

An aerial photograph of Virginia Beach, Virginia, taken at sunset. The sky is a mix of orange, yellow, and blue. In the center, a tall, modern skyscraper with a pointed top is illuminated. To its right, a large, multi-story building with a prominent tower is also lit up. The city streets are visible, with cars and lights. A teal-colored rectangular box is overlaid on the lower-left portion of the image, containing white text.

VBDA Monthly Cash Flow

City of Virginia Beach Development Authority

June 20, 2023

Operating Account Summary: May 2023

Beginning Cash – May 1, 2023

\$ 542,974

Significant Cash Receipts

- **Grand Total of Significant Cash Receipts - \$4,917,633**

- ✓ **\$1,295,495** Atlantic Park Offsite, Atlantic Park Entertainment Venue, Corporate Landing Work, and Amphitheater Reimbursement from City
- ✓ **\$1,839,804** Atlantic Park Entertainment Venue and Atlantic Park Offsite Reimbursement from City
- ✓ **\$ 638,309** Atlantic Park Entertainment Venue Reimbursement from City
- ✓ **\$1,064,953** Atlantic Park Offsite Reimbursement from City
- ✓ **\$ 17,179** Innovation Park Work Reimbursement from City
- ✓ **\$ 41,400** Innovation Park Sewer Construction Design from GO VA Grant

Operating Account Summary: May 2023

Cont. Significant Cash Receipts

- ✓ \$ 20,493 Interest Income

Significant Cash Disbursements

- **Grand Total of Significant Cash Disbursements - \$1,945,374**
- ✓\$ 64,439 Kimley Horn-Innovation Park Offsite Infrastructure-Reimbursable
- ✓\$1,064,953 Atlantic Park Offsite Work-Reimbursable
- ✓\$ 638,309 Atlantic Park Entertainment Venue-Reimbursable
- ✓\$ 24,338 Atlantic Park Construction Inspection
- ✓\$ 89,478 Hunton Andrews Kurth – Legal Services for Dome Site Project
- ✓\$ 20,806 HBA Architecture & Interior Design – Lishelle Place Renovation Design
- ✓\$ 6,000 Kimley Horn – CL SW Stormwater Design – Reimbursable
- ✓\$ 28,410 Globalinx – Monthly Charge for Conduit Management-May and June 2023

Cont. Operating Account Summary: May 2023

Cont. Significant Cash Disbursements

- ✓ \$ 8,641 Atlantic Park Entertainment Venue Reimbursable

Ending Cash – May 31, 2023

\$3,934,078

Incentive & Initiative Account Summary: May 2023

Beginning Cash – May 1, 2023

\$2,994,950

Significant Cash Receipts

Grand Total of Significant Cash Receipts - \$460

- ✓ \$ 460 Bank interest income

Significant Cash Disbursements

• **Grand Total of Significant Cash Disbursements - \$52,610**

- ✓ \$ 11,002 Olympia Bendix-Two – Bio Accelerator Monthly Rent – June 2023
- ✓ \$ 36,058 Cavalier Ventures, LLC – Final Payment for EDIP Grant (Part A)
- ✓ \$ 5,550 Koch Development Corp – Remove & Install brick molding, storm windows – FIG Grant

Ending Cash – May 31, 2023

\$2,942,260

EDIP Grant Summary Reporting: May 2023

Beginning VBDA EDIP Grant Balance	\$3,303,310
Earned Interest and Activity Analysis Fee	+\$ 84
EDIP Grants Expired (Closed)	+\$ 0
New Grants Approved by VBDA	<u>-\$ 0</u>
EDIP Grant Funds Available as of May 2023	\$3,303,394



City of Virginia Beach Development Authority FY 24 Annual Operating Budget

June 20, 2023 | Virginia Beach Development Authority

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY

Fiscal Year 2024 Operating Budget

	FY 2024	FY 2023 (6/30/23)		FY 2022	
	BUDGET	BUDGET	ACTUAL	BUDGET	ACTUAL
Revenues:					
Economic Development Incentive Program (EDIP) Transfer from City of Virginia Beach	—	—	—	\$2,051,760	\$2,051,760
Amphitheater Administrative Fee	\$25,000	\$25,000	—	\$25,000	\$25,000
Industrial Revenue Bond Fees	\$240,000	\$240,000	\$166,190	\$240,000	\$228,036
Corporate Park Conduit Lease Revenue	—	—	—	—	—
Bond Application Fees	\$125	\$125	—	\$125	—
		SEE NOTE 1			
Proceeds from Land Sales	\$1,310,000	—	—	—	—
Miscellaneous	\$1,000	\$1,000	\$1,197,354 ¹	\$1,000	—
Interest Income	<u>\$60,000</u>	<u>\$30,000</u>	<u>\$128,526</u>	<u>\$30,000</u>	<u>\$8,441</u>
Total Authority Revenues	\$1,636,125	\$296,125	\$1,492,070	\$2,347,885	\$2,313,237

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 Bio-Accelerator payments are expensed through an initiative bank account. The VBDA can retain an administrative fee from the Amphitheater lease payment but must remit the remainder to the City Treasurer's Office.

Cont. CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY – FY 202 Operating Budget

		FY 2024 (6/30/24)	FY 2023 (6/30/23)		FY 2022 (6/30/22)	
		BUDGET	BUDGET	ACTUAL	BUDGET	ACTUAL
Expenses:						
Expenses:						
			SEE NOTE 3			
	Lishelle Place Industrial Incubator					
	Lishelle Place Landscape Maintenance Services	\$8,030	—	—	—	—
	Lishelle Place Utilities	\$2,000	—	—	—	—
	Architectural and Engineering Fees	<u>\$161,000</u>	—	—	—	—
	Total Lishelle Place Property Expenses	\$171,030	—	—	—	—
Corporate Landing:						
	Corporate Landing Landscaping	\$52,043	\$26,595	\$27,995	\$26,595	\$26,595
	Corporate Landing Conduit Maintenance & Management Fee	\$169,228	\$169,228	\$169,224	\$159,510	\$211,060
	Corporate Landing Utilities	\$4,200	\$4,200	\$176	\$4,200	\$19,530
	Corporate Landing Stormwater Construction Fee	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
	Architectural and Engineering Fees	<u>\$150,000</u>	<u>\$400,000</u>	<u>\$296,629</u>	<u>\$800,000</u>	<u>\$524,166</u>
	Total Corporate Landing and VBDA Properties Expense	\$376,871	\$601,423	\$495,424	\$991,705	\$782,751
			SEE NOTE 3			
	VBDA Properties:					
	Asset Architectural and Engineering Fees	<u>\$83,000</u>	—	—	—	—
	Total VBDA Properties Expense	\$83,000	—	—	—	—
Administrative:						
	Independent Audit Fees	\$21,000	\$19,800	\$19,240	\$18,400	\$46,835

Cont. CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY – FY 202 Operating Budget

		FY 2024 (6/30/24)	FY 2023 (6/30/23)		FY 2022 (6/30/22)	
		BUDGET	BUDGET	ACTUAL	BUDGET	ACTUAL
Expenses:						
Expenses:						
VBDA Events:						
	Annual Holiday Receptions	\$20,100	\$19,100	\$16,637	\$16,500	\$13,070
	Business Appreciation Month Event	\$8,000	\$8,000	—	\$8,000	—
	Amphitheater Box Seats	\$49,650	\$47,250	\$42,187	\$45,000	\$26,595
	VBDA Workshop	\$500	\$500	—	\$500	—
	Total VBDA Event Expense	\$78,250	\$74,850	\$58,824	\$70,000	\$39,665
Grants/Special Projects:						
	Small Business Development Center	\$20,000	\$20,000	—	\$20,000	—
	Total Grants/Special Projects	\$20,000	\$20,000	—	\$20,000	—
	Total Authority Operating Expenses	\$842,051	\$807,973	\$1,150,534	\$1,196,705	\$888,033
	Use of Operating Fund Balance	—	(\$511,848)	—	—	—
				SEE NOTE 2		
	Budgeted Revenues over Expenditures	\$794,074	—	\$341,537	\$1,151,180	\$1,425,205

NOTES FOR FY24 OPERATING BUDGET

NOTE 1 -The significant increase in miscellaneous revenues includes land sale proceeds for Innovation Park (Hudome Way) and Corporate Landing (Precision Measurements, Inc.) parcels in FY23. FY24 will include a budgetary line for proceeds from land sales.

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 of the FY23 Operating Budget.

NOTE 3 -Budgetary lines were added in FY24 for proceeds from land sales, Lishelle Place Industrial Incubator, and VBDA Properties to easily identify specific revenues and expenses.

CONT. NOTES FOR FY24 OPERATING BUDGET

NOTE 4 -Annual Report expenses were paid for through the Economic Development Department. In FY24, all expenses will be paid by the VBDA.

NOTE 5 -The significant increase in miscellaneous expenses was for Innovation Park expenses in FY23. FY24 will include a budgetary line for VBDA Properties will cover the expenses for Innovation Park.

Fiscal Year 2024 Annual Operating Budget

The VBDA Operating Fund has been reconciled as of May 31, 2023

- Unrestricted Cash balance is \$3,934,078
- Additional cash (restricted) balance is \$7,766,829
- ✓ Request approval of the Fiscal Year 2024 Annual Operating Budget

Fiscal Year 2024 Annual Operating Budget

Budget Approval Request

- ✓ To fund the VBDA's Annual operational activities throughout the fiscal year.



ZIM American Integrated Shipping Services EDIP Recommendation

City of Virginia Beach Development Authority
June 20, 2023 | Open Session



Disclosures (Applicant)

- President: Nissam Yochai
- Sr. Vice President & CFO: Ilana Rosenberg
- Secretary: Mark Newcomb
- Contractor: Avison Young Studio Project Services L.L.C
- Architect: Avison Young Studio Project Services L.L.C.
- Real Estate Broker: Cushman & Wakefield/Thalhimer
- Legal: Woods, Rogers, Vandeventer Black PLC
- & Davey & Brogan, P.C.
- Financial Services: Forvis, L.L.P & Price Waterhouse Coopers, L.L.P

Disclosures (Owner)

- Owner: ZIM American Integrated Shipping Services L.L.C.
- President: Nissim Yochai
- Affiliated Business Entity: ZIM Integrated Shipping Services headquartered in Haifa, Israel (Eli Glickman, CEO & Aharon Fogel, Chairman)
- Contractor: Avison Young Studio Project Services L.L.C.
- Architect: Avison Young Studio Project Services L.L.C.
- Real Estate Broker: Cushman & Wakefield/Thalhimer
- Legal: Woods Rodgers Vandeventer Black, P.L.C. & Davey & Brogan, P.C.
- Financial Services: FORVIS, L.L.P. & Price Waterhouse Coopers, L.L.P.

ZIM's story spans more than half a century.



TSS Kedmah, ZIM's first ship, in 1947



ZIM's 'green' vessels will be first to call US East call ports in 2023.

About the Company

- Established in 1945, Headquartered in Israel
- Global Container Shipping Co.
- Operates a modern fleet on all major shipping routes worldwide
- Consideration was given to relocate U.S. headquarters out of Virginia (Jersey City, N.J.)
- Commitment by ZIM American to locate U.S. headquarters in Virginia Beach

More than
4,000 employees worldwide

In more than
200 offices & 300 ports of call

serving more than
30,000 customers

In more than
100 countries

Project Specifics

- Relocating to 4425 Corporation Lane: 70,760 sf office
- Anticipated completion: 1st Quarter 2024



Economic Impact

Capital Investment & Jobs

CAPITAL INVESTMENT	AMOUNT
REAL ESTATE	\$8,300,000.00
MACHINERY & TOOLS	\$0
FF&E	\$5,600,000.00
TOTAL:	\$13,900,000.00

JOBS	AMOUNT
RETAINED FTEs	290
NEW FTEs In Va. Beach	307
TOTAL New FTEs:	307
Total Projected Workforce Domiciled in Virginia Beach:	597
AVERAGE ANNUAL SALARY RANGE (Exclusive of Benefits)	\$59,720.00 up to \$67,708.00

Recommendation

- Economic Development Investment Program grant, Part A – \$1,500,000
 - ✓ EDIP grant calculated with a baseline salary of \$59,720
 - ✓ Based on 307 new jobs and 290 retained: \$944,000
 - ✓ Based on \$13.9 million capital investment: \$556,000
- Target industry sector:
 - ✓ Maritime & Logistics
 - ✓ Corporate Headquarters Facility
 - ✓ Commonwealth Opportunity Fund providing a matching grant of approximately \$1,497,300.00



Questions