

A RESOLUTION APPROVING THE PROVISION
OF \$100,000 IN ECONOMIC DEVELOPMENT
INVESTMENT PROGRAM FUNDS TO
ABW VIRGINIA BEACH, LLC
(D/B/A NEW REALM BREWING COMPANY)

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 ABW Virginia Beach, LLC, a Virginia limited liability company (d/b/a New Realm Brewing Company) (the "Recipient"), to expand its operation at 1209 Craft Lane, Virginia Beach, Virginia 23454 (the "Property");

WHEREAS, the inducement includes an agreement to recommend the award to Recipient of \$100,000.00 in EDIP funds to underwrite a portion of costs associated with the expansion of 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; and/or
- (b) Capital Investment: For every one dollar (\$1.00) of EDIP funds received, Recipient shall make a new capital investment of at least \$25.00; with the maximum award for this criteria to be limited to \$66,000.00 of the \$100,000.00 total award; and/or
- (c) Employment Opportunity: For every \$2,000.00 of EDIP funds received, Recipient will create one (1) new "full-time equivalent" employment opportunity in its operation, with the maximum award for this criteria to be limited to \$34,000.00 of the \$100,000.00 total award.

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) For \$66,000.00 of the award: for every one dollar (\$1.00) in EDIP funds provided, Recipient will spend over twenty-five dollars (\$25.00) in new capital investment, and/or

(iii) For the remaining \$34,000.00 of the award: for every Two Thousand and 00/100 dollars (\$2,000.00) 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 \$100,000.00 in EDIP funds to ABW Virginia Beach, LLC, a Virginia limited liability company (d/b/a New Realm Brewing 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 expand its operation 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 expansion of its operation in Virginia Beach, the provision of \$100,000.00 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 and/or has not yet purchased the equipment planned for its expansion.

4. That based on these findings, the Authority hereby approves the provision of \$100,000.00 in EDIP funds to the Recipient to underwrite a portion of the costs associated with the expansion of the Recipient's operation 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 \$100,000.00 within thirty-six (36) months of the date of this Resolution.

Adopted this 17th day of January, 2023, 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 THE PROVISION
OF \$40,000 IN ECONOMIC DEVELOPMENT
INVESTMENT PROGRAM FUNDS TO
TOMAR COMPUTER INTEGRATION, INC.
(D/B/A 360IT PARTNERS)

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 Tomar Computer Integration, Inc., a Virginia corporation (d/b/a 360 IT Partners) (the "Recipient"), to expand its operation and relocate its headquarters to 216 Business Park Drive, Virginia Beach, Virginia 23462 (the "Property");

WHEREAS, the inducement includes an agreement to recommend the award to Recipient of \$40,000.00 in EDIP funds to underwrite a portion of costs associated with the expansion and relocation of 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; and/or
- (b) Capital Investment: For every one dollar (\$1.00) of EDIP funds received, Recipient shall make a new capital investment of at least \$25.00; with the maximum award for this criteria to be limited to \$23,400 of the \$40,000 total award; and/or
- (c) Employment Opportunity: For every \$1,660.00 of EDIP funds received, Recipient will create one (1) new "full-time equivalent" employment opportunity in its operation with an average salary of \$50,001.00 to \$75,000.00, excluding benefits, with the maximum award for this criteria to be limited to \$16,600.00 of the \$40,000.00 total award.

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) For \$23,400.00 of the award: for every one dollar (\$1.00) in EDIP funds provided, Recipient will spend over twenty-five dollars (\$25.00) in new capital investment, and/or

(iii) For the remaining \$16,600.00 of the award: for every One Thousand Six Hundred Sixty and 00/100 dollars (\$1,660.00) in EDIP funds provided to the Recipient will create or retain at least one (1) new "full-time equivalent" employment opportunity in its operation, with an average salary of \$50,001.00 to \$75,000.00, excluding benefits.

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

1. That the Authority hereby finds:
 - a. that the provision of \$40,000.00 in EDIP funds to Tomar Computer Integration, Inc., a Virginia corporation (d/b/a 360IT Partners) 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 expand its operation 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 expansion of its operation in Virginia Beach, the provision of \$40,000.00 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 \$40,000.00 in EDIP funds to the Recipient to underwrite a portion of the costs associated with the expansion and relocation of the Recipient's operation 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 \$40,000.00 within thirty-six (36) months of the date of this Resolution.

Adopted this 17th day of January, 2023, 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 EXTENDING THE TIME TO
MEET THE PERFORMANCE CRITERIA FOR
THE 2020 ECONOMIC DEVELOPMENT
INVESTMENT PROGRAM GRANT AWARDED
TO 17TH STREET PROPERTIES, 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, on January 21, 2020, the Authority approved a resolution (the "2020 Resolution") awarding up to Two Hundred Fifty Thousand Dollars (\$250,000) to 17th Street Properties, LLC, a Virginia limited liability company (the "Recipient"), for a redevelopment project located at the 300 block of 17th Street and 1608 Arctic Avenue, including demolishing existing structures and constructing a mixed-use development (the "Project");

WHEREAS, as set forth in the 2020 Resolution, to qualify for the entire \$250,000 award, the Recipient was required to make a Capital Investment (as defined in the EDIP policy) in the Project of at least \$16,000,000 within thirty-six (36) months after the date of the 2020 Resolution;

Capital Investment: For every dollar of EDIP funds received, Recipient shall make a new Capital Investment of at least \$64.00 (the "Performance Criteria").

WHEREAS, to date, the Recipient has expended approximately \$6,900,000 in Capital Investment at the Project and \$79,091 of the possible \$250,000 in EDIP funds have been dispersed by the Authority;

WHEREAS, due to unforeseen economic circumstances, the Recipient has not satisfied the Performance Criteria within the original thirty-six (36) months and has requested an extension of time to perform;

WHEREAS, staff has informed the Authority that the Recipient has made a good faith effort to comply fully with the Performance Criteria and has recommended an extension of time to satisfy the Performance Criteria; and

WHEREAS, the Authority believes an extension of time is consistent with the mission of the Authority and will further economic development in the City of Virginia Beach.

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

The Authority hereby extends the time for 17th Street Properties, LLC, a Virginia limited liability company, to satisfy the Performance Criteria set forth above until January 21, 2024. All other terms and conditions of the 2020 Resolution shall remain unchanged.

Adopted this 17th day of January, 2023 by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

APPROVED AS TO CONTENT:




Economic Development

By: 

Secretary/Assistant Secretary

APPROVED AS TO LEGAL SUFFICIENCY:



City Attorney