

An aerial photograph of Virginia Beach, Virginia, taken at sunset. The sky is a mix of orange, yellow, and blue. In the center, a tall, modern skyscraper with a pointed top is illuminated. To its right, a large, multi-story building with a prominent tower is also lit up. The city streets are visible, with cars and buildings scattered across the landscape. A teal-colored rectangular overlay is positioned in the lower-left quadrant of the image, containing white text.

VBDA Monthly Cash Flow

City of Virginia Beach Development Authority

May 21, 2019

Operating Account Summary: April 2019

Beginning Cash

\$4,784,406

- **Significant Cash Receipts**

- ✓ \$2,093,000 from Virginia Beach IX LP for Corporate Landing land purchase
- ✓ \$10,000 from various companies for Charity Golf sponsorships
- ✓ \$3,063 monthly interest income

- **Significant Cash Disbursements**

- ✓ \$236,121 to City Treasurer for Live Nation 2018 rent
- ✓ \$10,906 to Kimley Horn for Corporate Landing stormwater plan

Ending Cash

\$4,784,274

Incentive Account Summary: April 2019

Beginning Cash

\$2,862,564

- **Significant Cash Receipts**

- ✓ \$562 monthly interest income

- **Significant Cash Disbursements**

- ✓ \$650 to City Treasurer for active construction general permit at London Bridge Commerce Center

- ✓ \$95,016 to Armada Hoffler for Town Center Block 9 streetscapes

- ✓ \$2,282 to Kimley Horn for Bio Park Phase 1 engineering fees

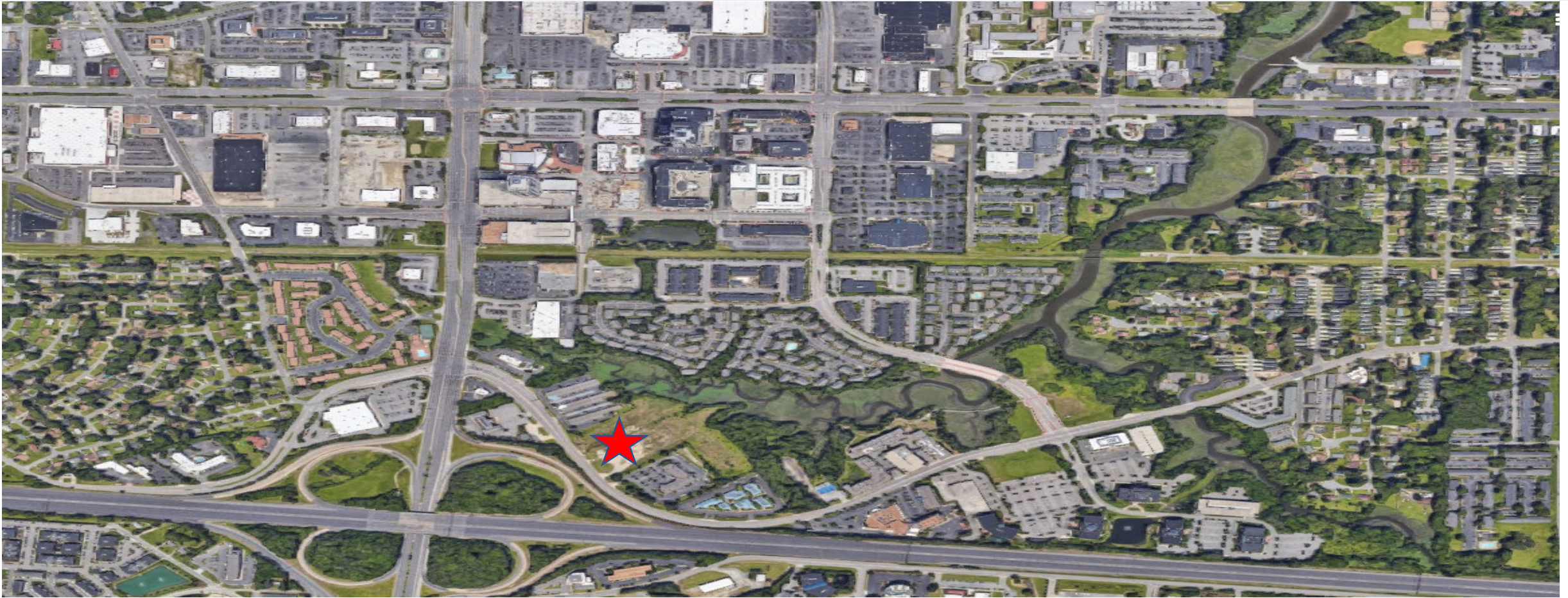
Ending Cash

\$2,765,178

Incentive Account Summary: April 2019

| | |
|---|--------------------|
| Ending Cash held by VBDA | \$2,765,178 |
| PLUS: EDIP and other Receivables | \$8,080,222 |
| LESS: Payables and Commitments | \$9,087,382 |
| <hr/> | |
| Ending Available Funding | \$1,758,018 |

A request for approval of a \$604K EDIP Part B award to Olympia Development for a mixed use development at Bonney Road with private investment of approximately \$75M.



Preliminary Disclosures

Olympia Development Corp.

- Principals Cecil V. Cutchins
 Cecil V. Cutchins, Jr.
- Accounting BDO
- Architect Rule, Joy, Trammell & Rubio Siska-Aurand
- Engineers American Engineering
- Financing TowneBank
- Legal Services Wolcott Rivers, P.C.

Site History

- Pre 1999 - City purchased 11.77 acres *(sold then re-purchased 12/03)*
- Oct 17 - RFP published
 - Proposals received from Olympia and Harmony Investments
- Dec 17 - Olympia selected
- Sept 18 - Pre-Submittal Meeting
 - Wetland study reveals approximately 7.5 developable acres
- Dec 18 – Construction begins Thalia Creek Greenway Phase II
- Jan 19 - Olympia and City Staff amend development plan
- Mar 19 - Olympia submits preliminary costs for draft sales agreement

Developer's Offer - Land

| | Total Acres | Developable Acres | Assessment | Developer Offer |
|------------------|-------------|-------------------|------------|-----------------|
| Bonney Road Site | 11.77 | 7.5 | \$1.7M | \$1.8M |

- Nominal value to be established for remaining 4 acres
- \$50,000 deposit will be made upon execution of agreement
- \$1.7M = \$144K per acre
- \$1.8M = \$240K per acre for developable land
- May 2019 property appraised for \$2.3M

Developer's Offer - Construction

| Development Component | Description | Construction Cost | Total |
|-----------------------|-----------------------|-------------------|---------------|
| Professional Office | 100K-140K square feet | \$250 per ft | \$25M - \$35M |
| Multi-Family | 240 units | \$175K per unit | \$42M |
| Parking | 782 spaces | \$15K per space | \$11.7M |



Ferdinand Cir

Indies Ct

Genoa Cir

Thalia Greenway
Pedestrian Trail

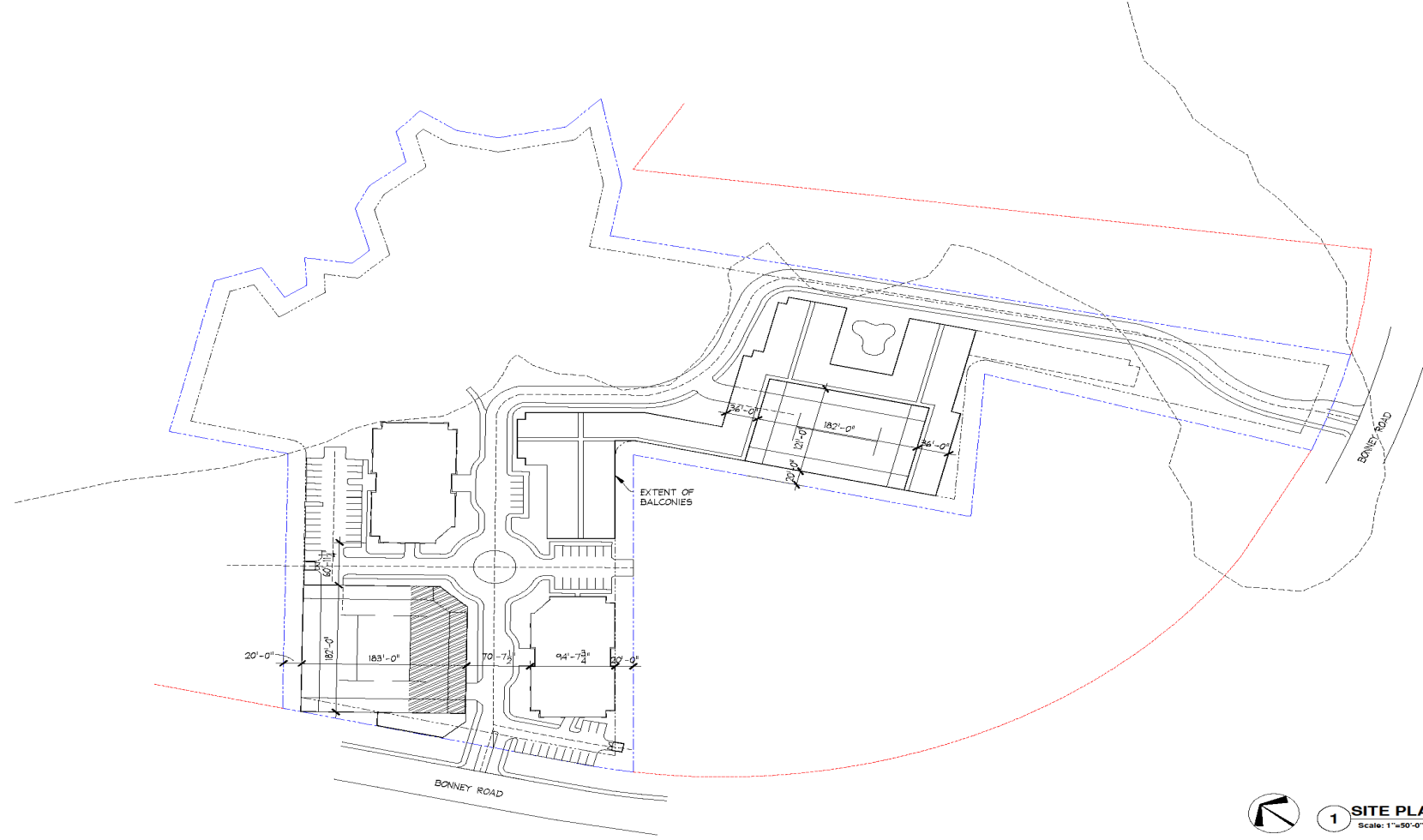
Bonney Rd

264

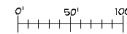
South Blvd

BONNEY ROAD SITE





1 SITE PLAN
Scale: 1"=50'-0"



ISSUED FOR CONSTRUCTION

BONNEY ROAD OFFICE BLDG
VIRGINIA BEACH, VIRGINIA

DRAWING NO.

Rule Joy Trammell Rubio
ARCHITECTURE INTERIOR DESIGN
300 Galleria Parkway, Suite 740, Atlanta, Georgia, 30339
770-461-1492 (phone) 770-661-1495 (fax)
www.rjtrdesign.com



| PRINTED | |
|----------|----------------|
| DATE | ISSUE/REVISION |
| 04.18.19 | PROGRESS |
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Developer Requested Cost Participation Approvals

| | Construction Component | Maximum Amount |
|--------------------|------------------------|----------------|
| City Council | Parking | \$11.7M |
| | | |
| VBDA – EDIP Part B | Roadway | \$142K |
| | Stormwater | \$410K |
| | Off-Site Utilities | \$52K |

Developer Investment

Land \$2.3M

Improvements \$75M

EDIP Value \$604K

All investment in project is performance based

Fiscal Impact

- Proposed deal is cash flow positive in year 3
- NPV is higher with City participation in stormwater than without
 - \$3.7M NPV over 25 yrs w/ additional construction
 - \$2.0M NPV over 25 yrs w/o 60K sq ft building
- Property is in Town Center TIF

Revenue Source – Management Services and Assessor

Debt Service – Finance

City of Virginia Beach Development Authority

Economic Development Investment Program (EDIP)

Pembroke Area Projects

| Description | Approval Date | Capital Investment | EDIP Amount |
|--|---------------|--------------------|--------------|
| Town Center Virginia Beach - Phase I | February-00 | \$ 95,000,000 | \$ 5,000,000 |
| Anthem (Trigon Blue Cross Blue Shield) | June-02 | \$ 3,000,000 | \$ 190,000 |
| Town Center Virginia Beach - Phase II | June-03 | \$ 97,000,000 | \$ 4,000,000 |
| Resource Bank | March-04 | \$ 15,750,000 | \$ 320,000 |
| Crawford Properties, LLC (Ethan Allen) | September-04 | \$ 5,120,000 | \$ 131,000 |
| Town Center Virginia Beach - Phase III | September-05 | \$ 173,000,000 | \$ 1,000,000 |
| Olympia Development | August-08 | \$ 22,300,000 | \$ 800,000 |
| Town Center Virginia Beach - Phase IV | January-09 | \$ 158,400,000 | \$ 3,500,000 |
| South University of Virginia | December-09 | \$ 2,544,000 | \$ 100,000 |
| Avis Budget Car Rental | April-10 | N/A | \$ 100,000 |
| Town Center Virginia Beach - Phase V | November-12 | \$ 84,400,000 | \$ 3,500,000 |
| Avis Budget Group | June-13 | N/A | \$ 50,000 |
| Marathon Consulting | July-15 | \$ 202,000 | \$ 85,000 |
| Town Center Virginia Beach - Phase VI | May-16 | \$ 41,310,175 | \$ 1,000,000 |
| Mythics | February-17 | \$ 7,509,000 | \$ 250,000 |
| Hyatt Park Pembroke Place | April-18 | \$ 26,299,000 | \$ 200,000 |
| Armada Hoffler Properties | December-18 | \$ 8,987,956 | \$ 607,581 |

Next Steps

- **May 21** Request approval of a \$604K EDIP Part B award to Olympia Development for a mixed use development on Bonney Road with private investment of approximately \$75M.