



City of Virginia Beach Development Authority 2024-2025 Annual Report to City Council

Chair: Lisa M. Murphy

Date: August 29, 2025

Executive Summary

During the fiscal year covering July 1, 2024, to June 30, 2025, the City of Virginia Beach Development Authority (VBDA) members and liaisons:

- Met 13 times during the fiscal year.
 - An annual retreat was held on September 6, 2024, to conduct a visioning session and discuss the strategic direction of future business and industry targets.
 - On December 3, 2024, a special meeting was held to host a Business Expansion and Retention Roundtable. Business and community leaders provided input on workforce development, industrial land availability, and zoning constraints. More than 10 local business and organizational representatives participated. The discussion helped identify key business needs in the City, including support for Innovation Park expansion and improved workforce training pathways.
- Held two additional events:
 - December 18, 2024, the annual VBDA Holiday Party provided an opportunity for members of the VBDA to connect with the Virginia Beach business community and reflect on the impact of programs like the Economic Development Incentive Program and Façade Improvement Grant. Attendees, also including City staff, engaged in productive discussions about future projects and economic development initiatives.
 - On May 9, 2025, the 18th Annual VBDA Golf Tournament was held, a prelude to International Economic Development Week, and brought together Virginia Beach businesses, key stakeholders, and partners across multiple sectors. A

donation of \$10,000 was made to the Virginia Beach Police Foundation from the proceeds.

Mission Statement

The VBDA was established by the Virginia General Assembly in 1964 as a component, but legally separate unit, of the City of Virginia Beach (City). The VBDA facilitates the expansion of the tax base by incentivizing through a variety of programs aimed at recruiting, expanding, and enhancing existing businesses and facilitating job creation. This mission is carried out with an emphasis on vision, innovative leadership, participation in local and regional business development activities, and fostering a positive local, regional, national, and international view of the City as a location for business development and growth.

Our most significant accomplishments are detailed below, along with recommendations for your consideration.

Accomplishment of Goals and Objectives

Over the past fiscal year, the agency, through its appointed volunteers and its liaisons, worked on the following key matters in furtherance of its mission:

1. Economic Development Investment Program (EDIP)

The City's Economic Development Investment Program (EDIP) is a locally funded discretionary incentive program available to assist qualifying companies with their growth needs in Virginia Beach. The VBDA has administered the EDIP on behalf of City Council since 1994. The EDIP provides cash grants to eligible companies based on the average annual salary and number of new jobs created, and/or new capital investment made over a specified period. In fiscal year 2024-2025, the VBDA awarded 5 EDIP grants totaling \$1,708,412, resulting in an anticipated \$69,615,166 new capital investment in our City.

- a. Through these projects, 412 jobs will be created, and 497 jobs will be retained.
- b. The EDIP awards were:
 - i. Born Primitive (District 6), a veteran- and woman-owned activewear company, was awarded \$420,000 to support the expansion of its new 58,000-square-foot warehouse and office facility. The project represents an estimated \$14 million in capital investment.
 - ii. Atlantic Diving Supply, Inc., (District 3) a leading military supplier and federal contractor, received \$150,000 for the expansion of its 40,600-

square-foot warehouse and office facility, contributing to an estimated \$4.95 million in capital investment.

- iii. ViDARR (District 3), a defense manufacturer specializing in optical equipment, was awarded \$147,600 for the acquisition of 2616 Lishelle Place, a 16,200-square-foot property that will serve as the company's new Virginia headquarters and manufacturing facility. The project is expected to result in a \$2.69 million capital investment and the creation of 40 new jobs.
- iv. Neptune SHIELD (District 3), a Virginia Beach-based new business, was awarded \$162,681 to support the creation of a defense technology hub and incubator, representing an estimated \$2.42 million in capital investment and the creation of 22 new jobs.
- v. Acoustical Sheetmetal (District 2) has completed Phase 3 of its expansion and was awarded \$828,131 for its new 250,000-square-foot facility. The expansion brings an estimated \$45.56 million in capital investment, the creation of 350 new jobs, and the retention of 497 existing positions.

2. Additional Business Development Wins

- a. LifeNet Health (District 4), a global leader in regenerative medicine, was awarded a \$250,000 rent offset incentive to occupy the Virginia Beach Bio Incubator and become the new owner of the 5,706 square-foot space.

3. Façade Improvement Grant (FIG) Program:

The FIG program provides matching grants to small, locally owned and operated businesses for making exterior building improvements, which enhances the overall appearance and attractiveness of the businesses and adds to the overall economic vitality of the City. This year, the VBDA awarded the following 20 grants totaling \$111,127, which resulted in \$232,659 in private investment for façade improvements throughout the City:

- a. Beach Bully BBQ - \$7,500 (District 6)
- b. JMT Sweets & More, LLC - \$2,185 (District 1)
- c. The Vintage Cauldron - \$3,307 (District 8)
- d. Rockefeller's Inc. - \$10,000 (District 5)
- e. Karma Longboards Corp. - \$2,593 (District 6)
- f. Robins Consulting, LLC - \$10,000 (District 3)
- g. Driveway Motors, Inc. - \$5,500 (District 4)
- h. MMM Coffee, LLC - \$3,250 (District 6)
- i. MNPN Lady's Boutique & More - \$886 (District 3)
- j. Plaza Bakery, LLC - \$1,495 (District 8)
- k. Lakeshore Property I, LLC - \$7,400 (District 9)

- l. JWFNS Hilltop, LLC – \$3,700 (District 6)
- m. Atlantic Veterinary Center – \$10,000 (District 2)
- n. Snip Atlantic, LLC – \$9,850 (District 6)
- o. Esoteric – \$3,517 (District 5)
- p. Atlantic Avenue Association – \$2,158 (District 6)
- q. Animal Medical Center, Inc. – \$2,786 (District 8)
- r. Waffles & Company – \$5,000 (District 6)
- s. A-Rea’s Gourmet Catering - \$10,000 (District 1)
- t. MPN Group, LLC - \$10,000 (District 1)

4. EDIP Part F Small Business Grant

In 2025, the VBDA reallocated emergency COVID funds into the EDIP Part F – Small Business Grant. The program seeks to increase access to funding for historically underserved and marginalized small businesses in Virginia Beach, focusing on women, minority-owned, veteran, and service-disabled veteran-owned businesses.

In the grant's first year, the VBDA awarded the following 17 awards totaling \$144,811.

- a. Security Scholars LLC- \$10,000 (District 9)
- b. Greight Company Limited- \$10,000 (District 9)
- c. Bounce Hoppers- \$9,980 (District 5)
- d. Vault Athletics & Fitness- \$9,073 (District 6)
- e. Type A Virtual Solutions- \$10,000 (District 3)
- f. Unique Skin & Beauty Bar- \$10,000 (District 10)
- g. EauBleue Solutions 757 Transport- \$10,000 (District 6)
- h. Elizabeth M Borza, O.D. Inc.- \$10,000 (District 5)
- i. Brush it On Paint Co- \$8,328 (District 1)
- j. First Class Beauty Suites- \$10,000 (District 4)
- k. The Book Artist LLC- \$1,000 (District 5)
- l. Snapcube Corp- \$10,000 (District 5)
- m. Open Door Media Solutions- \$10,000 (District 6)
- n. Food Temptress Cookbook Store LLC- \$3,250 (District 6)
- o. Freedom Title & Escrow- \$4,899 (District 3)
- p. F.L.Y. Enterprises Inc.- \$10,000 (District 6)
- q. Executive Decisions - \$8,281 (District 1)

5. International Incubator:

VBDA maintains office space which is available on a short-term basis to international companies establishing a presence in the U.S., with the intent to incentivize and support their long-term presence here in the City. This year, VBDA welcomed 7 new tenants to its International Incubator:

- a. Nose Corporation of America, a Japanese manufacturing company providing specialized metal parts to the automotive and aerospace industries.
- b. Sirius Analysis, a UK technical consultancy providing analysis and solutions to government and defense industries.
- c. CASC, a Northern Ireland engineering company providing solutions to the offshore wind and renewables industry.
- d. Gibb Group, a UK company providing safety, PPE, and survival products for the energy, marine, and offshore wind sectors.
- e. ValTech, a Belgian digital transformation services company providing business and technology solutions for the public sector and a variety of industries.
- f. Ventus Energy, a UK engineering company specializing in operations & maintenance for the offshore wind industry
- g. RVT Group, a UK specialist for temporary ventilation systems for defense, construction, and manufacturing

6. VBDA Assets:

- a. The DOME
 - i. The new 70,000-sq. ft. venue at Atlantic Park officially opened on May 4, 2025, with 24 shows scheduled through August. The venue features an indoor capacity of 3,500 and a total capacity of 5,000 when incorporating outdoor areas.
 - ii. In May 2025, the Dome generated \$11,636 in revenue towards capital maintenance and \$5,818 in operating income.
 - iii. Atlantic Park also offers over 100,000 sq. ft. of mixed-use retail space, including restaurants, shops, and experiential attractions, including the Wave Park, all scheduled to open before the end of 2025.
- b. The Virginia Beach Amphitheater celebrated its 28th season in 2024 by holding 27 shows with over 365,000 attendees, generating \$3.79M in rent and taxes. Since 1996, the Amphitheater has provided performances for more than 7.7M attendees and generated more than \$41.5M in direct revenue for the City.
 - i. The VBDA committed over \$744,000 to the Virginia Beach Amphitheater in FY 2024-2025 to assist in capital improvements, which include: increased parking for patrons, installation of a walk-in cooler within the VIP Area, additional HVAC units in the artists' wing, and stage lighting replacement to modern LEDs. In addition, all improvements improve the artist and guest experience significantly.
- c. The Virginia Beach National Golf Course generated more than \$321,141 of total income to the City from the facility in addition to the taxes generated, which were paid to support basic City services. The VBDA also received management fees of more than \$237,185 to fund capital repairs and maintenance to the facility.

- i. The VDBA invested more than \$533K in the Virginia Beach National Golf Course within the last year. The exterior and interior improvements range from roof renovations to the replacement of flooring, new paint, new windows, and doors. These improvements are expected to bring additional foot traffic to the Golf Course.

7. Ribbon Cuttings and Ground Breakings

- a. **July 2024:** ZIM Shipping, one of the world's leading container shipping companies, celebrated the opening of its new 70,760-square-foot U.S. headquarters in Virginia Beach in July 2024.
- b. **September 2024:** Maxbyte Technologies, an Abu Dhabi-based firm specializing in digital transformation and Industry 4.0 solutions, launched its Industry 4.0 Centre of Excellence at the Virginia Beach Workforce Training Center in September 2024, located within the Advanced Technology Center at Tidewater Community College. This initiative aims to strengthen regional workforce development and innovation.
- c. **February 2025:** Globalinx Data Centers, a Tier-III carrier-neutral multi-megawatt data center campus, broke ground in February 2025 for an expansion that will accommodate four additional subsea cables at its Sandbridge landing site. This expansion will double its capacity at its Corporate Landing facility and effectively increase Virginia's subsea capacity by more than 400%.
- d. **May 2025:** ADS, Inc., a leading supplier of equipment and logistics solutions for the U.S. military, has broken ground on a 40,000-square-foot expansion of its Virginia Beach warehouse. The new addition will increase capacity for large-scale orders, improve delivery efficiency, and strengthen global fulfillment and shipping operations for mission-critical kits.
- e. July 2024: Acoustical Sheetmetal Company (ASC) completed its Phase 2 expansion, adding 135,000 square feet to its facility in Innovation Park to increase its fabrication and finishing capabilities, creating 350 new jobs.
 - i. June 2025: Acoustical Sheetmetal Company (ASC) announced its Phase 3 expansion in June 2025, adding 250,000 square feet of new facilities across 21 acres. This brings ASC's total footprint in Virginia Beach to 550,000 square feet. The project received \$1.75 million in funding from the Commonwealth of Virginia and \$828,000 from the Virginia Beach Development Authority (VBDA).

Membership and Attendance (Attached Separately)

Financial Report (Attached Separately)

Goals and Objectives for FY25-26

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

- Key Industries:
 - Defense & Aerospace
 - Technology & Innovation
 - Renewable Energy
 - Advanced Manufacturing
 - Uncrewed Systems
 - Professional Services
- The HIVE/Small Business & Entrepreneurship
- Innovation Park Expansion
- FIG Grant + Expanded Atlantic Avenue FIG Program
- Attainable Workforce Housing Performance Grant—In FY25-26, the VBDA will work with the Department of Housing & Neighborhood Preservation to administer the newly created Attainable Workforce Grant Program on behalf of the City Council by reviewing and disbursing City Council-approved grants for attainable housing development in the City.

Recommendations to City Council

Consider adoption of the draft Innovation Park Master Plan into the 2025 Comprehensive Plan to support the Authority's goal of expanding Innovation Park for business retention and expansion, as well as continuing to support and advance the strategic economic growth and development for the City of Virginia Beach. A letter of support is attached to this document.

Closing

Should you have any questions or desire a formal City Council briefing from our agency, please contact Chair Lisa M. Murphy at lmurphy@wilsav.com, Emily Archer at earcher@vbgov.com, or Natalie Guilmeus at nguilmeus@gmail.com.

Attachments (6)

- Map of EDIP, FIG, and Part F awardees
- Membership and Attendance
- Financial Report
- Acoustical Sheetmetal Expansion Announcement
- ZIM Shipping Ribbon Cutting Announcement
- Letter of Support for Innovation Park Expansion Within ITA

City of Virginia Beach
Virginia Beach Development Authority
2024 Attendance Record

Members Attendance

Name	Term Expires on:	Jul 9 th	Aug 13 th	SPECIAL Sep 6 th	Oct 8 th	Nov 12 th	SPECIAL Dec 3 rd	Dec 10 th	Total Present
Commissioner William Brown, MD (Ret)	8/31/2024	P	P						2/2
Commissioner William Brunke	8/31/2026	P	P	P	P	P	P	P	7/7
Commissioner W. Taylor Franklin	8/31/2026	P	P	P	<i>E</i>	P	<i>E</i>	P	5/7
Commissioner Linda Garris-Bright	8/31/2027	<i>E</i>	<i>A</i>	<i>A</i>	P	P	<i>E</i>	<i>A</i>	2/7
Commissioner Donald Horsley	8/31/2028	N/A	N/A	<i>E</i>	P	<i>E</i>	P	P	3/5
Commissioner Eric Keplinger	8/31/2025	<i>A</i>	P	P	<i>E</i>	P	P	P	5/7
Commissioner Penny Morgan	8/31/2026	<i>E</i>	P	P	P	P	P	P	6/7
Commissioner Lisa Murphy	8/31/2025	P	P	P	P	P	P	P	7/7
Commissioner Ronnie Parker	8/31/2026	P	<i>A</i>	P	P	P	<i>E</i>	P	5/7
Commissioner Michael Standing	8/31/2024	P	P	P	P	<i>E</i>	P	P	6/7
Commissioner David Weiner	8/31/2027	P	P	P	P	P	P	P	7/7
Commissioner Guenter Weissenseel	8/31/2024	P	P	P	P	P	P	P	7/7
This row indicates if there was a quorum; total number of members in person/total number of appointed members		8/11	9/11	9/11	9/11	9/11	8/11	10/11	

City Council Liaisons/Department Staff Liaisons

Vice Mayor Rosemary Wilson	P		P	P	P	P	P	6
Council Member Michael Berlucchi	P	P	P	P	P	P		8
Staff Liaison – Charles Rigney	P							1
Staff Liaison – Laura Hayes	P							1
Staff Liaison – Amanda Jarratt		P	P	P			P	5
Staff Liaison – Emily Archer			P	P	P	P	P	5
Staff Liaison – Natalie Guilmeus					P	P	P	3
Staff Liaison – Kayla Dotson	P	P	P	P	P	P	P	7

Key: Present (P) Present/Virtually (P/V) Absent (**A**) Resigned (R) Excused Absence (**E**) Canceled (C)

City Council and staff liaisons should be marked either P or P/V, if not in attendance, the block should be blank

If commissioners participate P/V, it must be annotated in the minutes where they remotely participated from and the reason – does not apply to City Council or staff liaisons.

Meetings lacking a quorum of members attending in person should be designated with an asterisk (*)

City of Virginia Beach
Virginia Beach Development Authority
2025 Attendance Record

Members Attendance

Name	Term Expires on:	Jan 14 th	Feb 11 th	Mar 11 th	Apr 8 th	May 13 th	SPECIAL Jun 13 th	Total Present
Commissioner William Brunke	8/31/2026	P	P	P	<i>E</i>	P	P	5/6
Commissioner W. Taylor Franklin	8/31/2026	P	P	P	P	P	P	6/6
Commissioner Linda Garris-Bright	8/31/2027	<i>A</i>	<i>A</i>	R	R	R	R	0/2
Commissioner Ahkil Jain	8/31/2027	N/A	N/A	P	<i>E</i>	P	P	3/4
Commissioner Donald Horsley	8/31/2028	P	<i>E</i>	P	P	P	<i>E</i>	4/6
Commissioner Eric Keplinger	8/31/2025	P	P	P	<i>A</i>	P	P	5/6
Commissioner Esmel Meeks	8/31/2026	N/A	N/A	N/A	N/A	P	P	2/2
Commissioner Penny Morgan	8/31/2026	P	P	P	P	P	P	6/6
Commissioner Lisa Murphy	8/31/2025	P	P	P	P	P	P	6/6
Commissioner Ronnie Parker	8/31/2026	P	R	R	R	R	R	1/1
Commissioner Michael Standing	8/31/2024	P	P	P	P	<i>A</i>	P	5/6
Commissioner David Weiner	8/31/2027	P	P	P	P	P	P	6/6
Commissioner Guenter Weissenseel	8/31/2024	P	P	P	P	P	P	6/6
This row indicates if there was a quorum; total number of members in person/total number of appointed members		10/11	9/10	10/10	7/10	10/11	10/11	

City Council Liaisons/Department Staff Liaisons

Vice Mayor Rosemary Wilson		P	P	P	P	P	5/6
Council Member Michael Berlucchi	P	P		P		P	4/6
Staff Liaison – Amanda Jarratt	P	P	P		P		4/6
Staff Liaison – Christian Green			P	P	P		3/3
Staff Liaison – Emily Archer	P	P	P	P	P	P	6/6
Staff Liaison – Natalie Guilmeus	P	P	P		P		4/6
Staff Liaison – Kayla Dotson	P	P	P	P	P	P	6/6

Key: Present (P) Present/Virtually (P/V) Absent (**A**) Resigned (R) Excused Absence (**E**) Canceled (C)

City Council and staff liaisons should be marked either P or P/V, if not in attendance, the block should be blank

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City of Virginia Beach Development Authority
Fiscal Year 2026 Approved Budget

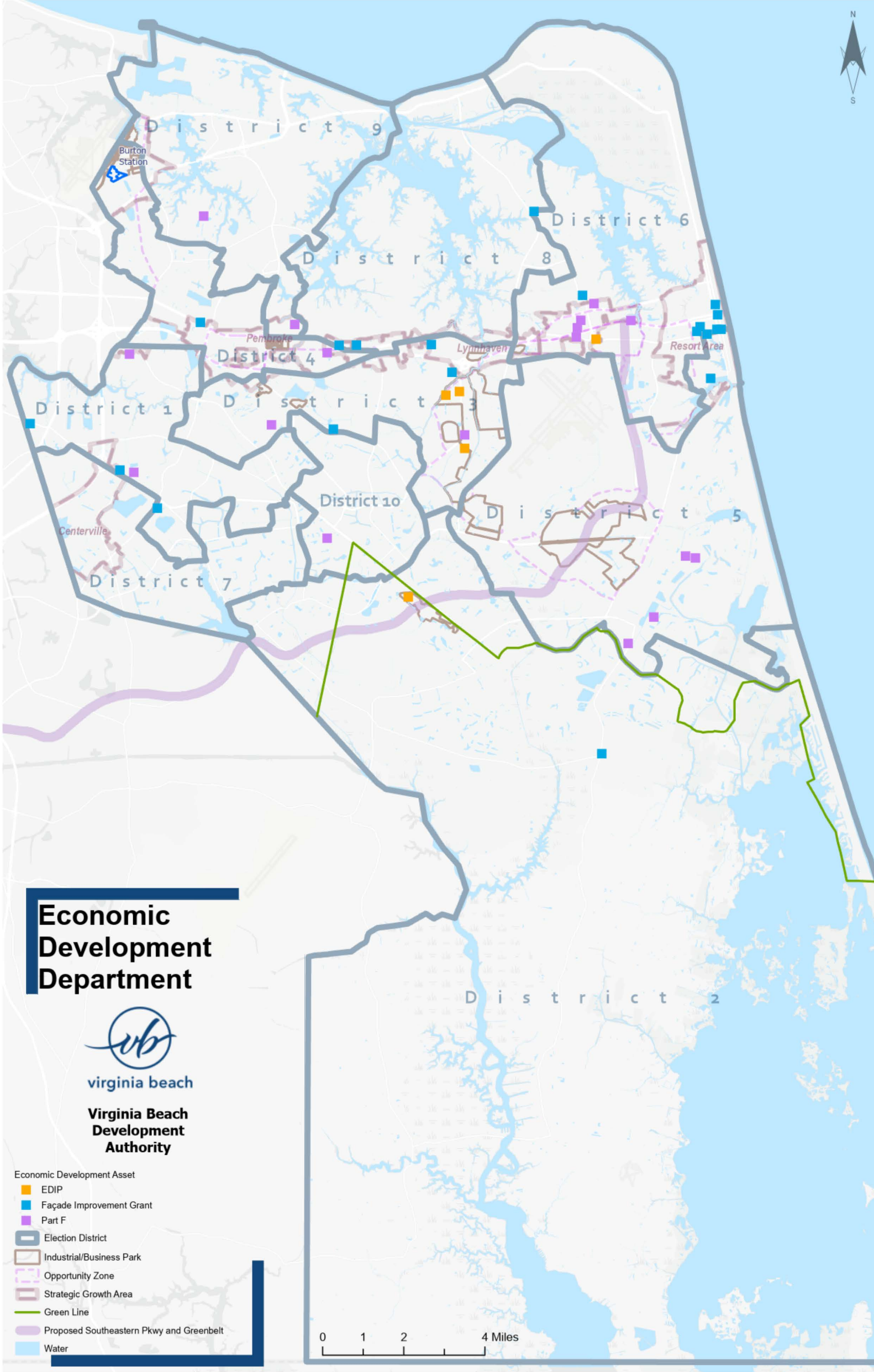
Revenue & Expenditure Accounts	FY 2025 Budget (Approved)	FY 2024 Budget	FY 2024 Actual
OPERATING			
VBDA Operations			
Revenues			
Sale of Land	\$ -	\$ -	\$ 25,000.00
Industrial Revenue Bond Fee Inc	\$ 555,400.00	\$ 240,125.00	\$ 695,471.16
Lease Income - TC Outdoor Cafes	\$ 18,940.00	\$ -	\$ 29,844.98
Lease Income - Incubator	\$ 11,275.00	\$ -	\$ 7,840.00
Interest Income	\$ -	\$ 60,000.00	\$ 296,664.00
Miscellaneous Income	\$ -	\$ 26,000.00	\$ 50.00
Total Revenues	\$ 585,615.00	\$ 326,125.00	\$ 1,054,870.14
Expenditures			
Land Proceeds to City of VB	\$ -	\$ -	\$ -
General, Administrative and Strategy	\$ (34,100.00)	\$ (86,600.00)	\$ (28,577.00)
Amphitheater box seating	\$ (52,100.00)	\$ (49,650.00)	\$ (43,904.00)
Annual Reception/Events	\$ (25,500.00)	\$ (28,600.00)	\$ (17,624.00)
Audit Fees	\$ (22,000.00)	\$ (46,300.00)	\$ (20,183.00)
Transfer to Capital Maintenance	\$ (1,850,000.00)	\$ -	\$ -
Total Expenditures	\$ (1,983,700.00)	\$ (211,150.00)	\$ (110,288.00)
Atlantic Park			
Bond Proceeds	\$ 2,106,179.00	\$ -	\$ -
Legal, Inspection and Support	\$ (500,000.00)	\$ -	\$ 860,393.00
Atlantic Park Net Increases	\$ 1,606,179.00	\$ -	\$ 860,393.00
Corporate Landing			
Revenue from Land Sales	\$ 861,400.00	\$ 550,000.00	\$ 740,000.00
Repurchase of Land Inventory	\$ (2,500,000.00)	\$ -	\$ -
Architecture and Engineering	\$ (500,000.00)	\$ (120,000.00)	\$ (23,486.00)
Maintenance and Landscaping	\$ (53,000.00)	\$ (52,043.00)	\$ (49,388.00)
Conduit Management	\$ (180,847.00)	\$ (169,228.00)	\$ (171,095.39)
Utilities and Other	\$ (11,000.00)	\$ (5,600.00)	\$ (64,335.00)
Transfer from Operating Cash	\$ -	\$ -	\$ -

City of Virginia Beach Development Authority
Fiscal Year 2026 Approved Budget

Corporate Landing Net Increases	\$	(2,383,447.00)	\$	203,129.00	\$	431,695.61
Innovation Park						
Revenue from Land Sales	\$	-	\$	760,000.00	\$	1,046,941.00
Costs to Improve Land for Sale	\$	-	\$	-	\$	-
Architecture and Engineering	\$	(160,000.00)	\$	(244,000.00)	\$	(73,750.00)
Innovation Park Net Increases	\$	(160,000.00)	\$	516,000.00	\$	973,191.00
110 S Independence Blvd						
Utilities and Other	\$	-	\$	-	\$	(38,743.08)
Demolition	\$	(100,000.00)	\$	-	\$	97,731.00
Total 110 S Independence Expenditures	\$	(100,000.00)	\$	-	\$	58,987.92
2656 Lishelle Place Buildout						
Buildout	\$	-	\$	-	\$	(94,142.44)
Utilities and Other	\$	(11,000.00)	\$	(10,030.00)	\$	(9,791.74)
Total 2656 Lishelle Place Buildout	\$	(11,000.00)	\$	(10,030.00)	\$	(103,934.18)
Revenues over Expenditures	\$	(2,446,353.00)	\$	824,074.00	\$	3,164,915.49
(Use of Fund Balance)						
INITIATIVES						
Bio-Medical Research Incentive						
Revenues	\$	-	\$	-	\$	-
Expenditures (LifeNet Supplemental Payments)	\$	-	\$	-	\$	-
Expenditures (Bendix Lease)	\$	(23,652.00)	\$	-	\$	(144,568.00)
Bio-Medical Research Incentive Net Decrease	\$	(23,652.00)	\$	-	\$	(144,568.00)
Façade Improvement Grants						
Revenues	\$	100,000.00	\$	100,000.00	\$	100,000.00
Expenditures (Awards)	\$	(100,000.00)	\$	(100,000.00)	\$	(102,031.00)
Façade Improvement Grant Increases Net Activity	\$	-	\$	-	\$	(2,031.00)
CAPITAL MAINTENANCE						
Amphitheater						
Revenue from City	\$	600,000.00	\$	-	\$	8,565.00
Capital Maintenance Repairs	\$	(600,000.00)	\$	-	\$	(8,565.40)

City of Virginia Beach Development Authority
Fiscal Year 2026 Approved Budget

Amphitheater Net Increases	\$	-	\$	-	\$	(0.40)
Human Services						
Lease Income - Social Services	\$	574,928.00	\$	-	\$	574,928.04
Capital Maintenance Repairs	\$	(2,416,562.00)	\$	-	\$	(103,294.00)
Social Services Net Decreases	\$	(1,841,634.00)	\$	-	\$	471,634.04
Virginia Beach National Golf Course						
Revenue Share - VBGC	\$	150,000.00	\$	-	\$	226,078.00
Capital Maintenance Repairs	\$	(2,000,000.00)	\$	-	\$	(179,385.00)
Transfer from Operating Cash	\$	1,850,000.00	\$	-	\$	-
VB National Net Decreases	\$	-	\$	-	\$	46,693.00
EDIP						
Annual Appropriations from CoVB	\$	1,598,476.00	\$	-	\$	1,659,582.00



Economic Development Department



Virginia Beach Development Authority

Economic Development Asset

- EDIP
- Façade Improvement Grant
- Part F
- Election District
- Industrial/Business Park
- Opportunity Zone
- Strategic Growth Area
- Green Line
- Proposed Southeastern Pkwy and Greenbelt
- Water

0 1 2 4 Miles

August 2, 2024

Acoustical Sheetmetal Company to Expand in Virginia Beach

City of Virginia Beach officials attended a ribbon-cutting ceremony celebrating Acoustical Sheetmetal's Phase II expansion.

Acoustical Sheetmetal Company celebrated the completion of its Phase II expansion with a ribbon-cutting ceremony on July 31, 2024. Mayor Bobby Dyer and Virginia Beach City Council members attended the ceremony.

Acoustical Sheetmetal is renowned for manufacturing sound-reducing and weather-protective enclosures for on-site power generation equipment and control centers, serving essential sectors such as data centers, hospitals and wastewater treatment plants.

In 2020, Virginia Beach Economic Development, in collaboration with the Virginia Economic Development Partnership, announced Acoustical Sheetmetal's plans to establish their headquarters and a second manufacturing facility in the city's Innovation Park. This project initially anticipated a \$15.8 million capital investment and the creation of 200 new full-time jobs.

The Phase I development included a 100,000-square-foot facility, and the recently completed Phase II has surpassed expectations, adding 135,000 square feet to its campus footprint. Currently, the company employs over 500 individuals. Acoustical Sheetmetal has experienced significant success in Virginia Beach, exceeding their investment and hiring projections, and continues to grow.

"Yesterday's ribbon-cutting ceremony marks a significant milestone for both Acoustical Sheetmetal and the City of Virginia Beach," said City of Virginia Beach Mayor Bobby Dyer. "This expansion not only demonstrates the company's tremendous growth and success but

also highlights our city's commitment to fostering a thriving business environment. We are proud to support Acoustical Sheetmetal's continued investment in our community, creating jobs and driving economic development. Congratulations to the entire Acoustical Sheetmetal team on this remarkable achievement."

"Acoustical Sheetmetal Company sincerely appreciates the support of the City of Virginia Beach and State of Virginia in the continued expansion of our business," said Margaret Shaia, chief executive officer of Acoustical Sheetmetal Company. "Over the past five years, this support has allowed us to grow our organization from 100 employees in 2019 to over 500 today, contributing significantly to the Virginia Beach economy. Such support has also enabled ASC to become a major supplier to the data center expansion seen throughout Virginia and the entire United States. Infrastructure spending is projected to continue at a rapid pace, and we're proud to have such an impact on this industry. We look forward to further partnerships with the City of Virginia Beach and State of Virginia to fuel our continued growth."

About Virginia Beach & the Department of Economic Development

Virginia Beach, one of Virginia's most populous cities, resides where the Chesapeake Bay meets the Atlantic Ocean. The mission of the Virginia Beach Department of Economic Development is to drive economic vitality and inclusive prosperity in the city by fostering the attraction and creation of new investment, innovation, and jobs. www.yesvirginiabeach.com.

Global Container Shipping Company to Expand Headquarters in Virginia

ZIM American Integrated Shipping Services Co., LLC to invest approximately \$30 million in the City of Virginia Beach, cementing its commitment to the region

RICHMOND, VA – Governor Glenn Youngkin today announced that ZIM American Integrated Shipping Services Co., LLC, a subsidiary of publicly held Israeli international cargo shipping company ZIM Integrated Shipping Services Ltd. (“ZIM”), will invest approximately \$30 million to relocate and expand its U.S. headquarters within the Hampton Roads region. Virginia successfully competed with other states for the project, which represents several hundred jobs over the next five years.

“It was a priority for ZIM American Integrated Shipping Services Co., LLC to retain its headquarters in the Commonwealth and secure employment opportunities in the Hampton Roads region for years to come,” **said Governor Glenn Youngkin.** “Virginia is a leader in supply chain management thanks to our infrastructure, robust transportation network, and world-class Port of Virginia, and ZIM is a vital shipping partner that advances our position in this important industry. We are pleased that ZIM will continue its growth in the Commonwealth.”

“The Hampton Roads region’s strategic location and proximity to The Port of Virginia will help align ZIM American Integrated Shipping Services Co., LLC for further growth in the U.S. market, and we are proud that this global shipping leader will remain and expand in the Commonwealth,” **said Secretary of Commerce and Trade Caren Merrick.** “A pro-business environment, robust workforce, and effective collaboration are the hallmarks of economic development in Virginia, and this significant project will make the Commonwealth even more attractive for additional investments in the logistics sector.”

ZIM President & CEO Eli Glickman said, “We are very pleased with the purchase of this first-class new office building, which will serve our growing shipping business in the U.S., a pivotal country for our strategy and our global network. The new office will provide a first-rate work environment for our valued employees, as they continue to deliver our signature personal, top-quality service to customers. This office expansion is vital to ZIM’s commitment to the North American market and to the expansion of our capacity in the region with our new LNG-Green Energy vessels fleet.”

“Retaining the headquarters of a renowned international cargo shipping company is a win for the Hampton Roads region and the Commonwealth,” **said Major Employment and Investment Project Approval Commission Chair Delegate Barry Knight.** “I am proud the MEI Commission could play a role in securing this important project and look forward to ZIM’s continued positive economic impact.”

“We thank ZIM for its decision to reinvest in Hampton Roads,” **said Major Employment and Investment Project Approval Commission Vice Chair Senator George Barker.** “The company’s expanded operation will strengthen supply chain infrastructure in the

Commonwealth, and I am pleased the MEI Commission could collaborate with our state, regional, and local partners to help secure this critical project.”

“I am thrilled to have ZIM investing to expand their operation in the City of Virginia Beach,” **said Senator Aaron R. Rouse**. “As one of the leading carriers in the global container shipping industry, they provide a vital service to our maritime community, and I welcome the additional jobs this will create in our city and region. This decision to expand their operation here is a testament to the thriving partnerships between state and local agencies.”

“With Virginians moving back into the workforce in record numbers and searching for employment, we are elated to have ZIM expanding in Virginia Beach,” **said Delegate Karen S. Greenhalgh**. “How appropriate to celebrate the expansion of ZIM as we celebrate the 75th anniversary of the establishment of the nation of Israel. ZIM, founded to take immigrants to the new nation of Israel, has become one of the world’s leading shipping companies. As David Ben-Gurion said in 1932, ‘The sea opens up boundless horizons before us.’ Congratulations to ZIM for a remarkable history, and we look forward to working together for a remarkable future.”

“We are thrilled that one of the world’s most recognizable, successful cargo shipping companies continues to do business in the Commonwealth of Virginia,” **said City of Virginia Beach Mayor Bobby Dyer**. “We congratulate the ZIM team on the expansion to Virginia Beach and look forward to a positive, continued partnership.”

“The Hampton Roads Alliance (the Alliance) congratulates ZIM on its growth plans and its decision to continue to headquarter its United States operations here in the Hampton Roads region,” **said Doug Smith, President and CEO of the Hampton Roads Alliance**. “The Alliance had a hand in recruiting ZIM to the region 22 years ago as the company relocated its headquarters operations from New York City to Hampton Roads. At that time, the company selected our region to best meet their customers’ needs and position the company for future growth. It appears Hampton Roads was the right location choice then and now. ZIM’s decision to re-invest in Hampton Roads speaks volumes to the region’s strategic location and competitive advantage offered to the shipping and logistics industries.”

“The Port of Virginia has a collaborative relationship with ZIM, and we are pleased that it has elected to remain in Virginia and grow its presence here,” **said Stephen A. Edwards, Virginia Port Authority CEO and executive director**. “ZIM is an important global ocean carrier and its benefits to the region and state can be counted in terms of jobs, investment, and growing cargo volumes. The company’s decision to remain in Virginia is a clear indicator that this state is a world-class destination for maritime-related business.”

Founded in Israel in 1945, ZIM is a leading global container liner shipping company with established operations in more than 90 countries serving approximately 34,000 customers in over 300 ports worldwide. ZIM leverages digital strategies and a commitment to ESG values to provide customers innovative seaborne transportation and logistics services and exceptional customer experience. ZIM's differentiated global-niche strategy, based on agile fleet

management and deployment, covers major trade routes with a focus on select markets where the company holds competitive advantages.

The Virginia Economic Development Partnership worked with the City of Virginia Beach, the Hampton Roads Alliance, and the General Assembly's Major Employment and Investment (MEI) Project Approval Commission to secure the project for Virginia. Governor Youngkin approved a \$1,497,300 grant from the Commonwealth's Opportunity Fund to assist Virginia Beach with the project. The company is eligible to receive benefits from the Port of Virginia Economic and Infrastructure Development Zone Grant Program. Funding and services to support the company's employee training activities will be provided through the Virginia Jobs Investment Program.



August 26, 2025

Dear Mayor Dyer, Vice Mayor Wilson, and Members of City Council:

As the City updates its Comprehensive Plan, it is critically important to identify land to support the expansion of our tax base. Without available developable land, we will lose our ability to attract new businesses and to allow our existing businesses to grow and prosper. Current and developing economic conditions, as well as regional assets like the Port and our ship building industry contribute to the need for more and more industrial real estate, which is in short supply in Virginia Beach both for large projects and small projects. In fact, recent market reports indicate that the vacancy rate in Virginia Beach is 0.7% to 2%. With a growing demand for industrial land and a short supply, we run the risk of losing existing businesses and will have no ability to attract new businesses, if we do not act now.

Innovation Park, which currently sits in the Princess Anne Special Economic Growth Area has been a success story. Since 2022 it has allowed for the phased expansion of multiple businesses, including two local businesses, which have grown exponentially resulting in over 850 new and projected jobs, 500 retained jobs and over \$173 million dollars in new and projected private capital investment. Had land not been available in Innovation Park, these businesses would have had to look outside the City to expand. With the success of those businesses and others there is little land left in Innovation Park for development. In fact, during our Business Expansion and Retention Roundtable last December, many existing businesses expressed a need for additional land to expand and grow their businesses.

Given the success of Innovation Park, we strongly urge you to plan for the extension of Hudome Way to the southwest, ultimately connecting it with Landstown Road which would permit the expansion of Innovation Park into roughly 93 acres of contiguous land, currently owned by the City. While this expansion of Innovation Park would be sufficient for the short-term, a long-term plan for further expansion should include the further expansion of Innovation Park into the 600+ acres further south known as the Brown Farm. An expansion of this magnitude will also help the City vie for state funds available for infrastructure.

In short, our City's ability to attract and retain growing businesses will be hamstrung if we do not identify areas which could support light and advanced manufacturing businesses. Given the location and success of Innovation Park, we strongly urge you to plan for the expansion of Innovation Park into the 93 acres adjacent to it to the southwest with the extension of Hudome Way to Landstown Road to provide a secondary means of ingress and egress into Innovation Park, and further into the 600+

acres comprising the Brown Farm further south as depicted on the Innovation Park Conceptual Master Plan attached hereto.

Sincerely,

Lisa M. Murphy
Chair
The City of Virginia Beach Development Authority

CC: The City of Virginia Beach Planning Commission