

**A RESOLUTION AMENDING THE TERMS OF A
LEASE OF A PORTION OF THE AUTHORITY'S
CORPORATE LANDING CONDUIT SYSTEM TO
GLOBALINX DATA CENTER, LLC**

WHEREAS, The City of Virginia Beach Development Authority (“VBDA”) owns a telecommunications conduit system consisting of two (2) diverse route duct banks each containing eight (8) conduits, located on the east and west sides of Corporate Landing Parkway between General Booth Boulevard and Dam Neck Road in the City of Virginia Beach (the “Conduit System”);

WHEREAS, the VBDA constructed the Conduit System in order to facilitate accessibility to the subsea cables, induce collaboration, and stimulate overall growth and technological innovation and advancements in the City of Virginia Beach;

WHEREAS, in order to further this goal, the VBDA desires to lease space in the Conduit System to companies that can enhance communications and business development in the region and provide an economical and technological benefit to the City of Virginia Beach, the region, and the Commonwealth of Virginia;

WHEREAS, Globalinx Data Center, LLC (“Globalinx”) is in the process of bringing additional subsea cables to Virginia Beach and desires to lease four conduits within the Conduit System to bring those cables into Globalinx’s facilities in Corporate Landing;

WHEREAS, on October 17, 2023 the VBDA approved a lease of a portion of its Conduit System to Globalinx, which approval, among other things, authorized an initial term of twenty (20) years with one (1) five-year renewal (the “Original Term”);

WHEREAS, Globalinx has approached the VBDA and requested the Original Term be modified to include three (3) five-year renewals on the mutual agreement of the parties (the “Modified Term”) with all other terms remaining as approved on October 17, 2023;

WHEREAS, Globalinx has informed the VBDA that this change is to conform with the term of an agreement between Globalinx and a potential user of the Conduit System;

WHEREAS, the VBDA believes this extension will increase Globalinx’s opportunity to successfully utilize the Conduit System and will promote the VBDA’s goals in Corporate Landing and Virginia Beach and are in the best interests of the VBDA.

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

1. The VBDA approves the lease of four conduits in the Conduit System to Globalinx Data Center, LLC, on the terms and conditions set forth on Exhibit A, attached hereto and made a part hereof, and such other terms, conditions or modifications as may be acceptable to the Chair or Vice Chair and in a form deemed satisfactory by the City Attorney.

2. The Chair or the Vice Chair is hereby authorized to execute and deliver any and all documents and to take all such actions as such officers and City Attorney may deem necessary or desirable in connection with the lease contemplated herein.

Adopted this 19th day of December, 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

EXHIBIT A

Lessor	City of Virginia Beach Development Authority
Lessee	Globalinx Data Centers, Inc.
Conduits Leased	Four
Lease Term	20-years w/ three 5-year renewals on mutual agreement of the parties-VBDA right to terminate @ 10 years if no identified user.
Total upfront lease fee	\$160,000 based on an estimated 5,100 LF of conduit use per conduit
Lease fee during renewal term	First renewal: \$41,200 Second renewal: \$42,500 Third renewal: \$43,800
O&M Fee	\$12,000 annually w/ 2% annual escalation
Increase in management fees or annual yearly costs to Globalinx [Note: Globalinx manages the entire conduit system for the VBDA.]	\$0
One time upfront Document Fee (goes to Globalinx as manager of system)	\$0
Lease commission Globalinx is eligible for per their management agreement	\$0