

A RESOLUTION APPROVING THE PROVISION
OF \$46,500 IN ECONOMIC DEVELOPMENT
INVESTMENT PROGRAM FUNDS TO
REGULUS GLOBAL LLC

WHEREAS, the City of Virginia Beach Development Authority (the "Authority") was created pursuant to Chapter 643 of the Acts of Assembly of 1964, as amended (the "Act");

WHEREAS, one of the primary purposes of the Act is to enable development authorities "to promote industry and develop trade by inducing manufacturing, industrial, governmental and commercial enterprises to locate in or remain in the Commonwealth....";

WHEREAS, pursuant to §6 of the Act, the Authority has the power, *inter alia*, "to sell, exchange, donate and convey any or all of its facilities or other properties whether realty or personalty whenever the Authority shall find any such action to be in furtherance of the purposes for which the Authority was organized";

WHEREAS, pursuant to §7 of the Act, "the Authority may foster and stimulate the development of industry in the area within its jurisdiction... [and] may accept, and expend for the purposes stated above, money from any public or private source....";

WHEREAS, pursuant to §10 of the Act, the City of Virginia Beach (the "City") "is authorized and empowered to make appropriations and to provide funds for the operation of the Authority and to further its purposes";

WHEREAS, the economic development goals and objectives of the City include achieving a higher ratio of nonresidential to residential real estate assessments, investing in land and infrastructure to benefit future economic growth, and maximizing the return of economic development efforts through the development and implementation of programs and strategies that facilitate new business investment and encourage retention and expansion activities, thereby improving the overall quality of life in the City;

WHEREAS, the City established the Economic Development Investment Program ("EDIP") as part of its overall effort to enhance the City's ability to accomplish these goals and objectives;

WHEREAS, pursuant to the authority and empowerment set forth in §10 of the Act, City Council authorized the transfer of funds in the EDIP account to the Authority and the provision of future EDIP appropriations to the Authority to enable the Authority to more effectively continue its efforts to foster and stimulate economic development by inducing businesses to locate or remain in the City;

WHEREAS, the Department of Economic Development (the "Department"), acting on behalf of the Authority, has induced Regulus Global LLC, a Virginia limited liability company (the "Recipient"), to expand its operation at 2641 Quality Court, in Virginia Beach (the "Property");

WHEREAS, the inducement includes an agreement to recommend the award to Recipient of \$46,500.00 in EDIP funds to underwrite a portion of costs associated with the expansion of the Recipient's operation at the Property;

WHEREAS, Recipient has represented in its application and the Director of Economic Development (the "Director"), upon review of the application submitted by Recipient, has determined and has advised the Authority it will meet at least one of the following performance criteria (the "Performance Criteria") within thirty-six (36) months after the date of this Resolution.

- (a) Tax Revenues: The net amount of direct tax revenues returned to the City as a result of the Recipient's operation will exceed the amount of EDIP Funds provided in thirty-six (36) months; or
- (b) Employment Opportunity: For every \$1,500.00 of EDIP funds received, Recipient will create one (1) new "full-time equivalent" employment opportunity in its operation with an average annual salary of \$50,001.00 to \$75,000.00, excluding benefits.

WHEREAS, the Director of Economic Development, upon review of the application submitted by Recipient, has determined and has advised the Authority that one or more of the following criteria has been met: (i) the net amount of direct tax revenues returned to the City as a result of Recipient's expanded operation will exceed the amount of EDIP funds provided in thirty-six (36) months, and/or (ii) every One Thousand Five Hundred and 00/100 dollars (\$1,500.00) in EDIP funds provided to the Recipient will create or retain at least one (1) new "full-time equivalent" employment opportunity in its operation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY:

1. That the Authority hereby finds:
 - a. that the provision of \$46,500.00 in EDIP funds to Regulus Global LLC, a Virginia limited liability company (the "Recipient") will primarily serve the valid public purpose of fostering and stimulating economic development in the City; and
 - b. that the provision of the EDIP funds is in furtherance of the purposes for which the Authority was created; and
 - c. that it is unlikely the Recipient would retain and expand its operations within the City without the stimulus of the EDIP award.
2. That the Authority hereby further finds that, based on the direct benefits to the City of Virginia Beach and its citizens resulting from the capital investment and employment opportunities to be generated by the Recipient as a result of its proposed location in Virginia Beach, the provision of \$46,500.00 in EDIP funds to the Recipient will only incidentally enure to the benefit of private interests.
3. That as of the date of this Resolution, the Recipient has not yet commenced construction of the proposed improvements.

4. That based on these findings, the Authority hereby approves the provision of \$46,500.00 in EDIP funds to the Recipient to underwrite a portion of the costs associated with the expansion of the Recipient's operations in Virginia Beach.

5. That disbursement of EDIP Funds by the Authority shall be at the discretion of the Director of the Department of Economic Development of the City of Virginia Beach or his designee (the "Director"), who shall be authorized to require appropriate verification as to qualifying expenditures.

6. That disbursement of EDIP funds to the Recipient shall be on a pro-rata reimbursement basis upon presentation of original receipts for qualifying expenditures to the Director. At the sole discretion of the Director, disbursement may not be prior to the completion of the Employment Opportunity Performance Criteria. Disbursement of EDIP funds shall be from time to time, but not more frequently than once per month, until fully expended.

7. That where EDIP funds are paid prior to complete satisfaction of any Performance Criteria, the Director may require the Recipient to enter into a Recapture Agreement approved by the Director. Such Recapture Agreement shall provide for the repayment by the Recipient of that portion of EDIP funds so disbursed prorated for the percentage of the Performance Criteria satisfied prior to the expiration of the Performance Period, and shall contain certain other provision as may be determined or required by the Director.

8. As a further condition of receiving the EDIP Funds, the Recipient shall conduct operations in the building at the Property (or such other locations in the City of Virginia Beach as may be agreed to by the Authority) for a minimum of five (5) years from the time of this award. Even if the requirement of paragraph 1 is met, for each year less than five that the Recipient conducts operations at the Property (or other agreed to location) upon written request from the Authority, the Recipient shall pay to the Authority, as EDIP recapture and not as a penalty, one-fifth (1/5) of the amount of the EDIP Funds provided. Such amount shall be paid within fifteen (15) business days after receipt of request from the Authority, and if not paid by such date, the amount due will bear interest at the rate of ten percent (10%) per annum from such date until paid, and such interest shall be payable by the Recipient in addition to the amount due as calculated above.

9. The Authority may terminate this award and decline to pay any unpaid funds if the recipient has not requested the full \$46,500.00 within thirty-six (36) months of the date of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

Adopted this 26 day of January, 2021, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: 
Secretary / Assistant Secretary

APPROVED AS TO CONTENT


Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:


City Attorney

A RESOLUTION APPROVING A MODIFICATION TO
EDIP-PART E EMERGENCY GRANTS TO SMALL
BUSINESSES IMPACTED BY THE COVID-19 PANDEMIC

WHEREAS, the City Manager has declared a local emergency during the current COVID-19 Pandemic (the “Local Emergency”);

WHEREAS, the limitations on gatherings of persons have brought certain portions of the local economy to a halt, which has resulted in numerous layoffs and financial hardships throughout the business community;

WHEREAS, the City Council has adopted a policy for the City of Virginia Beach Development Authority (the “Authority”) to promote investment, reinvestment, and workforce development, known as the Economic Development Investment Program (the “EDIP”);

WHEREAS, to fund the EDIP, City Council has made annual appropriations to the VBDA with such funds to be used in a manner consistent with the EDIP policy;

WHEREAS, the statutory authority of the Authority includes as a public purpose the promotion and encouragement of economic development;

WHEREAS, the Authority is authorized by statute to make EDIP grants to businesses in furtherance of its mission;

WHEREAS, on April 28, 2020, the City Council adopted an ordinance adding Part E to the EDIP (“Part E”) to temporarily allow the VBDA to make emergency assistance grants to small businesses impacted by the COVID-19 Pandemic for the duration of the Local Emergency;

WHEREAS, on May 12, 2020, the Authority adopted Part E and began reviewing applications for grant funds (each an “Application”);

WHEREAS, on June 4, 2020, the Authority adopted a Resolution approving the first set of awards under Part E (the “June Resolution”);

WHEREAS, on August 18, 2020, the Authority adopted a Resolution approving a second set of awards under Part E (the “August Resolution”);

WHEREAS, on October 20, 2020, the Authority adopted a Resolution approving the third set of awards under Part E (the “October Resolution” and together with the June Resolution and August Resolution, collectively the “Part E Resolutions”);

WHEREAS, the awards approved pursuant to the Part E Resolutions required, among other things, that the City Auditor review all awards in excess of Nine Thousand dollars (\$9,000) prior to payment of such awards;

WHEREAS, based on his review of a majority of the approved awards, the City Auditor has closed his files for Part E and determined that no further review is warranted; and

WHEREAS, the Authority is of the opinion that if recapture agreements are executed, that payment of all approved awards is appropriate at this time.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY THAT:

1. The Part E Resolutions are hereby modified to allow for dispersal of all awards upon the execution of recapture agreements for each award.

2. The Chair or Vice Chair is authorized to execute any documents necessary to implement Part E, so long as such documents are acceptable to the Chair or Vice Chair and in a form deemed satisfactory by the City Attorney.

Adopted this 26 day of January, 2021, by the City of Virginia Beach Development Authority.


CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: 
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:


Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:


City Attorney

A RESOLUTION ESTABLISHING
THE DISTRICT IMPROVEMENT PROGRAM

WHEREAS, the District Improvement Program (the "Program") is designed to provide financial incentives to small and locally owned and operated businesses located within the boundaries of Strategic Growth Areas, Special Economic Development Growth Areas, Suburban Focus Areas, or any other Council adopted or approved district in the City (all the areas collectively the "Districts"), who are making improvements consistent with the goals of the City;

WHEREAS, the Program would offer financial incentives in the form of matching grants (50:50) (a "Grant") to new and existing business owners, who plan to make capital investments;

WHEREAS, applicants are eligible to apply for a Grant as long as they are a member of a recognized group, as defined in the "District Improvement Program Policy", attached as Exhibit A;

WHEREAS, the Grant may be used toward improvements, modernization and/or upgrades to the interior or exterior of buildings, storefronts, entrances, lighting, fencing, signage, landscaping, parking areas, and/or upgrades to or establishment of outdoor cafes (a "Project");

WHEREAS, City Council has appropriated \$100,000 to the City of Virginia Beach Development Authority (the "Authority") for the Program and the Authority desires to adopt the District Improvement Policy to govern the expenditure of those funds; and

WHEREAS, the Authority is of the opinion that the Program would promote business and economic development in the City of Virginia Beach and be beneficial to the citizens of Virginia Beach.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

1. The District Improvement Program, as described on Exhibit A attached hereto and made a part hereof, is hereby established and shall be administered as set forth in Exhibit A.

2. The Chair or Vice-Chair are authorized to execute any documents necessary to implement the Program, so long as such documents are necessary and acceptable to the Chair or Vice Chair and in a form deemed satisfactory by the City Attorney.

Adopted this 26 day of January, 2021, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: 
Secretary/Assistant Secretary

APPROVED AS TO CONTENT:


Economic Development

APPROVED AS TO LEGAL
SUFFICIENCY:


City Attorney