



City of Virginia Beach Virginia Beach Development Authority 2022 – 2023 Annual Report to City Council

Author: Lisa M. Murphy, Chair

Date: August 31, 2023

Executive Summary

The City of Virginia Beach Development Authority Commissioners, City Council and staff liaisons have worked to compile the FY 2022-2023 Annual Report to City Council covering the period of July 1, 2022 – June 30, 2023. In the past fiscal year, the Virginia Beach Development Authority met 13 times to further propel the local economy forward for a more dynamic and prosperous future through the crafting and support of robust business attraction, retention and expansion initiatives.

Mission Statement

The City of Virginia Beach Development Authority (VBDA) was established by the Virginia General Assembly in 1964 as a component, but legally separate unit, of the City of Virginia Beach. 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 creative, innovative leadership, participation in local and regional business development activities, and by fostering a positive local, regional, national and international view of the City as a location for business development and growth.

Accomplishment of Goals and Objectives

Over the past fiscal year, the VBDA, 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 been administering the EDIP Program on behalf of City Council since 1994. The EDIP Program provides cash grants to eligible companies on the average annual salary and number of new jobs created, and/or new capital investment made over a specified period.

- a. At the direction of the VBDA, the Virginia Beach Department of Economic Development brought 6 new businesses to the City of Virginia Beach and assisted in the expansion of 11 existing businesses. Through these projects, 1,100 jobs were created, and 3,800 jobs were retained.
- b. The VBDA awarded 12 EDIP grants totaling \$4,060,000, resulting in \$117,900,000 new capital investment in our City.
- c. Over this fiscal year, 14 companies invested a total of \$468,300,000 in new capital investments in our City.
- d. Two additional companies located in the International Incubator and the Old Dominion University Data Science Institute established an office in Virginia Beach.
- e. Noteworthy examples:
 - VBDA approved an EDIP grant of \$800,000 to DroneUp LLC based on their commitment to invest \$6,850,000 in new capital and to create 510 new jobs in the City. Governor Youngkin approved a \$928,000 grant from the Commonwealth's Opportunity Fund to assist with the project. The Governor also approved \$4,000,000 in funds from the Virginia Economic Development Incentive Grant.
 - VBDA approved an EDIP grant of \$1,500,000 to ZIM American Integrated Shipping Services Co., LLC based on their commitment to invest \$30,000,000 in new capital and to create more than 300 new jobs in the City. Governor Youngkin approved a \$1,497,300 grant from the Commonwealth's Opportunity Fund to assist Virginia Beach with ZIM's decision to expand its US headquarters within the Hampton Roads region, retaining 292 existing jobs.
 - VBDA approved an EDIP grant of \$500,000 to STIHL for a facility expansion project that will increase STIHL's manufacturing capabilities in the City resulting in job creation and retention, as well as a capital investment estimated at \$49,000,000.

2. Façade Improvement Grant (FIG) Program:

The FIG program provides matching grants to small, locally-owned and operated businesses to these small businesses in making exterior building improvements, which enhanced the overall appearance and attractiveness of these businesses adding to the overall economic vitality of the City.

- a. This year VBDA awarded a total of 15 grants totaling \$119,384 which resulted in \$463,145 in private investment for façade improvements throughout the City.

3. International Incubator:

VBDA maintains office space which is available on a short-term basis to international companies looking to establish a United States presence here in Virginia Beach.

- a. This year, VBDA welcomed two new tenants to its International Incubator: KAPA Global, a Korean association representing the auto parts sector, and Actualtic, a Barcelona-based engineering company specializing in technological diagnosis, information and communication technology projects design and

support services.

4. Atlantic Park Project:

- a. VBDA has entered into all contracts as a public partner, holds title to the real estate and administers the Capital Improvement Program onsite. Upon completion of the project, VBDA will hold title to parking garages and entertainment venues.

Membership and Attendance

Attached separately

Budget Report

Attached separately

Goals and Objectives for the Coming Year

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

Key Industries:

- Advanced Manufacturing
- Defense & Aerospace
- IT/Cyber
- Maritime/Logistics
- Renewables
- Bio & Life Sciences
- The HIVE/ Local Business Growth & Entrepreneurship
- Professional Office & Retail

Recommendations to City Council

Continue to support and advance the strategic economic growth and development of the City of Virginia Beach at the City Council's direction with the assistance of the Virginia Beach Department of Economic Development.

I look forward to providing City Council a briefing on the work of this team. Please feel free to reach out to the Virginia Beach Development Authority Chair, Ms. Lisa Murphy at lmurphy@wilsav.com and or Interim Director of the Department of Economic Development, Mr. Charles Rigney at crigney@vbgov.com with any questions or should you require additional information.

City of Virginia Beach
Virginia Beach Development Authority
2022 Attendance Record

Name	Term Expires on:	Jul 19th	Aug 16th	Aug 24th	Sept 20th	Oct 18th	Nov 15th	Dec 20th	Total Present
Commissioner David Bernd	8/31/2025	P	A	P	P	A	P	A	4/7
Commissioner William Brown, MD (Ret)	8/31/2024	A	P	A	P	P	P	P	5/7
Commissioner William Brunke	8/31/2026	A	P	P	P	P	P	P	6/7
Commissioner Nneka Chiazor	8/31/2023	P	P	P	A	P	P	A	5/7
Commissioner W. Taylor Franklin	8/31/2026	A	P	A	P	P	A	P	4/7
Commissioner Penny Morgan	8/31/2026	P	P	P	P	P	P	A	6/7
Commissioner Lisa Murphy	8/31/2025	P	P	P	P	P	P	P	7/7
Commissioner Ronnie Parker	8/31/2026	A	P	A	P	P	E	P	4/7
Commissioner Michael Standing	8/31/2024	P	P	E	P	P	E	A	4/7
Commissioner Joseph Strange	8/31/2023	A	P	P	P	P	P	P	6/7
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		6/11	10/11	7/11	10/11	10/11	8/11	7/11	
Vice Mayor Rosemary Wilson		P			P		P	P	4
City Councilman Michael Berlucchi					P		P	P	3
Staff Liaison – DCM Taylor Adams		P	P				P	P	4
Staff Liaison – Kathy Warren		P	P	P	P	P	P	P	7
Staff Liaison – Vicki Kelley		P	P	P	P	P	N/A	N/A	5
Staff Liaison – Elisabeth Parker		N/A	N/A	N/A	N/A	N/A	P	P	2

City of Virginia Beach
Virginia Beach Development Authority
2022 Attendance Record

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

****Please note: The VBDA meeting held on August 24, 2022 was a Special Meeting.**

City of Virginia Beach
Virginia Beach Development Authority
2023 Attendance Record

Name	Term Expires on:	Jan 17th	Feb 7th	Feb 21st	Mar 21st	Apr 18th	May 16th	Jun 20th	Total Present
Commissioner David Bernd	8/31/2025	A	C	A	A	A	P	P	2/6
Commissioner William Brown, MD (Ret)	8/31/2024	P	C	P	P	P	P	P	6/6
Commissioner William Brunke	8/31/2026	P	C	P	A	A	P	P	4/6
Commissioner Nneka Chiazor	8/31/2023	P	C	A	A	P	E	P	3/6
Commissioner W. Taylor Franklin	8/31/2026	A	C	P	P	P	P	P	5/6
Commissioner Penny Morgan	8/31/2026	P	C	P	E	A	P	A	3/6
Commissioner Lisa Murphy	8/31/2025	P	C	P	P	P	P	P	6/6
Commissioner Ronnie Parker	8/31/2026	P	C	P	P	P	P	A	5/6
Commissioner Michael Standing	8/31/2024	P	C	P	P	P	P	P	6/6
Commissioner Joseph Strange	8/31/2023	A	C	P	P	P	P	P	5/6
Commissioner Guenter Weissenseel	8/31/2024	A	C	P	P	P	A	P	4/6
This row indicates if there was a quorum; total number of members in person/ total number of appointed members		7/11	C	9/11	7/11	8/11	9/11	9/11	
Vice Mayor Rosemary Wilson		P	C	P	P			P	4
City Councilman Michael Berluca		P	C		P	P	P	P	5
Staff Liaison – DCM Taylor Adams		P	C	P	P	P	P	P	6
Staff Liaison – Kathy Warren		P	C	P	P	P	P	P	6
Staff Liaison – Vicki Kelley		N/A	C	N/A	N/A	N/A	N/A	N/A	
Staff Liaison – Elisabeth Parker		P	C	P	P	P	P	P	6

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CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
Fiscal Year 2023 Operating Budget

	FY 2023	
	BUDGET	(6/30/23) ACTUAL
Revenues:		
Economic Development Incentive Program (EDIP) Transfer from City of	-	-
Amphitheater Administrative Fee	25,000	-
Industrial Revenue Bond Fees	240,000	204,770
Corporate Park Conduit Lease Revenue	-	-
Bond Application Fees	125	-
Miscellaneous	1,000	1,936,274
Interest Income	30,000	147,113
Total Authority Revenues	\$296,125	\$2,288,156
Expenses:		
Corporate Landing:		
Corporate Landing Landscaping	26,595	27,995
Corporate Landing Conduit Maintenance & Management Fee	169,228	140,840
Corporate Landing Utilities	4,200	176
Corporate Landing Stormwater Construction Fee	1,400	1,400
Architectural and Engineering Fees	400,000	251,328
Total Corporate Landing and VBDA Properties Expense	601,423	421,739
Administrative:		
Independent Audit Fees	19,800	19,240
Annual Report Fees	25,300	-
Strategy Consultant Fees	50,000	-
Commissioner Stipend	6,600	2,050
Computer Equipment	-	-
Miscellaneous	10,000	271,318
Total Administrative Expense	111,700	292,608
VBDA Events:		
Annual Holiday Receptions	19,100	16,637
Business Appreciation Month Event	8,000	-
Amphitheater Box Seats	47,250	42,187
VBDA Workshop	500	-
Total VBDA Event Expense	74,850	58,824
Grants / Special Projects:		
Small Business Development Center	20,000	-
Rudee Loop Temporary Place Making	-	-
Total Grants / Special Projects	20,000	-
Total Authority Operating Expenses	\$807,973	\$773,171
Use of Operating Fund Balance	(511,848)	- SEE NOTE 2
Budgeted Revenues over Expenditures	-	1,514,986

NOTE 1 - The City Economic Development Dept. FY 2021-22 budget includes an additional \$2,051,760 for the EDIP program. In previous years, the EDIP funding

NOTE 2 -The budgeted shortfall of funds is projected to cover potential architectural and engineering fees for the Corporate Landing and VBDA Properties. The Operating Fund Balance will cover any potential shortfall to FY23 Operating Budget.

Disclaimer: This budget represents basic operating revenues and expenses only. No revenues or expenses for the SSD, EDIP, or other special projects are included in this budget. Lease revenues received from the following are passed through to the City Treasurer's Office and are not part of the VBDA's discretionary spending: Virginia Beach Golf Club and Heron Ridge Golf Club. The VBDA is able to retain an administrative fee from the Amphitheater lease payment, but must remit the remainder to the City Treasurer's Office.