INTERGOVERNMENTAL SUPPORT AGREEMENT (IGSA)
BETWEEN
NAVY REGION MID-ATLANTIC
AND
CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
FOR
SERVICES TO MARKET AND PROMOTE THE RENOVATION, REDEVELOPMENT AND UTILIZATION OF NAVY REAL PROPERTY

I. **Parties:** This is an Intergovernmental Support Agreement ("**IGSA**") between the Department of the Navy ("**DON**"), a federal agency, as represented by and through Commander, Navy Region Mid-Atlantic ("**NRMA**"), and the City of Virginia Beach Development Authority ("**VBDA**"), a political subdivision of the Commonwealth of Virginia. NRMA and VBDA are referred to as the "**Parties**".

II. **Real Estate:** NAS Oceana owns approximately 1,100 acres of underutilized real property located in the City of Virginia Beach ("**City**"), Commonwealth of Virginia. The underutilized parcels will be used to reduce total ownership cost and footprint of NAS Oceana infrastructure, while seeking opportunities to transform, optimize, and modernize installation capabilities and resilience. The real estate process will seek to encourage development that is compatible with the installation's mission and economically feasible based on market demand.

III. **Statement of Purpose and Need**: The Parties, pursuant to Title 10 U.S.C. § 2679, have entered into this IGSA so that VBDA may provide installation support services as more fully described in this Agreement. This Agreement outlines the shared understanding of the Parties regarding the potential renovation, redevelopment, or other utilization of certain NAS Oceana land parcels to meet the Navy requirement of providing mission capable facilities for NAS Oceana and supported partner tenant commands and the opportunity for the City to explore additional opportunities for compatible use development at NAS Oceana. This IGSA is made by and between NRMA and VBDA to access VBDA's services to market and promote the Sites to commercial interests to affect a real estate transaction (e.g., 10 U.S.C. 2667). VBDA will not be a part of the real estate transaction process. The Parties agree to coordinate efforts to establish a highest and best use consistent with Navy and local guidance, requirements of DON and to follow an environmental process consistent with DoD, Navy, State and Federal laws.

IV. **AICUZ / Land Use Compatibility**: Said real estate from the government may be leased for economic development and uses that are consistent with Navy requirements, to include land use limitations, which were jointly developed by the Government and local municipalities to protect the mission of the Installation from incompatible encroachment, or existing land use restrictive easements that have been put in place. This IGSA will reduce the amount of pre-existing nonconforming development, pursuant to Section 1804 of the City Zoning Ordinance, in APZ-1 and Clear Zones, and shall be consistent with the City Zoning Ordinance, the APZ-1/Clear Zone Use and Acquisition Plan, Comprehensive Plan, the Final Hampton Roads Joint Land Use Study (JLUS) and with good zoning practices that do not adversely affect established residential neighborhoods.

V. **Authorities**: This IGSA is entered into by NRMA pursuant to Federal Law codified as 10 U.S.C. § 2679 and by VBDA pursuant to the Industrial Development and Revenue Bond Act, specifically Title 15.2 of the Code of Virginia.

a. 10 U.S.C. § 2679 permits the Navy to enter into an IGSA on a sole source basis with a State or local government provided the IGSA will serve the best interests of the Navy by enhancing mission effectiveness or creating efficiencies or economies of scale, including by reducing costs, but only when State or local government providing the installation services already provides such services for its own use. The Secretary of the Navy has delegated the signature authority to execute a non-Federal Acquisition Regulation ("**FAR**") IGSA on behalf of the Navy, through the Assistant Secretary of the Navy, who further delegated approval authority for IGSAs to Commander, Navy Installations Command ("**CNIC**"). CNIC further delegated IGSA approval authority for IGSA's to Region Commanders and Installation Commanders, per ASN Memorandum dated 23 Nov 2015, along with subsequent delegations further instructing Navy installations to pursue IGSAs. A CNIC Memo, dated, 06 June 2019, requests that all installations have an IGSA agreement and initiatives in place by the fourth quarter of FY19; directs semi-annual IGSA reporting; and increases threshold amounts at CNIC HQ, Region, and Installations. Based on these delegations, NRMA has approval and signature authority for this IGSA and has appointed the Commanding Officer ("**CO**") of NAS Oceana as the Navy's representative to administer the IGSA.

b. Section 15.2-4905 of the Code of Virginia permits VBDA to enter into contracts, acquire real and personal properties by lease or other means, lease any or all of its facilities to others, to issue bonds to carry out its authorities, to exercise all powers expressly given to VBDA by the governing body of the City of Virginia Beach, to make loans or grants to any entity for purposes of promoting economic development, and to borrow money and accept financial assistance from the Federal, state, or local government, for or in aid of the construction, acquisition, ownership, maintenance or repair of its facilities.

VI. **Goals:** The goals of this IGSA and resulting real estate transactions will achieve:

a. NAS Oceana to transform and modernize installation capabilities and resilience while reducing the Installation's total cost of ownership.

b. VBDA economic development goals and objectives of the City by facilitating new business investment and encourage business retention and expansion activities to foster the improvement of the overall quality of life within the City.

c. Define the types of property uses acceptable to the installation for the prospective development area that meet the installation's criteria for development.

d. Reduces total installation infrastructure ownership costs and footprint utilizing public/public, public/private (P4) opportunities, realigned delivery of services and infrastructure/facility usage and, out-lease agreements of underutilized government land to obtain in-kind considerations.

VII. **Sole Source Justification for DON and NRMA:** This IGSA is entered into between NRMA, on behalf of NAS Oceana, and VBDA on a sole source basis premised on a Business Case Analysis ("BCA") by NAS Oceana that this IGSA will serve the best interests of CNRMA and NAS Oceana by creating efficiencies and economies of scale that will reduce leasing preparatory and marketing costs, enhanced marketing of the Sites for lease such that it will attract a higher quality of commercial tenants and maximize the rent or in-kind consideration for the leasing of the Sites, as VBDA already provides such services for the City's and its own use.

This IGSA results from the Parties' mutual efforts to reduce costs, create efficiencies, build relationships, and enhance mission effectiveness. The IGSA is intended to promote collaboration between the Parties by creating economies of scale and leveraging each Party's strengths.

VIII. **Scope of Potential Services**:

a. As needed to facilitate potential future work orders under this IGSA, CNRMA will:
   i. Provide VBDA with all information that NAS Oceana has concerning the physical and environmental condition of the Sites, to include any improvements thereon.
   ii. Provide VBDA with Navy requirements, to include land use limitations, mission compatibility limitations, insurance requirements, and access restrictions, for each of the Sites that must be disclosed to potential tenants.
   iii. Assist VBDA in its marketing efforts and information on Navy mission-related requirements that VBDA may need as part of its marketing efforts.
   iv. Provide VBDA with temporary rights of access to the Sites for VBDA to accomplish its responsibilities.
   v. The lease between the Navy and the tenant shall require the tenant to be responsible for payment of any applicable state and local taxes.
   vi. Reimbursement to VBDA will be provided at a reasonable cost for providing the installation support services under this IGSA.

b. Installation support services provided by VBDA under this Agreement could include:
   i. Evaluate the marketability of each Site, with feasible incentives that can be provided by VBDA or the City, to include possible rezoning entitlements, to enhance the value of the Sites.
   ii. Prepare and provide NAS Oceana a marketing plan for each Site, describing feasible incentives, highest and best use, and timeline for marketing each Site. The marketing plan will describe the recommended highest and best use of the Site that is consistent with Navy requirements and land use limitations for the Site. Marketing plan will also incorporate competitive procedures for soliciting interest from potential tenants for each Site.
   iii. Conduct the marketing and promotion of the Sites pursuant to the marketing plan and the Navy requirements provided to VBDA. Such marketing efforts may include hosting a property marketing

event (i.e., annual industry forum) in a facility provided or arranged by VBDA or NAS Oceana. VBDA will serve as the lead entity in connection with industry outreach on FBD, with the cooperation and assistance of the Navy, and in accordance with the roles and responsibilities to be outlined and agreed upon by the Parties. The industry outreach process is designed to ensure, among other things, financial feasibility, and sufficient market interest. VBDA will also arrange for the necessary logistics to conduct such an event and prepare an after-action report of the marketing event and provide the report to NAS Oceana.

iv. Host and maintain an active website detailing information of each Site and intent of FBD.

v. Review the economic development incentives programs administered by VBDA or that VBDA can arrange through the City and report as to any determinations made by the City related to the properties.

vi. Support the gathering of tenant expressions of interest for any given Site for submission to NAS Oceana. The expressions of interest will include a description of the interested tenant's financial qualifications, organizational structure, and description of their experience in leasing, management, or development of real property, and their intended use or development of the Site.

vii. To the extent permitted by the laws governing each party, the parties shall protect personal information and maintain the confidentiality of other exchanged information when requested by the providing party.

viii. Comply with public requests for information related to this IGSA pursuant to the Freedom of Information Act, 5 U.S.C. § 552.

IX. **Relationship of The Parties:** In exercising their respective rights, powers, and obligations under this IGSA, each Party acts in an independent capacity, and neither is to be considered the officer, agent, or employee of the other. Each Party is responsible for its personnel and contractors, including pay and benefits, support, and travel. NAS Oceana and VBDA will discuss terms and conditions for services being provided by VBDA. Neither Party shall provide, without the prior written consent of the other Party, any contractor or employee with a release that waives or purports to waive any right a Party may have to seek relief or redress against that contractor or employee.

X. **General Provisions**:

a. **Administration.** This IGSA shall be mutually administered by VBDA and by NAS Oceana, collectively, the IGSA Manager. The Installation CO will identify personnel within the Navy and the City of Virginia Beach will identify personnel within VBDA to coordinate and manage the provision of services provided by VBDA under this IGSA. They will assist all interested parties in the development, coordination, execution, and termination of the IGSA. They will provide NAS Oceana, CNRMA, and VBDA with policy information as well as concept package development assistance and guidance. They provide an understanding of the benefits of the IGSA as well as areas of concern that may hinder or impede the development of this IGSA.

b. **Points of Contact:** The following points of contact (POC) will be used by the Parties to communicate in implementing this IGSA. Each Party may change its POC and will provide e-mail notice to all POCs when a POC is changed.

i. **For CNRMA**

1. Commander, Navy Region Mid-Atlantic
   Rear Admiral Charles W. Rock
   1510 Gilbert St.
   Norfolk, VA 23511

2. Point of Contact for Payment:
   CNRMA Comptroller, David Fopma

ii. **For NAS Oceana**

1. Commanding Officer
2. Installation Program Integrator

iii. **For VBDA**

1. Taylor Adams, Deputy City Manager
   tadams@vbgov.com / 757-385-6464

2. Kathy Warren, Director, Strategic Growth Areas
   kmwarren@vbgov.com / 757-385-6464

3. Point of Contact for Payment:
   Accountant III, Katrina Flowers
   kflowers@vbgov.com / 757-385-6464

c. **Correspondence**: All correspondence to be sent and notices given pursuant to this IGSA will be addressed, if to NAS Oceana, to:

i. ATTN: Commanding Officer, NAS Oceana
Naval Air Station Oceana
1750 Tomcat Blvd
Virginia Beach, VA 23460

And, if to the VBDA, to:
4525 Main St Ste 700
Virginia Beach, VA 23462

XI. **Records**: The Parties shall follow established cost principles and procedures in determining allowable costs and payments under this IGSA and shall maintain books, records, documents, or other evidence pertaining to costs and expenses under this IGSA for a minimum of three (3) years and/or annually up to ten (10) years, under the IGSA. To the extent permitted under applicable laws and regulations, the Parties shall each allow the other to inspect such books, records, documents, or other evidence. Each Party shall maintain records of each purchase order and all payments made therefore in accordance with its governing record retention rules for contracts for real property services.

XII. **Financial Details**:

a. As of the effective date of this IGSA, the costs for all efforts to be ordered hereunder shall not exceed an annual cost of $100,000.00. Nothing in this agreement commits NRMA, the United States Navy, or any other component of the United States Government to purchase a minimum amount of services from VBDA.

b. This IGSA does not document the obligation of funds between the Parties. Any obligation of funds in support of this IGSA will be accomplished via the issuance of a Work Order, mutually agreed upon between the Parties, and using the SF-1034 (Public Voucher for Purchases and Services Other Than Personal), and upon the certification of an amount of funds by a proper funds Designated Agent appointed by CNIC, the signature of an authorized Approving Official, and proper receipt and acceptance of the order for the installation support service by NRMA for the scope of services delineated on the individual order. The obligation of funds by the Parties is subject to the availability of appropriated funds pursuant to the DoD Financial Management Regulation, DoD 7000.14-R.

c. Nothing in this IGSA shall limit or prohibit the Navy's ability to contract with other persons or entities to provide the same or similar services.

d. The Navy shall order work and pay VBDA on a Work Order basis. Payment will be issued upon successful completion of the work, for the lump sum amount of project cost. Payment shall be based for services provided as set forth in the specific Work Order. VBDA shall electronically submit itemized invoices, to include all copies of VBDA's invoices or payment requests, to the Navy's IGSA Manager. The Navy's IGSA Manager will not authorize payment unless all billed services have been satisfactorily completed and may reduce the amount(s) billed for unsatisfactory or partial performance, or for other reasons specified in this Agreement."

e. Payment of any unquestioned bill or item from a bill shall be made within 30-60 days of receipt by the Party for whom such services were provided. The annual costs and payments made pursuant to such purchase orders shall not exceed such purchasing agent's authority to contract for such services without approval by the governing body of the Party from whom payment is to be made.

f. Billing and Payment: VBDA shall register in the System of Award Management (SAM) via https://www.sam.gov.The Defense Finance Accounting Service ("DFAS") requires that all vendors register in SAMS to proves payments due using electronic funds transfer ("**EFT**"). VBDA shall submit to the NRMA a monthly invoice that includes:

- Payee's name, address, and phone number
- Invoice date and Invoice number
- IGSA agreement number
- Date services were rendered
- Description of services
- Unit price
- Quantity
- Total price

XIII. **Payment:** Payment shall be based on services subsequently ordered by the Navy and provided as set forth in this IGSA. Pursuant to the Office of Management and Budget's 2 CFR Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, taxes that the VBDA is legally required to pay are allowable, except for self-assessed taxes that disproportionately affect Federal programs. CNRMA shall not reimburse VBDA for any taxes in which the legal incidence of the tax falls on the Navy.

a. CNRMA will make payment in accordance with the Prompt Payment Act (31 U.S.C. § 3903) and implementing regulations. Interest shall be paid for late payments are required by the Act and shall be paid at the rate established by the Secretary of the Treasury for disputes under the Contract Disputes Act of 1978.
b. Direct and indirect cost reconciliation will be performed annually per 2 CFR Part 200.
c. The obligation of funds by CNRMA is subject to the availability of appropriations.

XIV. **Term Of IGSA**: This IGSA is being entered into for a term not to exceed ten (10) years. This IGSA automatically terminates after ten (10) years from the effective date. A new IGSA may be executed for subsequent periods not to exceed ten (10) years.

a. The initial term shall be for one (1) year from the execution of the Agreement by the CO, and renewable for successive, one-year option periods for nine (9) additional years. The United States shall only be obligated for one (1) year of performance under the Agreement, as it has no authority to obligate additional periods of performance without appropriation of adequate funds by the Congress. The United States shall only be obligated for an additional year of performance upon receipt of such funds, and only upon written notice by NAS Oceana of its intent to proceed with the option for an additional year of performance.

b. Each Party shall give notice to the other Party as to their intent to renew. VBDA shall provide 180 days' notice of nonrenewal, and NAS Oceana shall provide 90 days' notice of non-renewal, subject to the availability of funds. NAS Oceana may condition the renewal upon availability of funds and may suspend performance of the renewed period at no additional cost to the United States, until adequate funds have been received. Any real estate agreements will be independent of this IGSA. The IGSA is for installation support services, not real estate.

XV. **Modification Of IGSA:** This IGSA may be modified by the Parties as necessary to recognize its cost effectiveness and any need to continue to provide services hereunder. This IGSA may only be modified by the written agreement of the Parties which must be duly signed by their authorized representatives.

XVI. **Suspension Of IGSA:** The United States reserves the right to suspend the performance of the IGSA in the event of emergencies, mobilizations, national security reasons, or for other reasons beyond the control of the United States. In the event of a suspension, compensation for VBDA will continue subject to the availability of funds and work not affected by the suspension. If suspension of this IGSA occurs, there will be no effect on any real estate lease terms that are executed. This IGSA is separate and VBDA is not being asked to manage/administer the lease(s).

XVII. Termination:

a. The IGSA may be terminated by mutual written agreement at any time. In the event of mutual termination, no rights, responsibilities, benefits, or liabilities shall accrue to either party.

b. Each Party reserves the right to terminate this Agreement for its convenience at any time. This IGSA may also be terminated unilaterally by either Party upon 50 calendar days written notice to the POCs designated in this IGSA. When notified by the other Part of the termination, the Parties shall immediately negotiate a separate Termination Agreement and Schedule to define the roles and responsibilities and mitigate impacts and all costs caused by the termination. The Parties recognize that the obligations and debts under this IGSA are part of a whole and they are incurred annually. Any obligations or debts incurred hereunder prior to termination shall become immediately due and payable by the withdrawing Party upon termination. The withdrawing Party shall not be entitled to a refund or credit for any sums paid or incurred under this IGSA prior to termination.

c. This IGSA is separate from the lease agreements. VBDA is not being asked to manage/administer the lease(s) after the lease has been signed.

XVIII. **Applicable Law**

a. The Parties shall comply with applicable Federal, State, and local laws, Federal executive orders, and Federal rules and regulations applicable to its performance under this IGSA. If any federal statute expressly prescribes policies or requirements that differ from the terms and conditions of this IGSA, the provisions of the statute shall govern.

b. This IGSA is not governed by standard acquisition contracting methods of competitive bidding as delineated in the FAR and supplements thereto. However, if VBDA shall provide services through a contract, the contract must be awarded through competitive procedures.

XIX. Disputes:

a. If a dispute should arise, the Parties agree to first attempt to resolve the dispute using unassisted negotiation techniques (i.e., without the assistance of a neutral third party). Either Party may request in writing that unassisted negotiations commence. As part of the unassisted negotiation, the Parties shall consider employing joint fact-finding if material factual disputes are involved and shall use other early resolution techniques appropriate to the circumstances. If the dispute involves material issues of fact, the Parties may employ a neutral third party to provide a confidential evaluation of the issues of fact.

b. If the dispute is not resolved within thirty (30) days of the request for unassisted negotiations, and the Parties do not mutually agree to continue the unassisted negotiations, the Parties may employ alternative dispute resolution ("ADR") procedures involving nonbinding mediation of the dispute by a neutral third party. The ADR procedures employed shall include a confidential evaluation of both the facts and the law and the issuance of confidential recommendations by the neutral third party. By entering this IGSA, the Parties have voluntarily adopted ADR procedures in accordance with 5 U.S.C. § 572(c). These procedures shall not be employed if determined by either Party to be

inappropriate after taking into consideration the factors enumerated at 5 U.S.C. § 572(b). A Party rejecting ADR as inappropriate shall document its reasons in writing and deliver them to the other Party.

i. If the Parties are unable to resolve the dispute following unassisted negotiations and/or the ADR proceeding, the Deputy Assistant Secretary of the Navy (Installations and Facilities) or his or her authorized representative shall issue a final decision. Before the authorized representative can issue a final decision on a claim, the claim must be submitted in writing to the authorized representative If any third-party dispute or litigation relates to, or potentially affects a Party's ability to perform under this IGSA, the Parties agree to promptly notify each other of such dispute or litigation. The existence of such a dispute or litigation shall not excuse the Parties from performance pursuant to this IGSA.

ii. If any dispute between the Parties arising out of this IGSA requires consideration of the law, the rights and obligations of the Parties shall be interpreted and determined according to the substantive and procedural laws of the United States of America.

iii. The government's obligation to make any payment arising out of an agreement resolving a dispute under this IGSA is contingent upon the availability of funds proper for such payment. VBDA's obligation to make any payment arising out of an agreement resolving a dispute under this Agreement is contingent upon the availability of funds roper for such payment.

XX. **Liability:** VBDA agrees to defend and shall hold and save the Department of the Navy/NRMA/NAS Oceana free and harmless from all damages, claims, suits of whatsoever nature arising from or incidental to this IGSA, except for damages due to the fault or negligence of the Navy or its employees. Nothing in this IGSA is intended, nor may it be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever, in any third person not a party to this IGSA.

XXI. **Cooperation of Parties:** The Parties recognize that it is essential to cooperate fully concerning information handling and provision of services contemplated by this IGSA. In connection with this IGSA, the Parties therefore agree to provide any data, information, and documentation reasonably necessary for the other Party to perform its responsibilities under the terms of this IGSA.

XXII. **Successors and Assigns:** The terms, covenants, and conditions contained herein shall apply to and bind the successors and assigns of the Parties.

XXIII. **Review for Legal Adequacy:** Each Party to this IGSA acknowledges and agrees that this IGSA has been reviewed by each Party's respective legal counsel for legal adequacy.

XXIV. **Waiver:** No waiver of the breach of any of the covenants, terms, restrictions, or conditions of this IGSA by either Party shall be construed to be a waiver of any succeeding breach of the same or other covenants, terms, restrictions, or conditions

of this IGSA. No delay or omission of either Party in exercising any right, power, or remedy herein provided in the event of default shall be construed as a waiver thereof, or acquiescence therein, or be construed as a waiver of a variation of any of the terms of this IGSA.

XXV. **Severability Provision:** If any term or portion of this IGSA is held to be invalid, illegal, void, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this IGSA shall continue in full force and effect.

XXVI. **Signature in Counterparts:** This IGSA may be executed in counterparts by each of the Parties. The IGSA is effective as to each signatory Party on its execution and, for purposes of enforcement, true copies of signatures shall be deemed to be original signatures.

XXVII. **Effective Date:** This IGSA takes effect on the day after the last Party signs.

IN WITNESS WHEREOF, the Parties have executed this IGSA as of the dates stated below.

Navy Region Mid-Atlantic

Rear Admiral Charles W Rock
Regional Commander

DATE: 6 JAN 2022

Virginia Beach Development Authority

Lisa M. Murphy
Chairperson

DATE: December 21, 2021