VBDA Monthly Cash Flow

City of Virginia Beach Development Authority

November 19, 2019

Operating Account Summary: October 2019

Beginning Cash $4,680,860

- **Significant Cash Receipts**
  - ✓ $91,587 of IRB fees received from 2 bond recipients
  - ✓ $98,430 of Amphitheater CIP funding
  - ✓ $26,380 of operations & capital maintenance rent from VB National
  - ✓ $3,189 of monthly interest income
- **Significant Cash Disbursements**
  - ✓ $37,983 to City Treasurer for VB National operations rent received
  - ✓ $140,000 grant to Globalinx for their connection to the CL conduit
  - ✓ $98,430 to LiveNation for VBDA portion of Amphitheater capital maintenance
  - ✓ $350,895 to MCG for partial payment of CL conduit construction

Ending Cash $4,769,796

Incentive Account Summary: October 2019

Beginning Cash $5,114,491

- **Significant Cash Receipts**
  - ✓ $1,096 of monthly interest income
- **Significant Cash Disbursements**
  - ✓ Incentive award payments to:
    - ✓ Affordable & Luxury Event Rentals($50,000) for Part A capital investment
    - ✓ Global Technical Systems($143,896) for Part A capital investment
    - ✓ Linkhorn Associates ($158,378) for Part A capital investment
    - ✓ BN Media ($20,000) for Part A job retention
  - ✓ $500 in Part C expenses to BridgeTrust Title for LBCC title status check
  - ✓ $65,884 in Dome Site related expenses to:
    - ✓ Hunton Andrews Kurth ($30,561.50) for July and August legal fees
    - ✓ Singer-Davis ($35,322) for September legal fees
  - ✓ $49,927 to Olympia Bendix Two for Bio Accelerator security deposit and Aug – Nov rent

Ending Cash $4,627,002

Incentive Account Summary: October 2019

Ending Cash held by VBDA	**$4,627,002**
PLUS: EDIP and other Receivables	$9,977,309
LESS: Payables and Commitments	$10,916,765
Ending Available Funding	**$3,687,546**

City of Virginia Beach

Dome Site – Atlantic Park

Development Agreement Overview

Virginia Beach Development Authority

November 19, 2019

Atlantic Park, Inc. - Principal Leadership Disclosures

Venture Realty Group
Venture Realty Group 1, LLC
Atlantic Park, Inc.
Donna MacMillan Whitaker
Michael A. Culpepper
John L. Gibson, III
Elizabeth Matulenas
Matthew Lafler
Steven D. Green
Fiona Sadler

WM Jordan Company
John R. Lawson
H2O Investments
Joe LaMontagne
The Costen Companies
Tim Costen
Pharrell Williams
Bishard Development Corp.
Steven W. Bishard
John K. Bishard
Robert A. Deacon

Atlantic Park, Inc. - Principal Leadership Disclosures

VENTURE REALTY GROUP

HANBURY

wpl

OVG Oak View Group + Live Nation

H2O INVESTMENTS

W.M. Jordan Company

THE COSTEN COMPANIES

BISHARD

Kimley»Horn

Atlantic Park, Inc. - Service Disclosures

Architect:	Oppenheim, Hanbury
Construction Contractor:	WM Jordan
Engineer:	WPL, Kimley-Horn
Legal:	In-House, Kaufman & Canoles, McGuire Woods
Real Estate Broker:	Venture Realty Group, Madison Marquette, Colliers International
Financing:	TBD

Role of the VB Development Authority

- Contractual party, but the Agreement will be administered by the City as third party beneficiary
- Owns the collective parcels known as the “Dome Site”
- Solicited the RFQ in February 2017 - therefore procured the parking, streetscapes and entertainment venue
- VBDA has the authority to enter in to longer term leases

Due Diligence Phase

- Acquisition of additional land
- Determine entertainment venue location
- Zoning, Street Closure, Traffic & Subdivision Requirements
- Financing commitment progress
- Finalize preliminary master plan
- Petition for creation of Atlantic Park CDA

Pre-Development Phase

- Additional due diligence, if necessary
- Architect and consultant approval
- Design and construction plans advanced to agreeable percentage, memorialized by progress approval memos
- Preparation of development budgets and Guaranteed Maximum Price (GMP) purchase costs

Closing and Development

- Approval of development plans and development budget
- Lease agreement
- Parking agreement
- Condominium regime
- Special service district creation

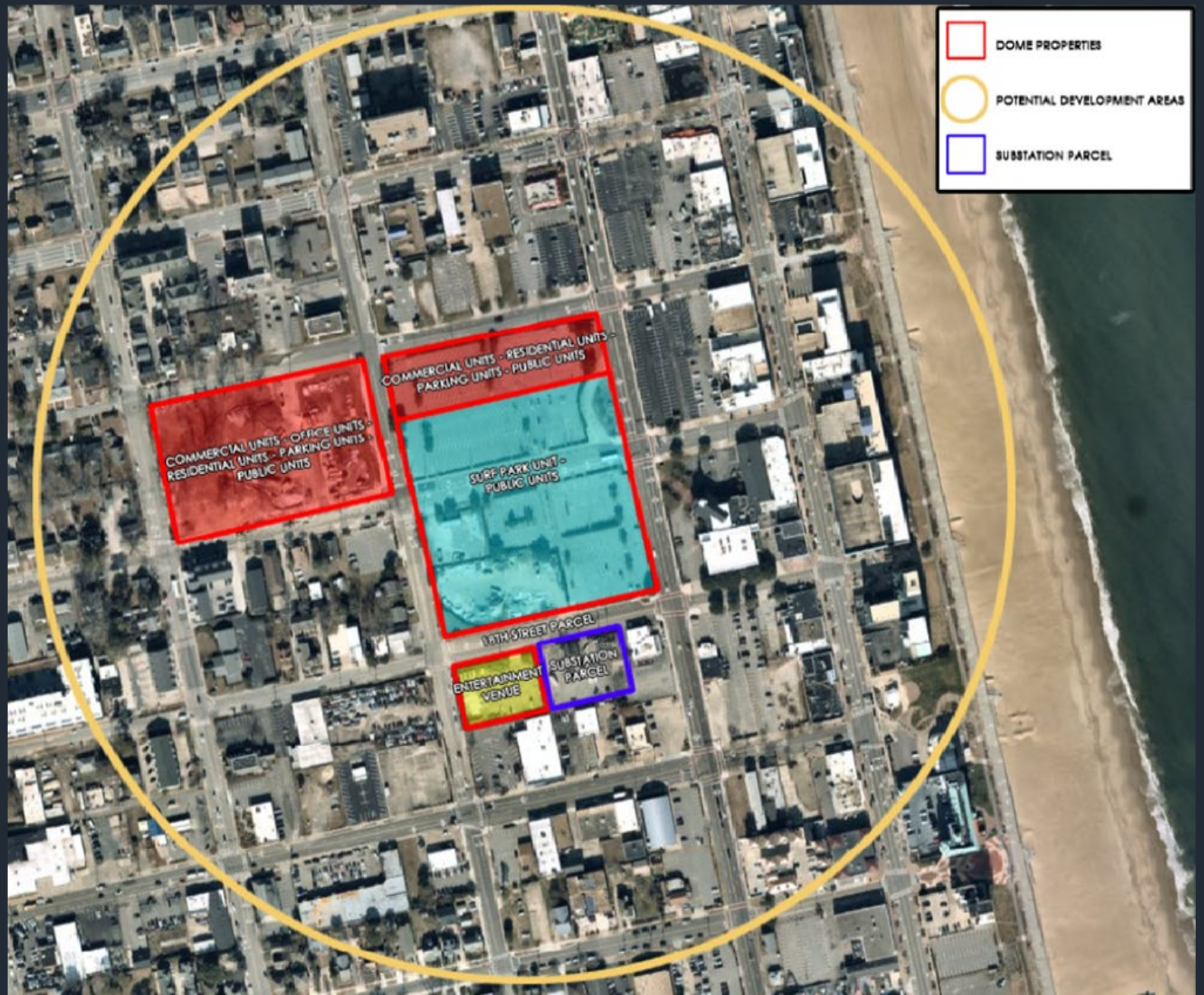
The Project will include:

- Mixed-use commercial tenant spaces including retail, experiential retail, and restaurants
- Class A commercial office spaces
- Approximately 425+/- market rate residential rental units
- Wavegarden Lagoon surf park with supportive retail, cabanas and park amenities

- State-of-the-art music and entertainment venue for an estimated 3,500 ticketholders
- Structured parking garages integrated in the development with an estimated 1,935 spaces
- Pedestrian common areas and amenities commonly found in first-class mixed-use developments

All Project elements will be on par with high quality, first-class urban mixed-use developments

Preliminary Project Plan



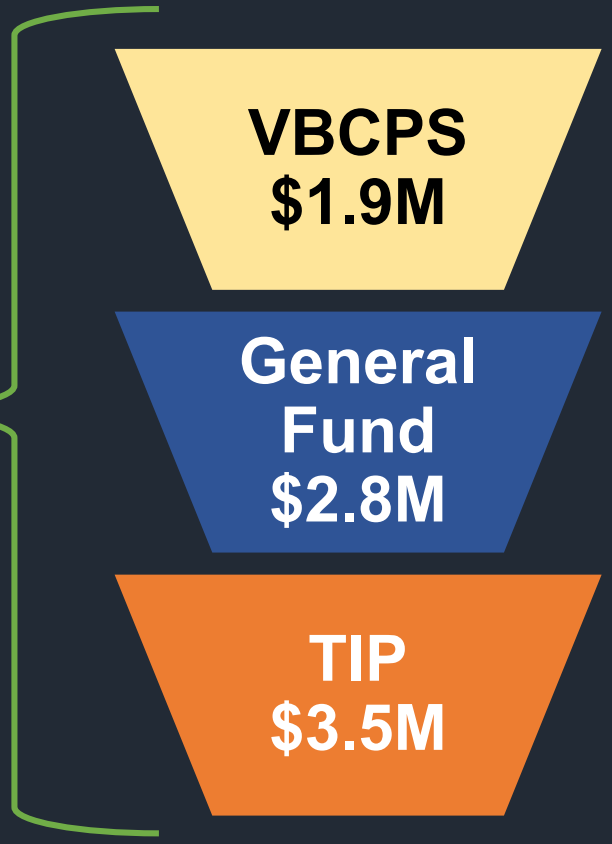
Annual Tax Revenues & Distribution

Local Tax Revenues

Atlantic Park

City of Virginia Beach

Local Tax Distribution



Public – Private Investment

- The preliminary project master plan calls for a combined investment of $325 million as follows:
  - Private Investment of $230 million for the retail, residential, commercial office and surf park
  - Public Investment of $95 million for public parking, streetscapes and the entertainment venue
    - Paid for through the TIP fund
    - No General Fund tax revenues will be used for this project

Performance Grant Incentive

Up to $5M annually for 20 years

City of Virginia Beach

2.025% Sales Tax

≡ 1.5% Sales Tax
100% Admissions*
20% Meals*

Atlantic Park Community Development Authority

$0.25 Real Estate Tax

Bond Financing

Atlantic Park

* Excluding the Entertainment Venue

NOTE: All revenue generated by Atlantic Park development only

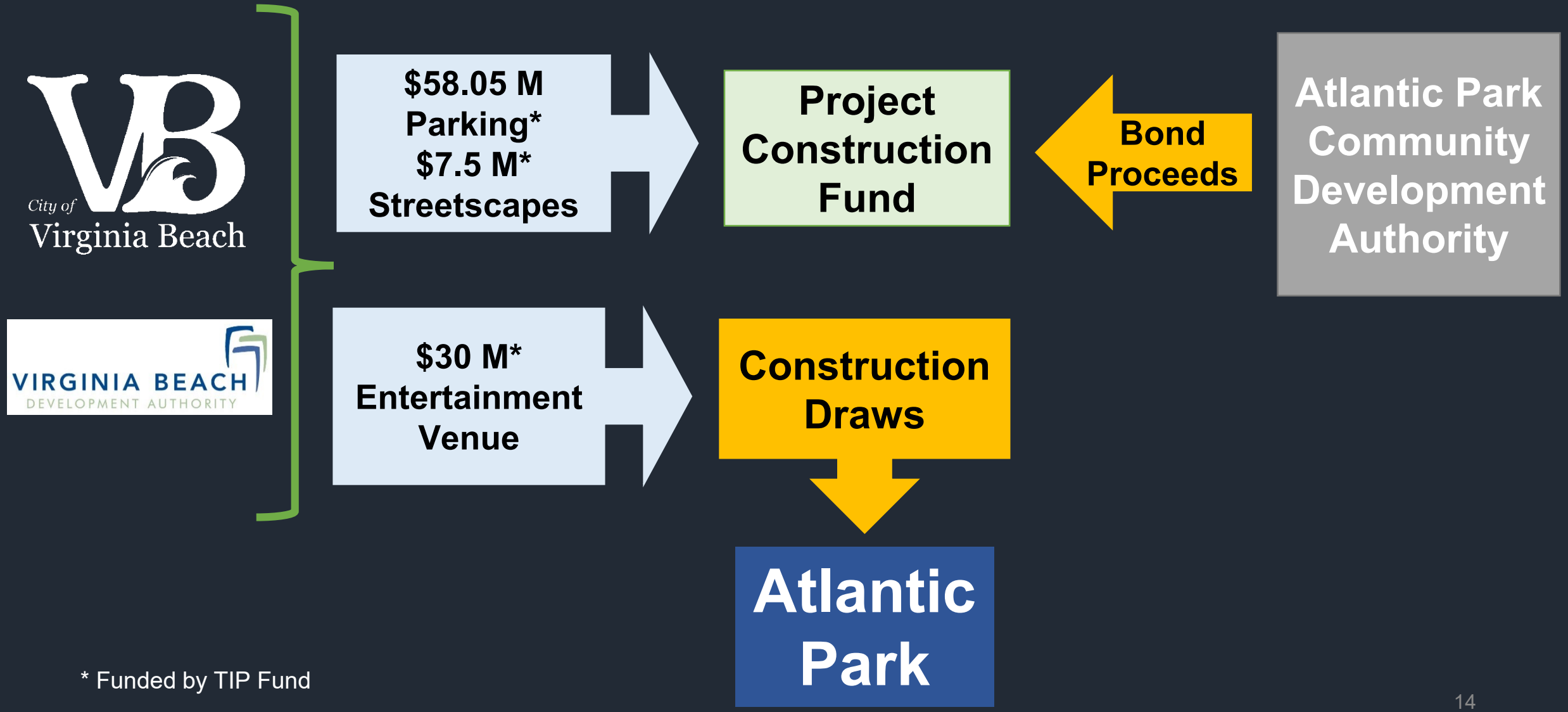
Bond Financing & Project Construction Fund

- The City will create a Community Development Authority (CDA) to leverage the combined public/private investments and facilitate development and financing
- The CDA is only applicable to the project components and real estate of Atlantic Park
- Bonds issued by the CDA will not be City debt nor obligation
- The members of the CDA board will be members of the City Council
- Project Construction Fund will be created to pay for other project components. The fund serves as a form of gap financing

Primary purpose of the CDA

- Issue bonds to finance a portion of the parking garages and streetscapes
- CDA bonds will be repaid with Performance Grant revenues
- There will be additional real estate and admissions taxes in the CDA District to support CDA obligations
- These Special Tax Revenues are part of the Performance Grant and imposed by the CDA only on the Atlantic Park development

Development Agreement Project Acquisition



* Funded by TIP Fund

Next Steps

- VBDA – Approval recommended for Resolution for Atlantic Park
- City Council – Approval recommended for appropriation for additional land acquisitions
- City Council – Approval recommended for Atlantic Park Development Agreement

DOMA Technologies, LLC
EDIP Business Incentive Recommendation

City of Virginia Beach Development Authority
November 19, 2019

DISCLOSURES

- **DOMA Technologies, LLC:**
  - Pat S. Feliciano, President & Manager
  - Ian Checcio, Vice-President
- **OWNER OF PROPERTY:**
  - Doug McDougal, Owner, London Bridge Trading
- **ATTORNEY:**
  - Vandeventer Black, LLP
- **BANKING INSTITUTION:**
  - Towne Bank
- **ACCOUNTING:**
  - Cherry Beckett Holland

ABOUT THE COMPANY

- Established 2000
- Headquartered in Virginia Beach, VA
  - ✓ Currently located at 851 Seahawk Circle (APZ-1)
  - ✓ 3 other locations (Raleigh, NC; Charlotte, NC; Washington, DC)
- This is an expansion of their HQ's location
- They primarily provide document conversions for the Federal Government
- Leader in Document Retrieval, Scanning & Indexing, Quality Control, Document Disposition, Document Storage thru electronic media and I.T. solutions

New Location: 585 London Bridge Road

Confidential

PROJECT SUMMARY

PROPERTY:

- Building Square Footage: 67,000 SF
- Lease term, 5-years
- Storage/warehouse/distribution/processing
- Navy approved use
- I-1 Zoning
- Anticipated project completion date March 2020
- Received an EDIP award in Oct 2014 of $90,000 based on jobs…Satisfied

INVESTMENT (within 36 months)

JOBS	AMOUNT
RETAINED FTE'S	175
NEW FTE'S	300
TOTAL FTE'S:	475
AVERAGE ANNUAL SALARY (Exclusive of Benefits)	$33,000

CAPITAL INVESTMENT	AMOUNT
REAL ESTATE	$600,000
MACHINERY AND TOOLS	N/A
FF&E	$750,000
TOTAL:	**$1,350,000**

RECOMMENDATION

- Economic Development Investment Program (EDIP) Grant - “Part A” : $180,000
- Meets the “New” Job creation criteria of 1-new FTE for every $1,000 in EDIP funds
- Target industry sector:
  - ✓ Information Technology Processing
  - ✓ SWAM Certified

EDIP Incentive Request

City of Virginia Beach Development Authority

November 19, 2019

Disclosures (Applicant)

- Owner: InMotion Hosting Inc.
- Accounting: Miller Ward Aziz Encino, CA
- Architect HBA Architecture & Interior Design
- Construction Contractor TBD
- Financing: BB&T
- Legal Services: Williams Mullen
- Real Estate: Jones Lang LaSalle

Disclosures (Owner)

- Owner: Campus Realty Virginia Beach
- Accounting: Meadows Urquhart Acree & Cook LLP
- Architect Freeman & Morgan Architects
- Construction Contractor MGT Construction
- Financing: Coastal Federal Credit Union
- Legal Services: Thornton & Associates
- Real Estate: Thalhimer Commercial Real Estate

About the Company

- **InMotion Hosting** is a web hosting and web design services company that offers a WordPress hosting, virtual private server web hosting, dedicated servers, and shared web hosting
- Founded: 2001 in CA; opened Virginia Beach office in 2004. Also in CO.
- Located at two Virginia Beach locations: 3629 Sentara Way and Seahawk Circle
- Consolidating operations into one location, company researched build to suit, lease and purchase in Suffolk, Chesapeake and Virginia Beach
- InMotion Hosting was awarded a $100,000 EDIP grant in September 2010; received $31,394

Location: 555 S Independence Blvd.

Land: 3.39 ac.
Building: 61,528 sf

VIRGINIA BEACH DEPARTMENT OF ECONOMIC DEVELOPMENT

Project Summary

EDIP funds will be used for employee training and site preparation. The state providing $30,000 grant through Virginia Jobs Investment Program (VJIP).

CAPITAL INVESTMENT	AMOUNT
CONSTRUCTION	$2,200,000
FURNITURE, FIXTURES, AND EQUIPMENT	$97,500
REAL ESTATE	$8,500,000
TOTAL:	**$10,797,500**

JOBS	AMOUNT
NEW FTEs (to be created)	50
EXISTING	284
Average wage of new jobs (excluding benefits)	**$51,064**

Request: approval of a resolution granting $200,000 in EDIP ($85,000 for capital investment and $115,000 for new jobs) Part A award, based on capital investment and new jobs to InMotion Hosting

G2OPS® Smarter Intelligence.®

EDIP Business Incentive Request

City of Virginia Beach Development Authority

November 19, 2019

Disclosures (Applicant)

- Owner: Tracy and Bob Gregorio, Kevin Esser
- Accounting BDO
- Financing: PNC Bank
- Legal Services: Williams Mullen, Vandeventer Black
- Real Estate: Thalhimer

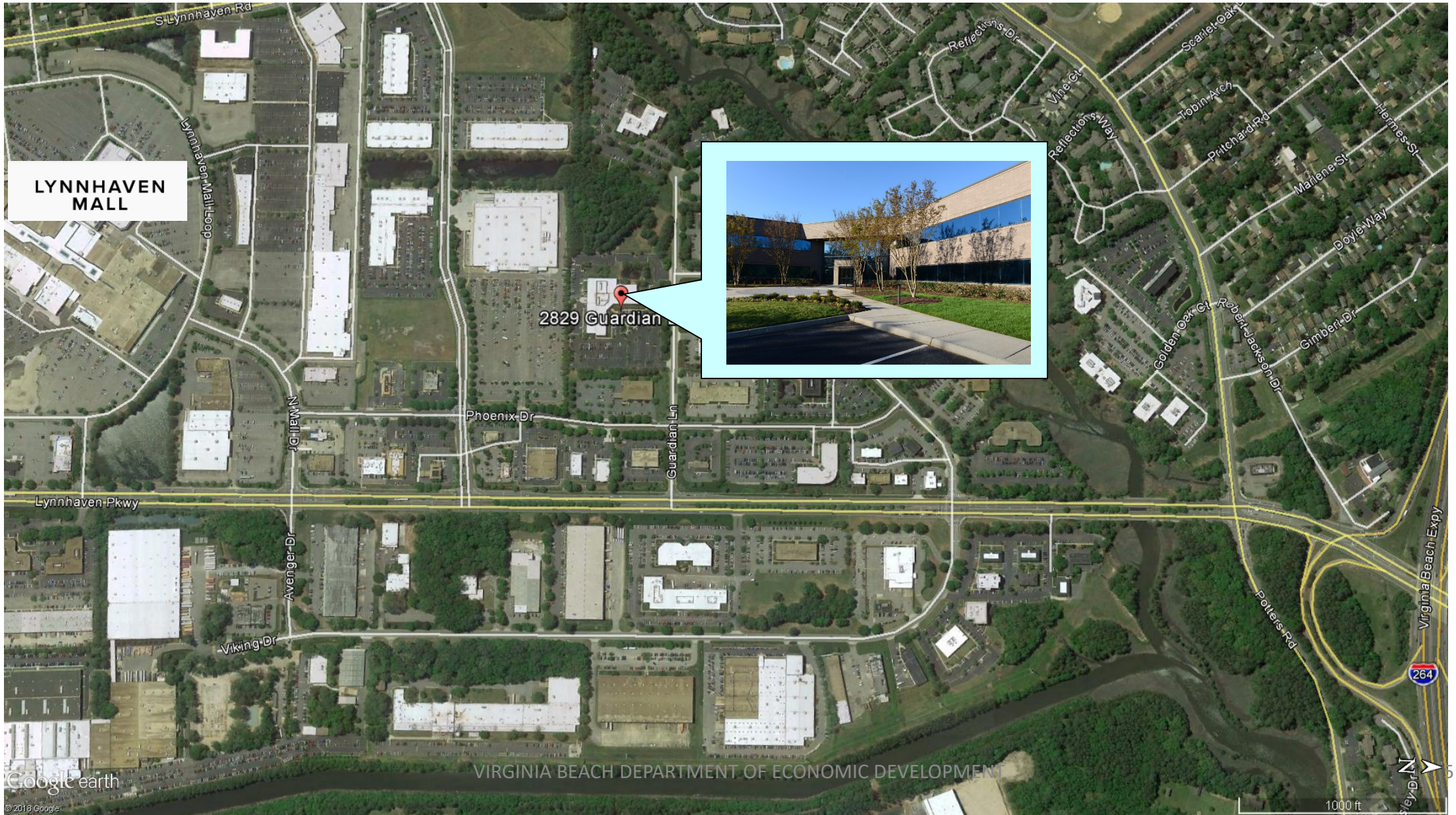
Disclosures (Owner)

- Owner: Brian Egan
- Accounting: Cherry Bekaert, LLP
- Financing: First Citizens Bank
- Legal Services: Ellis & Winters, LLC
- Real Estate: Colliers International

Company History

- G2 Ops, a woman-owned small business, provides Systems Engineering, Model-Based Systems Engineering Services, Cyber Security Analyses, Threat Assessments and Security Consulting.
- EDIP awarded in 2017 for $25,000; satisfied August 2018
- Active with ODU, NSU, TCC and Commonwealth of Virginia
- On INC. 5000, fastest growing private companies listing

Location: 2829 Guardian Ln.



Customers

- *NAVSEA*
- Department of Defense
- Undersea Communications & Integration Program Office
- U.S. Coast Guard

Project Summary

- Request: Economic Development Investment Program (EDIP) Grant: $20,000 Part "A" award for new jobs only

CAPITAL INVESTMENT	AMOUNT
CONSTRUCTION	$106,674
FURNITURE, FIXTURES, AND EQUIPMENT & MACHINERY AND TOOLS	$284,046
TOTAL:	**$390,720**

JOBS	AMOUNT
NEW FTEs (to be created)	10
EXISTING	29
Average wage of new jobs (excluding benefits)	**$65,000**

G2OPS® Smarter Intelligence.®

Request: approval of a resolution granting $20,000 in EDIP, Part A award, based solely on 10 new jobs created, not based on 29 retained or new corporate investment.

November 19, 2019

GLOBAL TECHNICAL SYSTEMS

(Project Green)

Modification to the Recapture Agreement

City of Virginia Beach Economic Development Authority
November 19, 2019

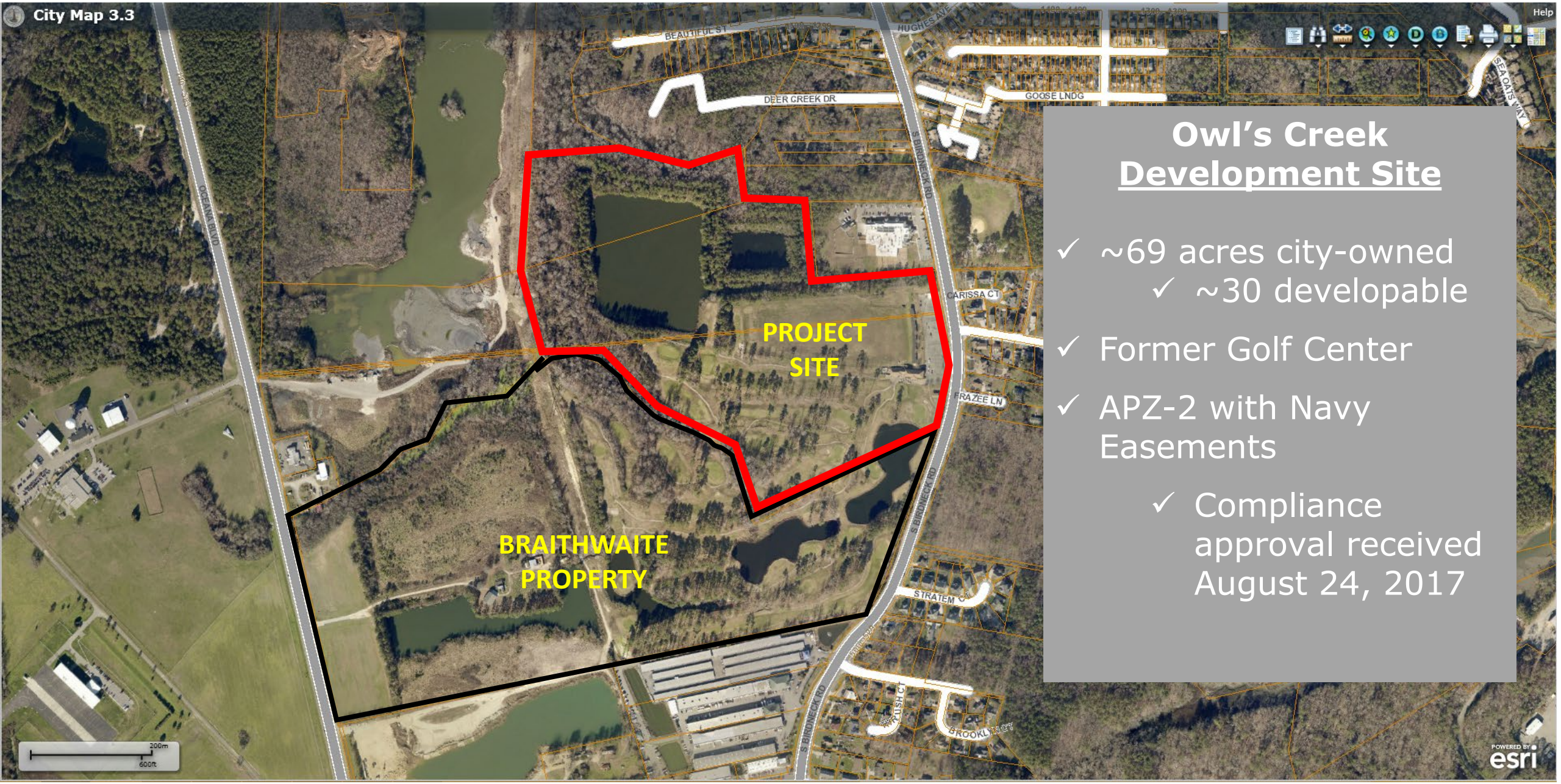
About the Company

GLOBAL TECHNICAL SYSTEMS

- ✓ GTS is a privately-held SwaM-certified advanced engineering company delivering innovative, high-tech products and services encompassing latest generation software and hardware solutions for defense, homeland security and other government interests.
- ✓ Founded: 1997
- ✓ Executive leadership: Terry Spitzer, CEO, Yusun Spitzer, President
- ✓ Headquarters: 784 Lynnhaven Parkway / Virginia Beach, VA
- ✓ Other locations: St. Petersburg, FL – Brentwood, CA – N. Virginia
- ✓ Expertise includes: mission-critical combat systems, avionics, composites, threat detection, biometrics, advanced radars and other sensor systems

Disclosures

- ✓ **Accounting:** Cherry Bekaert, LLP
- ✓ **Legal:** Vandeventer Black, LLP
- ✓ **Bank:** BB&T, Towne Bank
- ✓ **Architect:** Siska Araund / GMA
- ✓ **Engineers:** MSA, American Engineering
- ✓ **Design/Construction**: ARCO, Murray National Construction



Owl's Creek Development Site

- ✓ ~69 acres city-owned
  - ✓ ~30 developable
- ✓ Former Golf Center
- ✓ APZ-2 with Navy Easements
  - ✓ Compliance approval received August 24, 2017

The Plan

Advanced Carbon Fiber R&D and Production Center

- ✓ Phase I: 540,000 sf; anticipated operational by March of 2020
- ✓ Project Investment as of 6/30/19 - $10,353,045.

Consideration

GLOBAL TECHNICAL SYSTEMS

- EDIP granted on December 19, 2017 for $1.8 million, matched by the State.
- Project capital investment of $54.7 million
- Company requests modifications to existing agreement
  - Inclusion of the purchase of the Braithwaite property, $750,000, as part of the GTS development site, to be credited towards the minimum project investment of $30 Million
  - To extend the performance period of the EDIP Grant, from December 19, 2020 until June 30, 2022. This coincides with the State's Commonwealth Opportunity Fund grant period, that was awarded for this project.

Innovation Park - YNOT

Virginia Beach Development Authority

November 19, 2019

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Disclosures

Real Estate Broker – The Katsias Company

Legal Services: Troutman Sanders,LLP

Accounting – KPMG

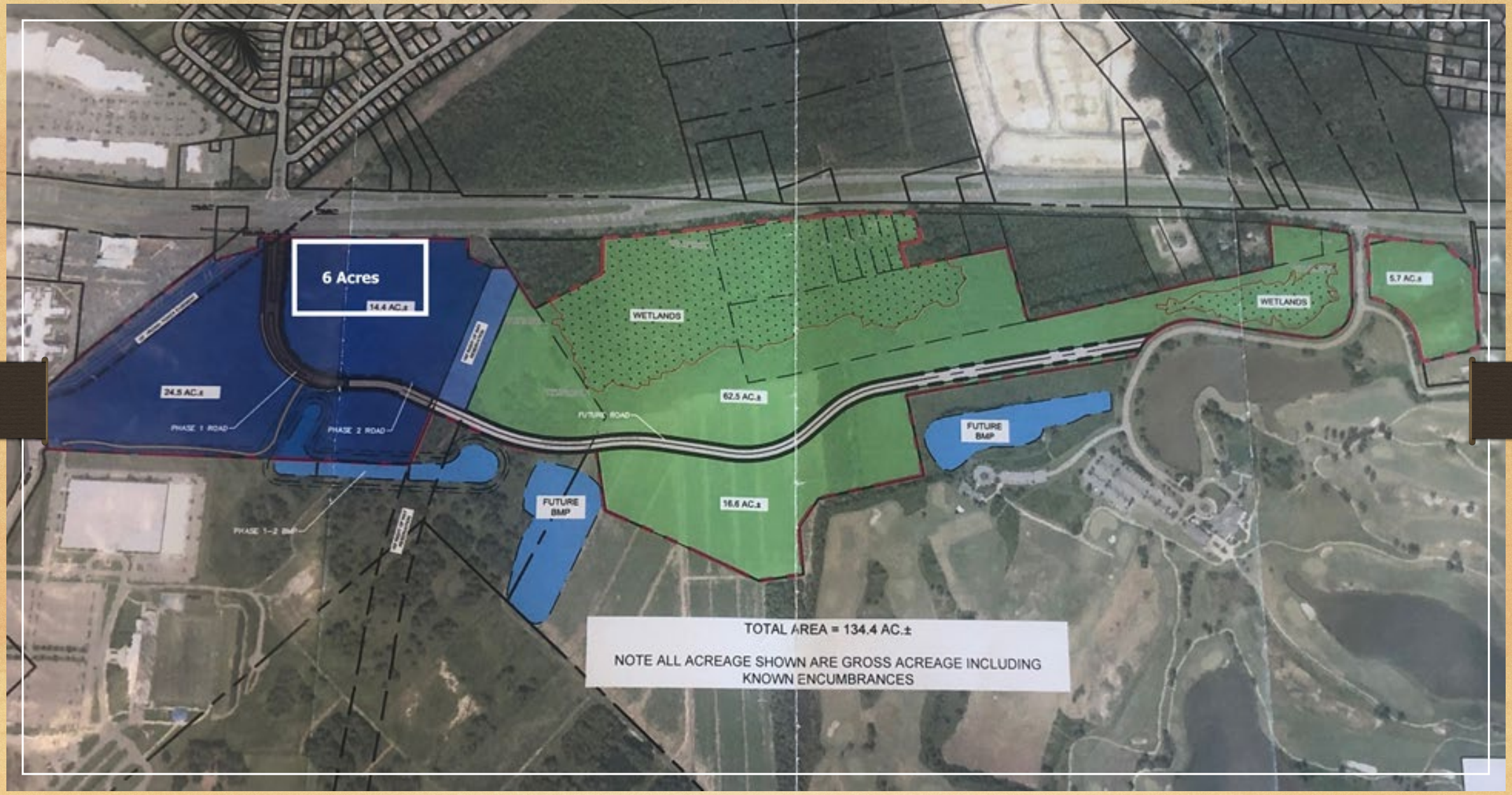
Financing– TowneBank

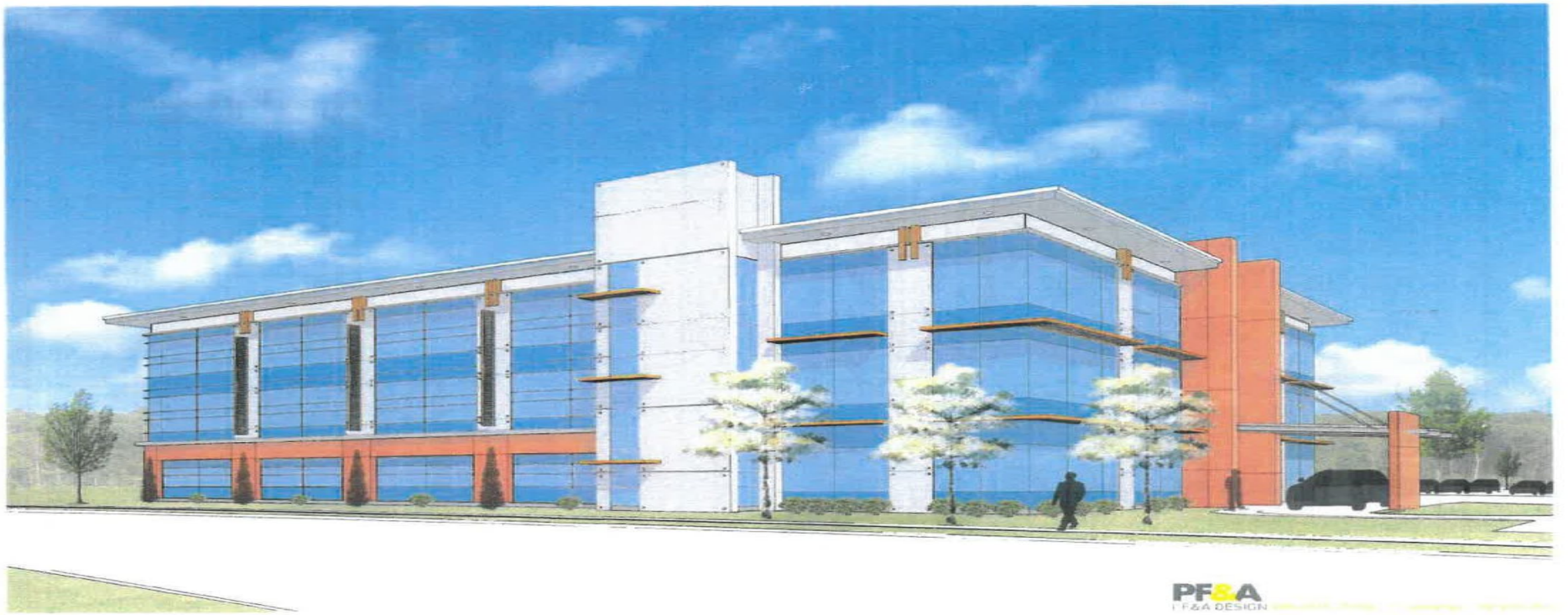
Architects – Pennoni Group

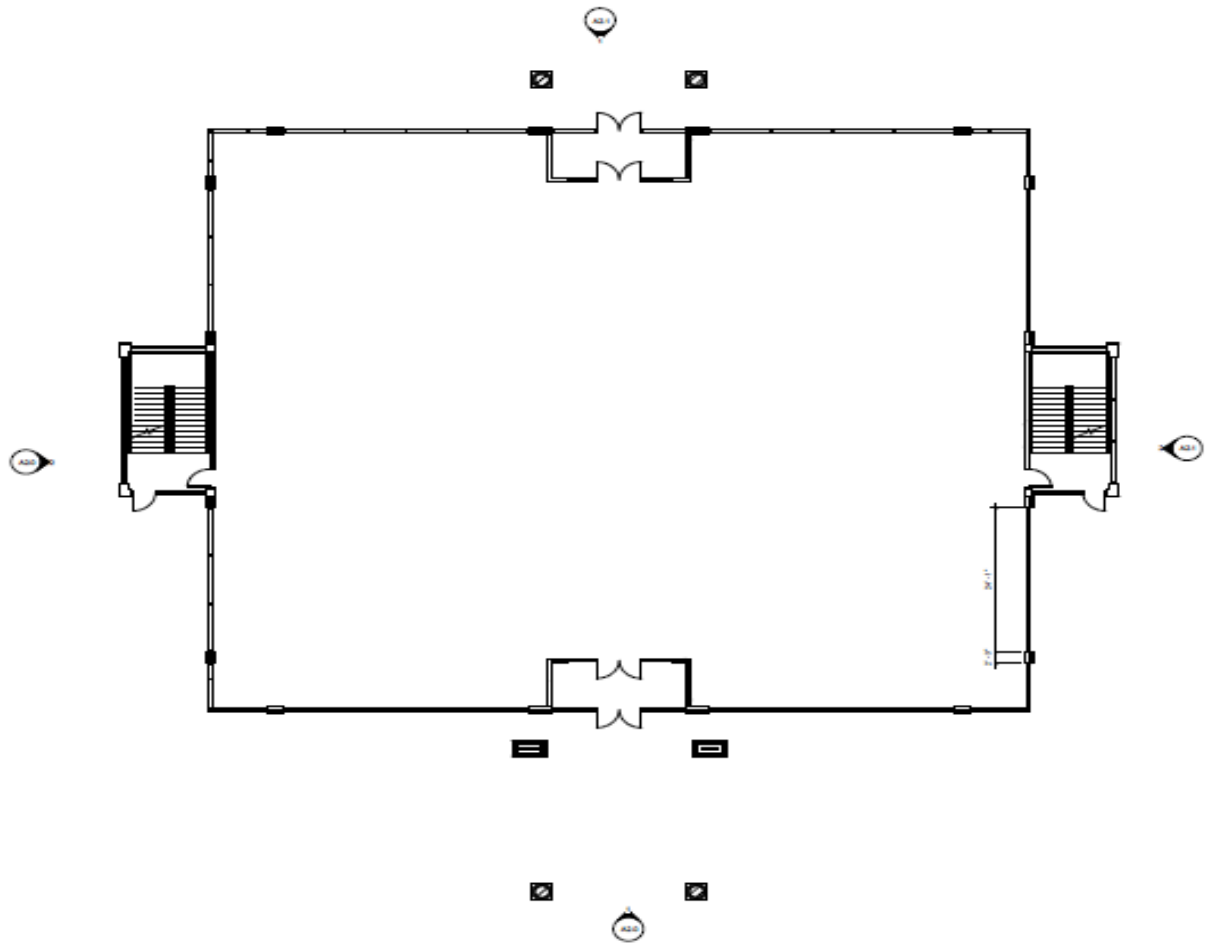
Construction Contractors – YNOT Build

Project Summary

- Purchase 6 Acre parcel located within the Innovation Park
  - ✓ Property will be used to construct approx. 45K sq. ft office space
  - ✓ Approx. 10K sq. ft will house YNOT corporate headquarters
  - ✓ Will bring in approx. 35K additional office space to Princess Anne Commons
  - ✓ Will serve as the anchor building for Innovation Park


6 Acres
14.4 AC.±
24.5 AC.±
PHASE 1 ROAD
PHASE 2 ROAD
PHASE 1-2 BMP
WETLANDS
62.5 AC.±
FUTURE ROAD
FUTURE BMP
16.6 AC.±
WETLANDS
5.7 AC.±
FUTURE BMP
TOTAL AREA = 134.4 AC.±
NOTE ALL ACREAGE SHOWN ARE GROSS ACREAGE INCLUDING KNOWN ENCUMBRANCES


PF&A



FIRST FLOOR PLAN

NEW OFFICE BUILDING

YNOT PROFESSIONAL CENTER

VIRGINIA BEACH, VIRGINIA

COVINGTON HENDRIX ANDERSON

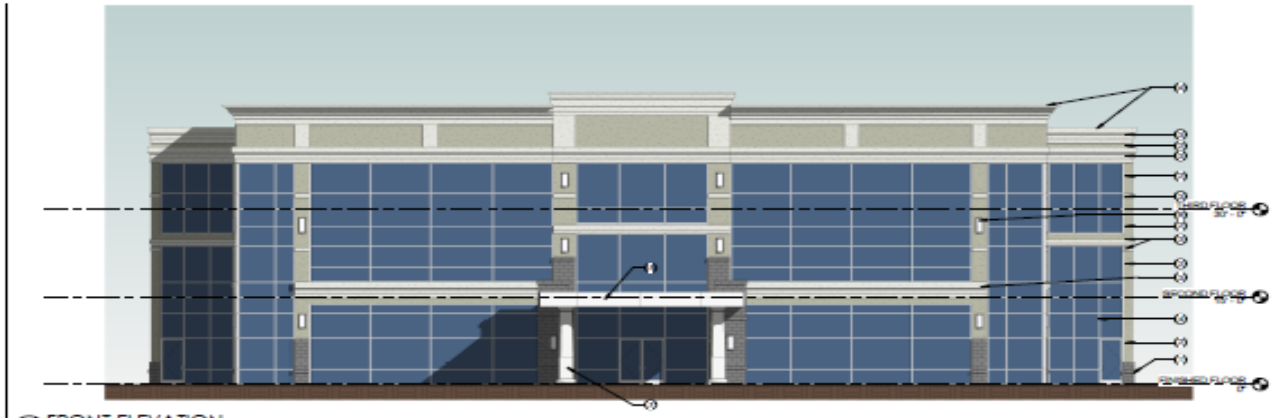
CHA PROJECT 19007

ISSUE DATE 02/13/19

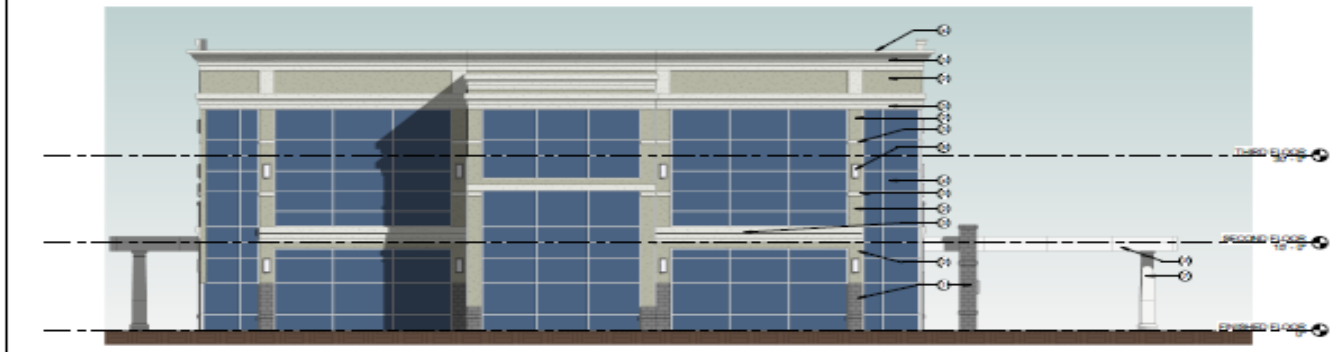
REVISION NO. DATE

FIRST FLOOR PLAN

A1.0



FRONT ELEVATION
1/8" = 1'-0"



LEFT SIDE ELEVATION
1/8" = 1'-0"

EXTERIOR MATERIAL SCHEDULE

1. CAST STONE VENEER
2. EXTERIOR INSULATION AND FINISH SYSTEM - INSTALL WITH MANUF. STANDARD DRAINAGE SYSTEM. COLOR TO BE STO'S SANDSTONE AS APPROVED BY OWNER.
3. EXTERIOR INSULATION AND FINISH SYSTEM - INSTALL WITH MANUF. STANDARD DRAINAGE SYSTEM. COLOR TO BE STO ES WHITE AS APPROVED BY OWNER (TO MATCH COPING). - ACCENT COLOR
4. THERMALLY BROKEN STOREFRONT SYSTEM W/ INSULATED GLAZING - YKK OR EQUAL SYSTEM W/ CLEAR GLAZING (LAMINATED WHERE INDICATED). STOREFRONT TO BE CLEAR ANODIZED, GLASS TO BE SOLAR BAN 60 (2) PACIFICA - PROVIDE SHADES, PANELS & STRUCTURE LOCATIONS
5. METAL PANELS W/ MANUFACTURER'S STANDARD FASTENER SYSTEM COLOR TO BE WHITE
6. REFINISHED ALUMINUM COPING - COLOR TO BE SLATE WHITE AS APPROVED BY OWNER (TO MATCH ACCENT EIFS)
7. PREMANUFACTURED PVC COLUMN - WHITE
8. BUILDING MOUNTED LIGHT FIXTURE - PROVIDE POWER AS REQUIRED
9. ALUMINUM RAILING - TYP.

NOTE: EIFS ITEMS ARE "TYPICAL" AND MAY OCCUR. SEE ADDITIONAL OR SIMILAR ELEVATIONS FOR ITEMS NOT NOTED. ALL ITEMS SHOWN ARE TO BE INSTALLED WITH SUBSTRATE AND ARMITAGE AS REQUIRED BY MFG FOR FULL WARRANTY. VERIFY ALL FINISHES WITH OWNER PRIOR TO CONSTRUCTION/ORDERING.

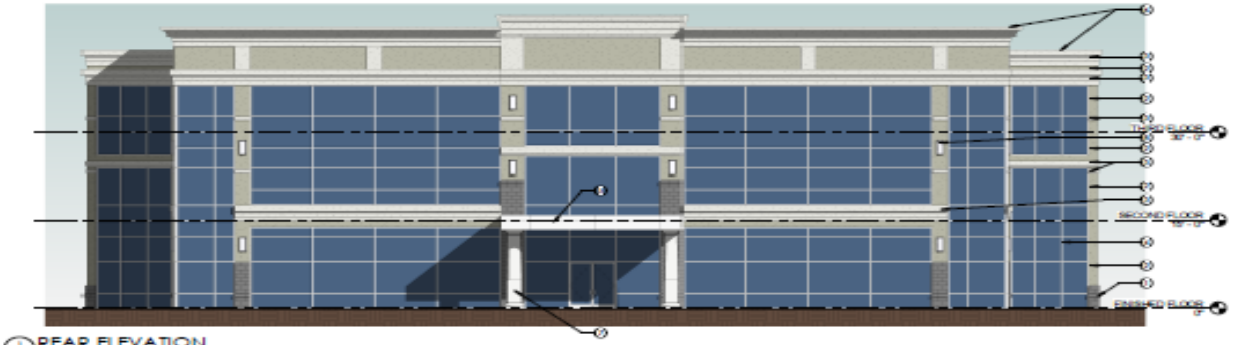
NEW OFFICE BUILDING
YNOT PROFESSIONAL CENTER
VIRGINIA BEACH, VIRGINIA

COVINGTON HENDRIX ANDERSON

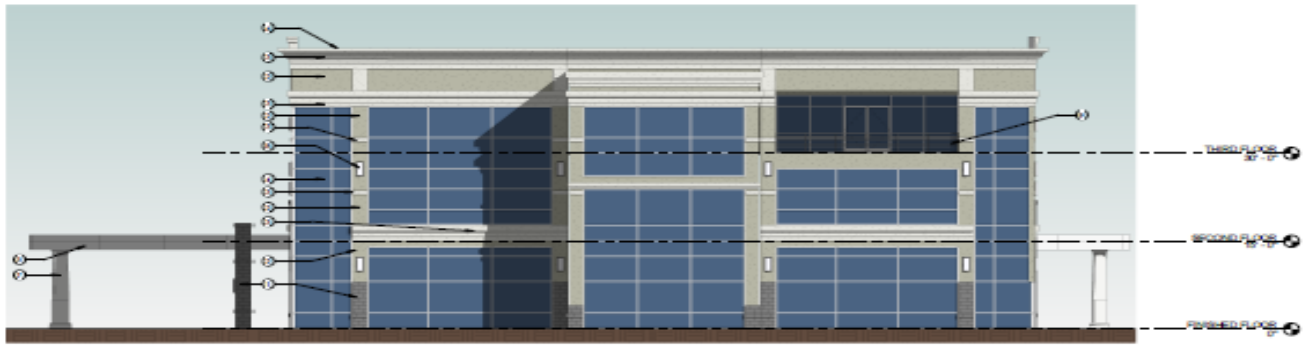
CHA PROJECT	19007
ISSUE DATE	03/13/19
REVISION NO.	DATE

EXTERIOR ELEVATIONS

A2.0



REAR ELEVATION



RIGHT SIDE ELEVATION

EXTERIOR MATERIAL SCHEDULE

1. CAST STONE VENEER
2. EXTERIOR INSULATION AND FINISH SYSTEM - INSTALL WITH MANUF. STANDARD DRAINAGE SYSTEM. COLOR TO BE STO'S SANDSTONE AS APPROVED BY OWNER.
3. EXTERIOR INSULATION AND FINISH SYSTEM - INSTALL WITH MANUF. STANDARD DRAINAGE SYSTEM. COLOR TO BE STO'S WHITE AS APPROVED BY OWNER (TO MATCH COPING). - ACCENT COLOR
4. THERMALLY BROKEN STOREFRONT SYSTEM W/ INSULATED GLAZING - VISE OR EQUAL SYSTEM W/ CLEAR GLAZING (LAMINATED WHERE INDICATED). STOREFRONT TO BE CLEAR ANODIZED. GLASS TO BE SOLAR BAN 60 (2) PACIFICA - PROVIDE SPANDREL PANELS & STRUCTURE LOCATIONS.
5. METAL PANELS W/ MANUFACTURER'S STANDARD FASTENER SYSTEM COLOR TO BE WHITE
6. PREFINISHED ALUMINUM COPING - COLOR TO BE SLATE WHITE AS APPROVED BY OWNER (TO MATCH ACCENT EFS)
7. PREMANUFACTURED PVC COLUMN - WHITE
8. BUILDING MOUNTED LIGHT FIXTURE - PROVIDE POWER AS REQUIRED
9. ALUMINUM BALUSTRADE - TYP.

NOTE: STYLE ITEMS ARE "TYPICAL" AND NATURE. SEE ADDITIONAL OR SIMILAR ELEVATIONS FOR ITEMS NOT NOTED. ALL ITEMS SHOWN ARE TO BE INSTALLED WITH SUBSTRATE AND METHODS AS REQUIRED BY MFG FOR FULL WARRANTY. VERIFY ALL FINISHES WITH OWNER PRIOR TO CONSTRUCTION/ORDERING.

NEW OFFICE BUILDING

YNOT PROFESSIONAL CENTER

VIRGINIA BEACH, VIRGINIA

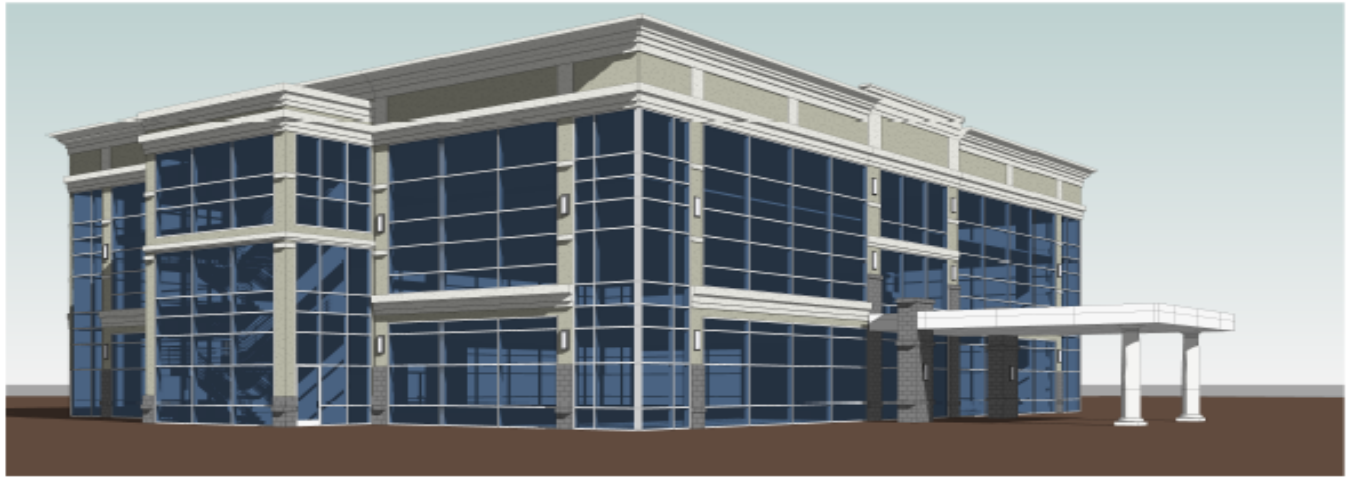
COVINGTON HENDRIX ANDERSON

02/13/19

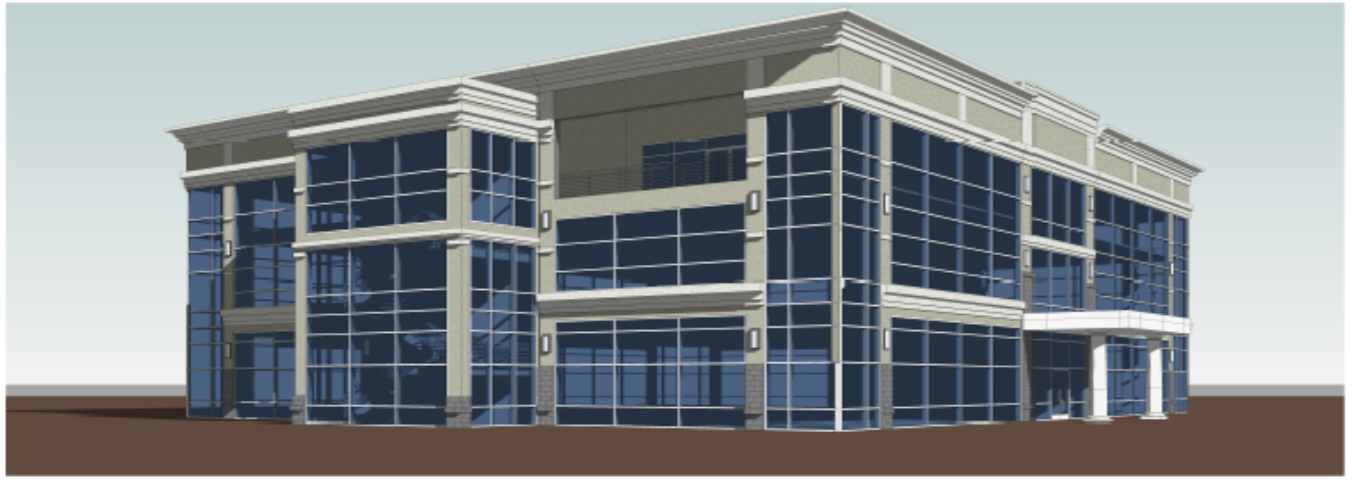
CHA PROJECT	19027
ISSUE DATE	02/13/19
REVISION NO.	DATE

EXTERIOR ELEVATIONS

A2.1



3D View 1



3D View 2

NEW OFFICE BUILDING

YNOT PROFESSIONAL CENTER

VIRGINIA BEACH, VIRGINIA

CHA PROJECT

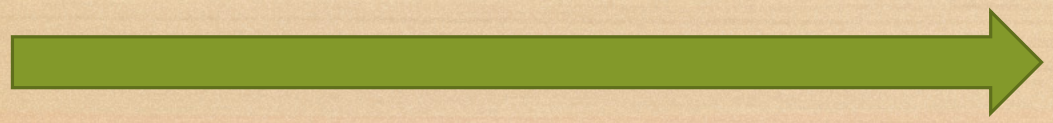
ISSUE DATE

REVISION NO. DATE

SCHEMATIC 3D VIEWS

A2.2

Recommendation

- Approve sale of 6 acres (parcel 149-417-65450-000)
- Based on Capital Investment of $1,800,000
- ($300,000 per acre)

QUESTIONS