr>
<tr>
<td>Sanjo</td>
<td>$17,500,000</td>
<td>-</td>
<td>41</td>
<td>-</td>
</tr>
<tr>
<td>LifeNet Health</td>
<td>$12,254,000</td>
<td>704</td>
<td>321</td>
<td>-</td>
</tr>
</tbody>
</table>

**Types of Jobs**

- Accountants, Administration, Sales & Marketing
- Machine Operators
- Administration, Maintenance Technicians, Quality Assurance, Supervisor, Warehouse
- Research, Production, Administrative, Clinical

**12+ Workforce Trainings and/or Scholarship Opportunities were Provided to Over 365 Providers.**

**Virginia Jobs Investment Program Projects**

Total: $38,304,000, 1,004, 770, 10
ViBe Creative District was established to attract creative industries to a section of the Virginia Beach oceanfront that was identified for revitalization. It was once an incubator for small and emerging businesses. In 2015, the City established the boundary of the district by ordinance and declared it “an arts and cultural district and technology zone” with incentives established by the Virginia General Assembly.

In February 2018, an additional incentive was added to the program, the ViBe Creative District Matching Grant Program, to provide impactful support to small and locally owned and operated businesses located within the ViBe Creative District that fulfill the goals of the District. This program provides monetary matching grants to existing business owners or those who plan to buy or lease existing and/or vacant industrial or commercial property within the District. Grant funding from $1,000 to $15,000 can be used for building improvements, equipment to expand or modernize a business, and façade improvements.

ViBe MATCHING GRANT FUNDING

The Authority awarded $49,190 in matching grants to seven small businesses which will leverage $162,690 in new private investment. Isley Brewing Company and Vibrant Shore Brewing, which received traditional grants, will also locate in the ViBe District.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>AMOUNT OF INVESTMENT</th>
<th>AMOUNT OF EDIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commune Bakery LLC</td>
<td>$110,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>1701 LLC</td>
<td>$28,520</td>
<td>$10,000</td>
</tr>
<tr>
<td>North End Bag Company</td>
<td>$8,265</td>
<td>$8,265</td>
</tr>
<tr>
<td>Evofit</td>
<td>$1,925</td>
<td>$1,925</td>
</tr>
<tr>
<td>Sugar Skull Creative LLC</td>
<td>$4,800</td>
<td>$4,800</td>
</tr>
<tr>
<td>Porpoise LLC</td>
<td>$3,275</td>
<td>$3,275</td>
</tr>
<tr>
<td>Wave Riding Vehicles</td>
<td>$5,925</td>
<td>$5,925</td>
</tr>
</tbody>
</table>

TOTALS $162,690 $49,190

“We came to the ViBe district because we wanted to be around more creative businesses.”

Aaron & Sarah McLellan
OWNERS | NORTH END BAG COMPANY