

## **EXHIBIT A**

### **AMENDED SUMMARY OF TERMS PHASE V TOWN CENTER**

Phase V of the Town Center Project will consist of a single-block mixed-use development on Block 11 of Town Center (presently surface parking)

#### **ORIGINAL TERMS**

##### **1. Scope of Proposed Improvements**

Single block, Multi-facility, Mixed-use Development / Main Building: 14 Stories

- Parking Garage, approx. 850-875 Spaces (6 levels)
- Office Tower (8 levels above garage)
- Apartments above ground-level parking (4 floors- approximately 267 units)
- Retail, Main Lobby and Apartment Lobby (approximately 18,000 sq. ft.)

##### **2. Developer Obligations**

- A. Developer owns all of the land except for a 30' Strip along the western edge of the block. Developer to purchase the 30' Strip from Authority (at Authority's cost of acquisition and cost of carry).
- B. Construct all improvements:
- Office Tower
  - Main Lobby
  - First Floor Retail
  - Parking Garage
  - Apartments
  - Streetscapes
- C. Estimated Private Investment: \$70.4 million
- D. Make payments totaling \$2,950,000 between 2015 and 2023 to the Authority to prevent a shortfall in the TIF. Developer payment to be offset by construction of improvements on Block 9.

##### **3. Authority Obligations**

- A. Pay for Infrastructure Improvements:
- Estimated Cost: \$1,000,000
  - To include streetscapes, utilities, traffic signals

- B. Lease 1 floor in new 14-story Office Tower.
  - Leased Area: ~ 20,000 square feet
  - VBDA's rent~ Starting at \$28.25 per square foot
  - Rate not to be higher than anchor tenant
  
- C. Extend term of current lease in Armada/Hoffler Tower by two years (11/1/12 through 10/31/14).
  - Developer has right to move Authority to alternate location in Town Center during term if 10<sup>th</sup> floor is needed for Hampton University.
  - Developer bears all costs of move.
  
- D. Purchase Parking Garage:
  - Estimated Cost: not to exceed \$18 million
  - Exact price to be determined based on construction costs

**4. Other Terms:**

- A. New Office Tower to be anchored by Clark Nexsen.
  - Leasing 4 full floors
  - Anticipate approx. 350 employees to relocate to Virginia Beach
  
- B. Developer to construct a temporary parking lot on Block 9 to partially replace spaces lost during construction. Cost to be split between Developer and Authority (Authority's share, estimated at \$75,000, to come from \$1 million infrastructure budget).

**PROPOSED MODIFICATIONS**

**5. Increased Size of Improvements:**

- A. One additional level of parking with approximately 100 spaces for a total of approximately 950 spaces.
  
- B. One additional floor of office space in tower (total of 9 levels above garage), for a total of approximately 213,000 sq. ft. of office space
  
- C. 23 additional apartment units (total of 290 units).
  
- D. 3,400 additional sq. ft. of retail space (total of 21,400 sq. ft.).

6. **Increased Investments:**

- A. Public investment increased by \$2 million to \$21 million total (\$20 million for parking garage and \$1 million for streetscapes).
- B. Private investment increased by \$14 million. Total private investment in Phase V to be \$84.4 million.

7. **Source of Payment for Public Investment:**

- A. TIF Funds.
- B. Additional Developer payment of \$100,000 per year for 9 years (total payment of \$3,850,000). Developer payment to be offset by additional assessed value constructed on Block 9.
- C. Additional Developer payment will be offset by up to \$100,000 per year by income the Authority receives for leasing parking spaces in Block 11.
- D. After 9 years, TIF funds will be sufficient to cover costs of additional investment

8. **Modification to Construction Loan Closing**

The Authority holds a special termination right if the Developer has not closed on its construction loan for Phase V on or before March 31, 2013. To allow the Developer time to secure financing, that deadline will be extended by six months until September 30, 2013.