

An aerial photograph of Virginia Beach, Virginia, taken at sunset. The sky is a mix of orange, yellow, and blue. In the foreground, a teal-colored rectangular box is overlaid on the left side of the image. The box contains the title 'VBDA Monthly Cash Flow' in large white letters, followed by 'City of Virginia Beach Development Authority' and 'December 19, 2023' in smaller white text. The background shows a dense urban area with various buildings, including a prominent tall building with a green roof and a 'WESTIN' sign, and a large parking lot filled with cars. A bright light source, likely the sun, is visible in the distance, creating a lens flare effect.

VBDA Monthly Cash Flow

City of Virginia Beach Development Authority

December 19, 2023

Operating Account Summary: November 2023

Beginning Cash – November 1, 2023

\$4,321,352

Significant Cash Receipts

- **Grand Total of Significant Cash Receipts - \$3,048,079**

- ✓ **\$1,236,780** Atlantic Park Entertainment Venue to Venture Waves LLC (Reimbursement from City CIP)
- ✓ **\$1,325,150** Atlantic Park Offsite Infrastructure to Venture Waves LLC (Reimbursement from City CIP)
- ✓ **\$ 425,825** Corporate Landing Business Park Offsite Infrastructure (Reimbursement from City CIP)
- ✓ **\$ 22,733** Corporate Landing Stormwater Construction (Reimbursement from City CIP)
- ✓ **\$ 16,608** Sewer Construction Design Task – GoVA Grant
- ✓ **\$ 20,983** Interest Income

Cont. Operating Account Summary: November 2023

Significant Cash Disbursements

- **Grand Total of Significant Cash Disbursements - \$3,178,934**
- ✓ **\$ 1,236,770** Atlantic Park Entertainment Venue to Venture Waves LLC (To be reimbursed by City CIP)
- ✓ **\$ 1,325,150** Atlantic Park Offsite Work to Venture Waves LLC (To be reimbursed by City CIP)
- ✓ **\$ 110,575** Atlantic Park Construction Inspection expense
- ✓ **\$ 425,825** Corporate Landing Park Business Park Offsite Infrastructure (To be reimbursed by City CIP)
- ✓ **\$ 29,043** Innovation Park Infrastructure (To be reimbursed by City CIP)
- ✓ **\$ 14,205** Monthly recurring charge conduit management for Globalinx-November '23
- ✓ **\$ 14,632** Monthly recurring charge conduit management for Globalinx-December '23

Cont. Operating Account Summary: November 2023

Cont. Significant Cash Disbursements

- ✓ \$ **22,734** Administrative Services for Corporate Landing Business Park Construction
(To be reimbursed from City CIP)
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Ending Cash – November 30, 2023

\$4,170,679

Incentive & Initiative Account Summary: November 2023

Beginning Cash – November 1, 2023 **\$ 2,890,003**

Significant Cash Receipts

No Significant Cash Receipts

Significant Cash Disbursements - \$78,829

- ✓ **\$ 11,329** Olympia Bendix Two (Bio Accelerator Lease Payment to include Pro-rata Real Estate Taxes-November 2023)
- ✓ **\$ 10,000** Assisi Medical Services, Inc (FIG Grant)
- ✓ **\$ 57,500** Valkyrie Enterprises EDIP Part A Grant (Final Payment)

Ending Cash – November 30, 2023 **\$ 2,811,309**

EDIP Grant Summary Reporting: November 2023

Beginning VBDA EDIP Grant Balance	\$ 3,220,814
Earned Interest and Activity Analysis Fee	+\$ 98
New Grants Approved by VBDA (DOMA)	<u>-\$ 167,000</u>
EDIP Grant Funds Available as of Nov 2023	\$ 3,053,912



The City of Virginia Beach Development Authority

EDIP Policy Updates

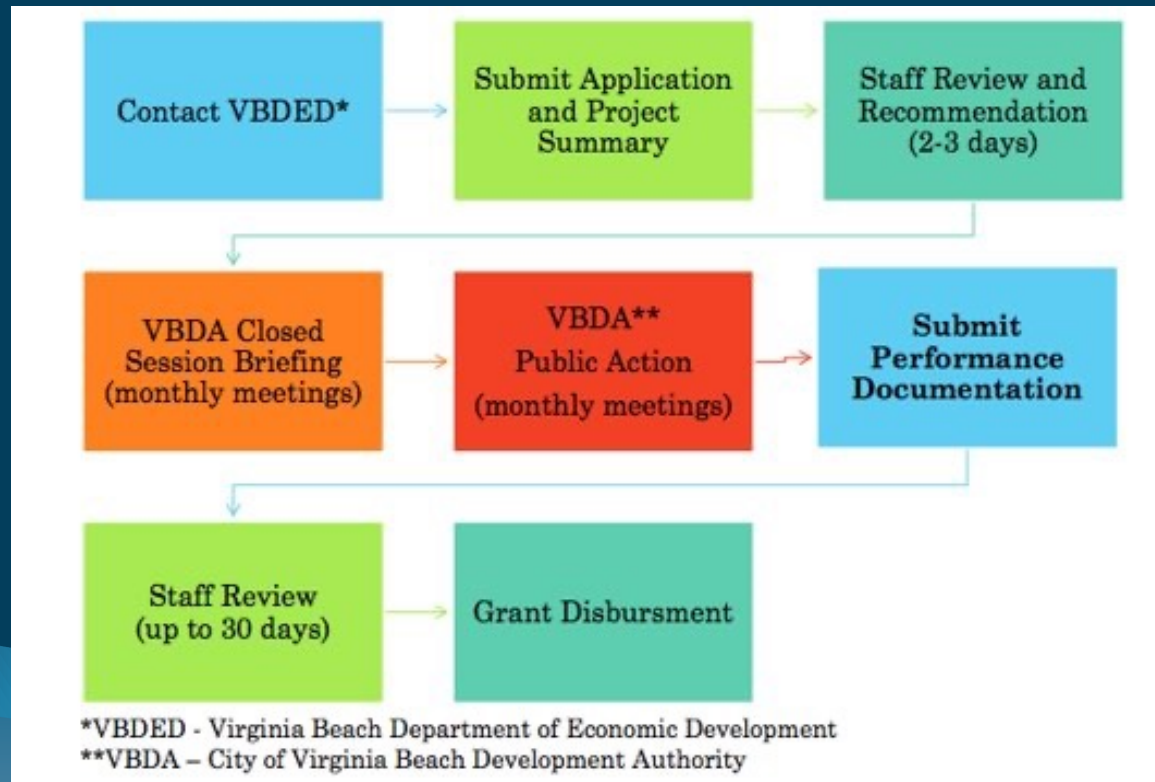
December 19, 2023 | Open Session

Chuck Rigney, Interim Director



VBDA EDIP Policy Background

- The Economic Development Investment Program (EDIP) is one of the recourses that the VBDA administers. It provides discretionary grants to qualifying businesses that are relocating to or expanding in Virginia Beach in support of economic development projects that create new jobs and capital investments. Last revised in 2019



VBDA EDIP Policy Background Continued

Policies and procedures over this program are set forth in the EDIP policy

Part A – covers qualifying new businesses to relocate to Virginia Beach and existing businesses to remain or expand operations within Virginia Beach.

Awards based on (i) jobs created or retained and/or (ii) capital investment

Part B – covers qualifying developers and property owners for development or redevelopment of properties in Strategic Growth Areas, Special Economic Growth Areas, Economic Redevelopment Areas, or Opportunity Zones.

Awards based on capital investment

Part C – covers qualifying developers and property owners for the development or redevelopment of properties in APZ-1 or Clear Zones

Awards based on capital investment

Part D – covers general provisions applicable to Parts A, B, and C.

Proposed Update:

1. Capital Investment Definition

- Cost of the acquisition of land and existing buildings will not count toward the required capital investment except for good cause shown, or unless being purchased from a governmental entity and are being returned to the tax rolls

Proposed Update:

2. Add Qualifying Jobs

- Retained Job - Employment of indefinite duration, retained in the City of Virginia Beach as direct result of the private investment
- Remote Job - Employees that work from home or from a different location from that included in the performance agreement
 - *Residents of other states may have hybrid schedules but must physically report to the company's Virginia Beach facility on a regular basis, which is defined as three or more days per week. Residence not to exceed 1.5 hours.*
 - *Fully remote workers with a residence outside of Virginia will not be considered*
- Contractors - Contractors or employees of contractors who are located in Virginia Beach and provide dedicated full-time service to the Applicant

Proposed Update:

3. Wage Levels for New or Retained Jobs Incentive

- Tier 1
 - \$1,000 for an employee paid at least 1.2x the Average Annual Wage in Virginia Beach as calculated by the Commonwealth, excluding benefits
- Tier 2
 - \$3,000 for an employee paid at least 1.7x the Average Annual Wage in Virginia Beach as calculated by the Commonwealth, excluding benefits
- City's Average Annual Salary determined by Virginia Employment Commission's Quarterly Census of Employment and Wages report, as used by VEDP. Currently \$54,316 – equating to Tier 1 at \$65,179.20 and Tier 2 at \$92,337.20

Proposed Update:

4. Coordination with the State

- When the Project is being incentivized by the State, the Authority may approve an EDIP varying from the Policy to ensure it matches the requirements provided by the Virginia Economic Development Partnership, the Commonwealth Opportunity Fund, or some other grant program administered by the Commonwealth. To include:
 - Performance Period
 - Qualifying Capital Investment
 - Qualifying Jobs

Proposed Update:

5. Payment of EDIP Funds

- Funds based on Capital Investment must include invoices and evidence of payment
- Funds based on New or Retained Jobs must include the Applicant's Virginia Employment Commission Quarterly Tax Report FC-20
- Funds based on New or Retained Jobs in which the job is a remote worker, must include:
 - Individual titles
 - Individual salaries
 - Hire Date
 - Zip code of residence or remote work site

Recommendation:

Bring final EDIP Policy to vote in January, and take to City Council for subsequent approval



QUESTIONS