

CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY

ANNUAL REPORT

FISCAL YEAR 2010/2011



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VIRGINIA BEACH DEVELOPMENT AUTHORITY (VBDA)



JOHN W. RICHARDSON
CHAIR
Kaufman & Canoles



LINWOOD O. BRANCH
COMMISSIONER
Days Inn Virginia Beach



ELIZABETH A. TWOHY
VICE CHAIR
Capital Concrete, Inc.



LUKE M. HILLIER
COMMISSIONER
ADS Tactical



PRESCOTT SHERROD
SECRETARY
PEMCCO Inc.



PAUL V. MICHELS
COMMISSIONER
Islandmore Funds



DONALD V. JELIG
ASSISTANT SECRETARY
Jellig Partners



JERROLD L. MILLER
COMMISSIONER
Earl Industries, L.L.C.



DAN H. BROCKWELL
TREASURER
DAPARO Construction Services



SHEWLING MOY WONG
COMMISSIONER
Wong & Associates



C. MAXWELL BARTHOLOMEW, JR.
COMMISSIONER
Dominion Virginia Power

VIRGINIA BEACH CITY COUNCIL

WILLIAM D. SESSOMS, JR.
Mayor

LOUIS R. JONES
Vice Mayor
Liaison to the Virginia Beach Development Authority

ROSEMARY C. WILSON
Liaison to the Virginia Beach Development Authority

- RITA SWEET BELLITTO**
- GLENN R. DAVIS**
- BILL R. DeSTEPH**
- HARRY E. DIEZEL**
- BOB DYER**
- BARBARA M. HENLEY**
- JOHN E. UHRIN**
- JAMES L. WOOD**

CITY STAFF

JAMES K. SPORE
City Manager

RUTH HODGES FRASER
City Clerk

MARK D. STILES
City Attorney

ROBERT S. HERBERT
Deputy City Manager

ALEXANDER W. STILES
Associate City Attorney



VIRGINIA BEACH DEPARTMENT OF ECONOMIC DEVELOPMENT STAFF

WARREN D. HARRIS
Director

MICHELLE CHAPLEAU
Business Development Manager

BETTY CLARK
Executive Assistant to the Director

DAVID COUCH
Business Development Manager
(New Business)

SCOTT HALL
Business Development Coordinator
(New Business)

ROB HUDOME
Project Development Manager

LLOYD JACKSON
Business Development Manager
(Existing Business)

SEAN MURPHY
Virginia Beach Development Authority Accountant

OLIVIA O'BRY
Economic Development Assistant

TAMMY OWENS
Small, Women-owned and Minority-owned (SWaM) Business Development Manager

TONY RUSSO
Project Development Manager

LINDA ASSAID
Economic Development Technician/ Clerk to the Virginia Beach Development Authority

JERRY STEWART
Workforce Development and Existing Business Development Coordinator

MARK WAWNER
Project Development Coordinator

CYNTHIA WHITBRED-SPANOULIS
Strategy and Performance Coordinator



MISSION STATEMENT

The City of Virginia Beach Development Authority exists to facilitate the expansion of the tax base and employment opportunities in the City through increased business development and redevelopment.



“THIS YEAR WAS A TREMENDOUS SUCCESS”

Dear City Council, Citizens, and Business Community:

It has been a pleasure to serve during my first year as Chairman of the Virginia Beach Development Authority. It is fair to say this year was a tremendous success, with almost \$175 million in new capital investment, a 258% increase from fiscal year 2009/2010. Virginia Beach's solid business climate has allowed us to weather the unstable economic conditions that many other areas of the country are experiencing.

Our mission is to support business growth, spur innovation, promote revitalization, and stimulate job creation and capital investment. During the past year, the efforts of the Virginia Beach Department of Economic Development (VBDED) have paid off handsomely with 2,106

new jobs — a 51% increase over the previous year. While the majority of new jobs are from existing businesses, 671 jobs were created by companies that are new to the City. Our support and appreciation of all our businesses are essential as the City continues to grow and prosper.

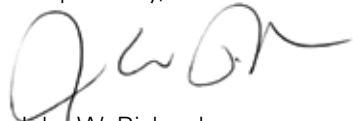
We were pleased to announce several new office developments, including the Sidney Kellam Building at 31 Ocean and The Seasons at Birdneck. The City's Strategic Growth Area plans are coming to life, with steady improvements in these core areas throughout the City. These plans are crucial as we also make progress on strategic initiatives that will impact the entire region, such as the entertainment district at the oceanfront and the Convention Center headquarters hotel. We anticipate some very exciting news on these projects in the coming

year. July 1, City Council announced the elimination of the machinery and tools tax. This will help attract even more high performance manufacturing companies.

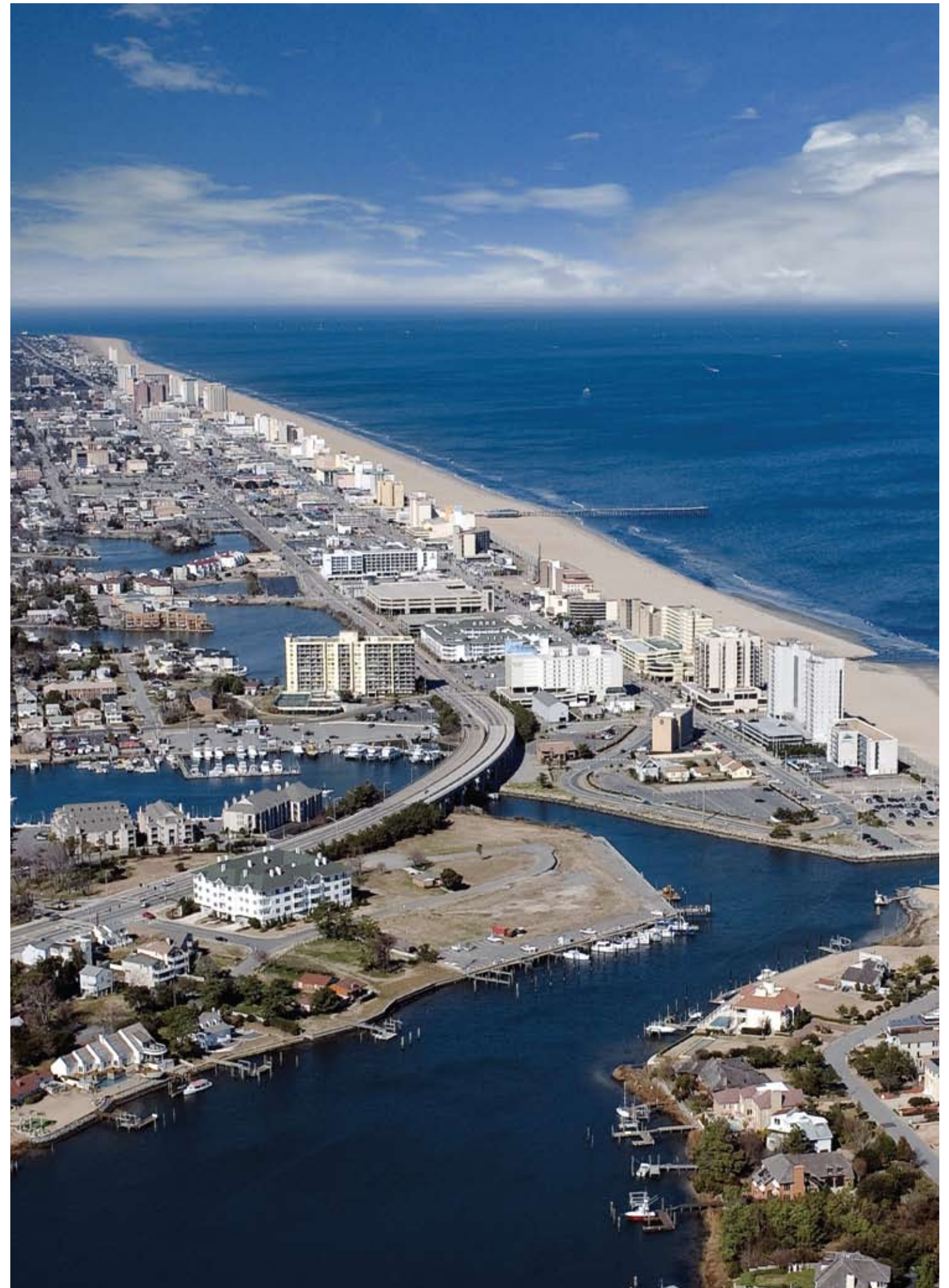
For FY 2011/2012, we will update our target industry priorities and concentrate the marketing efforts on the types of businesses that best meet the needs of the City and its citizens.

The Development Authority and the Department of Economic Development see a sunny year ahead in Virginia Beach, and we appreciate everyone's efforts in ensuring our continued success.

Respectfully,



John W. Richardson
Chair



EXECUTIVE SUMMARY

Fiscal year 2010/2011 was very successful for the Virginia Beach Development Authority (VBDA). Nearly \$175 million in new capital was invested by the City's business community through the combined efforts of the VBDA and the Virginia Beach Department of Economic Development (VBDED), a 258% increase over FY 2009/2010. This included the announcement of two significant new speculative commercial developments (31 Ocean and

Seasons at Birdneck). The VBDED recorded a 51% increase in the creation of new jobs, with 1,435 created by existing companies and 671 by companies new to the City, for a total of 2,106. More than 1.2 million square feet of new and existing commercial space was filled throughout the City — an increase of almost 500,000 square feet over the previous fiscal year. Four announcements involved companies headquartered outside the US.

The tables on pages 12 and 13 show the past year's project activity for which the VBDA provided assistance.

The Authority also supported the expansion of outreach activities by the VBDED in Fiscal Year 2010/2011, for both new business recruitment and retention. The VBDED participated in more than 47 marketing events, nine of which were international, in addition to numerous outreach programs for the existing business community and local entrepreneurs.

BREAKDOWN OF MARKETING ACTIVITIES

CONSULTANT MISSIONS

FIVE

SPECIAL EVENTS

SEVEN

TRADE SHOWS

FIFTEEN

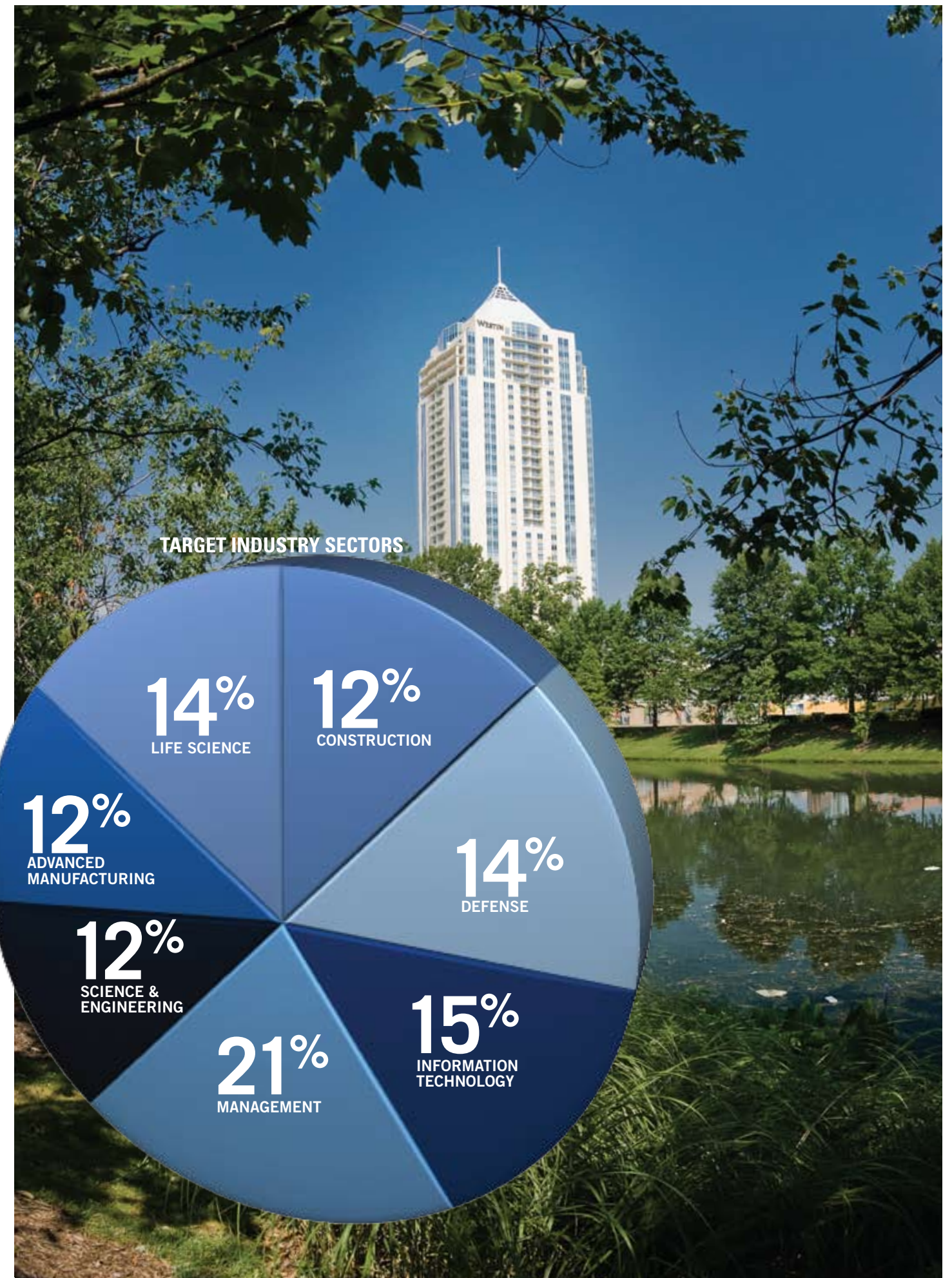
MARKETING MISSIONS

NINE

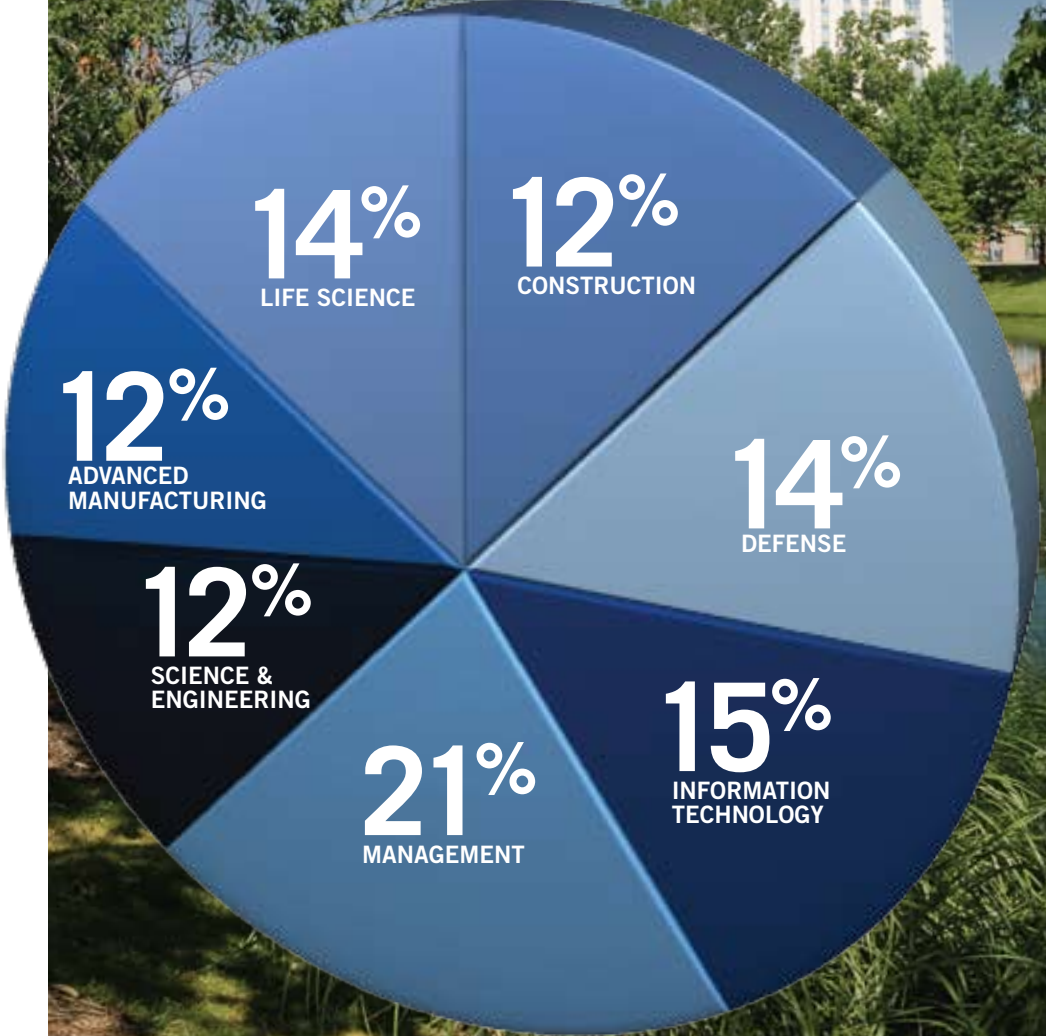
TRADE & PROFESSIONAL CONFERENCES

ELEVEN

The VBDA and VBDED continued moving forward with the aggressive implementation of the City's Economic Development Strategic Plan in FY 2010/2011. Monthly prospect activity remains between 95-100 active projects; during the past fiscal year, 108 new projects were added to the database. More than 62% of all new prospects are based outside of the metropolitan area. More than 78% of the 63 project announcements for the year fell within one of the VBDED's target industry sectors, with most (21%) being in the Management Services sector.



TARGET INDUSTRY SECTORS



LARGEST BUSINESS PROJECTS FOR FISCAL YEAR 2010/2011

LARGEST NEW BUSINESS PROJECTS FOR FY 2010/2011

Company	Business Area	Type of Facility	Size (Sq. Ft.)	Number of Employees	Amount of Investment
Beach Center	Resort Area	Mixed Use Development	100,000	N/A	\$70,000,000
BMZ USA, Inc.	Lynnhaven Corridor	US headquarters; design & assembly of portable battery packs	16,600	50 new	\$500,000
CDI Corporation	Airport Industrial Park	Marine engineering services	21,000	25 new	\$100,000
Ki Akima	Oceana West Corporate Park	Government IT support services	12,000	40 new	\$250,000
Seasons at Birdneck	Independent Location (Laskin Rd.)	Mixed Use	54,000	N/A	\$10,000,000
Yardhouse	Town Center	Restaurant	10,500	200 new	\$5,000,000
11 Additional Projects	-	-	232,400	356 new	\$31,400,000
Total			446,500	671 new	\$ 117,250,000

LARGEST EXISTING BUSINESS EXPANSIONS FOR FY 2010/2011

Company	Business Area	Type of Facility	Size (Sq. Ft.)	Number of Employees	Amount of Investment
ADS Tactical	Oceana South Industrial Park	Distribution center	89,000	22 new	\$4,000,000
Allied Technology	Oceana West Corporate Park	IT support services	41,000	50 new	\$690,000
Bryant & Stratton College	Centre Pointe Office Park	Private university	15,000	10 new	\$2,500,000
GEICO	Corporate Landing Business Park	Insurance sales and service	-	285 new	\$1,000,000
H&A Architecture	Town Center	Architecture service headquarters	23,000	31 new	\$1,000,000
InMotion Hosting	Rosemont	Web hosting services	18,000	275 new	\$250,000
LifeNet Health	Princess Anne Commons	Institute for Regenerative Health	42,000	35 new	\$21,000,000
LoanCare Servicing Center, Inc.	Rosemont	Mortgage servicing	51,000	226 new	\$2,100,000
Urology of Virginia	CBD/Pembroke	Medical Services/R&D	48,000	87 new	\$11,500,000
Valkyrie Enterprises, LLC	CBD/Pembroke	Defense contractor	3,000	70 new	\$50,000
36 Additional Projects	-	-	431,400	344 new	\$13,460,000
Total			761,400	1,435 new	\$57,550,000





EXISTING INDUSTRY INITIATIVES AND ACCOMPLISHMENTS

The VBDA and VBDED value business investment in our community and recognize that keeping businesses in Virginia Beach enhances job growth which, in turn, enlarges the commercial tax base. This provides for high-quality services that make living and working in Virginia Beach so attractive for our citizens.

The purpose of the VBDA and VBDED's retention, expansion and assistance program is to promote, retain, and expedite the profitable growth of targeted existing businesses. The successful expansion of these companies will increase the economic vitality of the community and increase

the demand for products, goods, supplies, and services. Business growth is facilitated by the identification of economic development opportunities, removal of the barriers that hinder expansion, and providing the necessary financial and human resources.

“KEEPING BUSINESSES IN VIRGINIA BEACH ENHANCES JOB GROWTH”

A pro-active and aggressive contact and visitation program is the vehicle used to accomplish these goals and objectives.

As part of VBDED's business retention efforts, the staff has met with firms to provide services that have included professional guidance, as well as real estate and market analysis tailored to each business's specific needs. During the fiscal year, staff conducted over 675 retention visits. These visits identified over 100 companies with a possible interest in expansion or relocation within Virginia Beach.

In October 2010, Mayor William D. Sessoms, Jr., the VBDED, and the

Port of Virginia partnered to host the Second Annual Maritime Industry Cluster Meeting and Reception. Additionally, Mayor Sessoms recognized two longstanding businesses in the city: ALSCO Inc. and Independent Lighting.

In May of 2011, the VBDA and the VBDED hosted the 4th Annual Virginia Beach Business Appreciation Charity Golf Classic and Networking Reception at the Virginia Beach National Golf Club. This event coincided with the Commonwealth of Virginia's Business Appreciation Month. This year's charities included The Children's Hospital of the King's Daughters, which leads our region in providing children's healthcare

services; Seton Youth Shelters, a Virginia Beach organization that assists youths in crisis; and the Virginia Beach Travel and Tourism Foundation, a new foundation that will help fund scholarships for Virginia Beach college students enrolled in hospitality curricula at Tidewater Community College, Norfolk State University, and Old Dominion University.

The VBDED allows Virginia Beach businesses to use two classrooms in the Advanced Technology Center on the Virginia Beach Tidewater Community College campus for training and meetings at no cost. These training rooms were used for these activities 230 days last fiscal year.

“FURTHER THE ECONOMIC VITALITY OF VIRGINIA BEACH”

FINANCIAL ACCOMPLISHMENTS

The VBDA's financial accomplishments in fiscal year 2010-2011 illustrate its continued commitment to the City's economic development mission and vitality.

VIRGINIA BEACH NATIONAL GOLF COURSE

The Virginia Beach National Golf Course, which is owned by the VBDA, continues to be operated by Virginia Beach Golf Club, LLC (VBGC). In 2010, the VBDA received over \$155,000 in rental income from the facility in addition to the taxes generated, which went into the City's general fund to

provide basic services. The number of rounds played decreased from 26,115 the prior year to 25,990 rounds of 18-hole equivalents. As in years past, the VBDA utilized a portion of the rent revenues received to fund capital repairs and maintenance of the facility.

TOWN CENTER SPECIAL SERVICE DISTRICT (SSD)

The Town Center Special Service District (SSD) is the core area of the Central Business District, and spans 17 city blocks. Property owners within the SSD pay an additional tax to cover the costs associated with garage

maintenance and enhanced services, while building a long-term maintenance reserve.

The VBDA approved a \$2.05 million SSD budget for fiscal year 2010/2011, with the tax rate remaining at 45 cents per hundred dollars of assessed value. Due to continued investment within the SSD, the real estate assessments increased slightly from the prior fiscal year. The VBDA continues to work with City staff and property owners within the SSD to provide needed services in a cost-effective manner.



ECONOMIC DEVELOPMENT INVESTMENT PROGRAM

The VBDA administers the Economic Development Investment Program (EDIP) on behalf of the City Council in accordance with the policy approved by the City Council and the VBDA. Since the program's inception in 1994, the VBDA has made 144 grants investing \$30,578,078 in EDIP funds resulting in the creation and retention of 28,141 jobs and \$1,219,467,703 in capital investment. For this fiscal year, the VBDA approved

a total of \$775,000 of EDIP funds, which leveraged more than \$25,095,145 in capital investment and created and/or retained 1,424 jobs in the City of Virginia Beach. The program uses funds generated from a 12-cent local tax on cigarette products to create incentives for targeted economic development projects.

During fiscal year 2010/ 2011, the VBDA approved EDIP grants for the following companies *(listed chronologically from July 1, 2010 through June 30, 2011)*:

Company	Amount of EDIP	Amount of Investment	Number of Employees
Turner Strategic Technologies	\$25,000	\$170,000	18 (new) 10 (retained)
Klett Consulting Group	\$35,000	\$350,000	30 (new) 12 (retained)
InMotion Hosting, Inc	\$100,000	\$250,000	275 (new) 94 (retained)
Loan Care Service Center	\$100,000	\$3,640,145	226 (new) 284 (retained)
LifeNet Health	\$500,000	\$20,675,000	35 (new) 432 (retained)
Arkios BioDevelopment	\$15,000	\$10,000	5 (new) 3 (retained)

APZ-1 PROGRAM

During fiscal year 2006, the Base Realignment and Closure (BRAC) Commission ordered the City of Virginia Beach to create a program to purchase non-compatible use properties in Accident Potential Zone 1 (APZ-1) funded with \$7.5 million from the state and \$7.5 million from the city annually.

As part of this effort, the EDIP program utilizes available funding as an incentive for non-compatible businesses currently located in APZ-1 to relocate into compatible-use areas within Virginia Beach, and to bring new uses into APZ-1 that conform with the APZ-1 ordinance. The goal of this program is to gradually eliminate encroachment and non-compatible

uses of land in APZ-1. During fiscal year 2010/2011, the Oceana Land Use Conformity Committee (OLUCC) continued meeting and made recommendations as an advisory body to the VBDA and City Council.

During the fiscal year July 1, 2010 through June 30, 2011, APZ-1 assistance was approved for the following companies *(listed chronologically from July 1, 2010 through June 30, 2011)*:

Company	Amount of EDIP	Amount of Investment
Lumber Liquidators	\$12,000	\$140,000
Global Rigging and Transport	\$55,000	\$1,300,000
DAVCON	\$62,000	\$1,280,000
BMZ	\$708,846	\$500,000
Elite Motors	\$75,000	\$1,550,000
215 Gear	\$30,000	\$580,000
Tidewater Valve & Fitting	\$14,000	\$88,855

ADDITIONAL AMENDMENTS TO THE EDIP POLICY FOR FISCAL YEAR 2010/2011

In response to feedback from site selection consultants, in addition to actions taken by other major cities around the country to update their incentive programs, the VBDA adopted several key changes to its EDIP policy. These include the simplification of the reimbursement process for grant recipients and the expansion of the list of project

expenditures eligible for reimbursement. A significant addition to that list includes a company's investment in EnergyStar rated equipment, which assists the City in meeting its goal of becoming a global leader in environmental stewardship. Companies are also now able to receive more consideration for creating higher-paying jobs that may not involve high levels of new capital investment.

INDUSTRIAL REVENUE BONDS

Since 1973, the VBDA has approved Industrial Revenue Bonds for issuance with a total dollar value of \$1,671,524,769. The issuance of these bonds assists local companies in the financing of construction projects and new capital equipment, and helps to expand and diversify the City's tax base.

In fiscal year 2010/2011, the VBDA issued more than \$42 million in industrial revenue bonds.

OUR LADY OF PERPETUAL HELP

\$12,300,000

LIFENET HEALTH

\$30,000,000

“A SOPHISTICATED BLEND OF
LIFESTYLES”

THE TOWN CENTER OF VIRGINIA BEACH

The Town Center of Virginia Beach is a mixed-use, main-street style development within the City's emerging Central Business District, and the home of its entertainment, cultural, business, and retail activities.

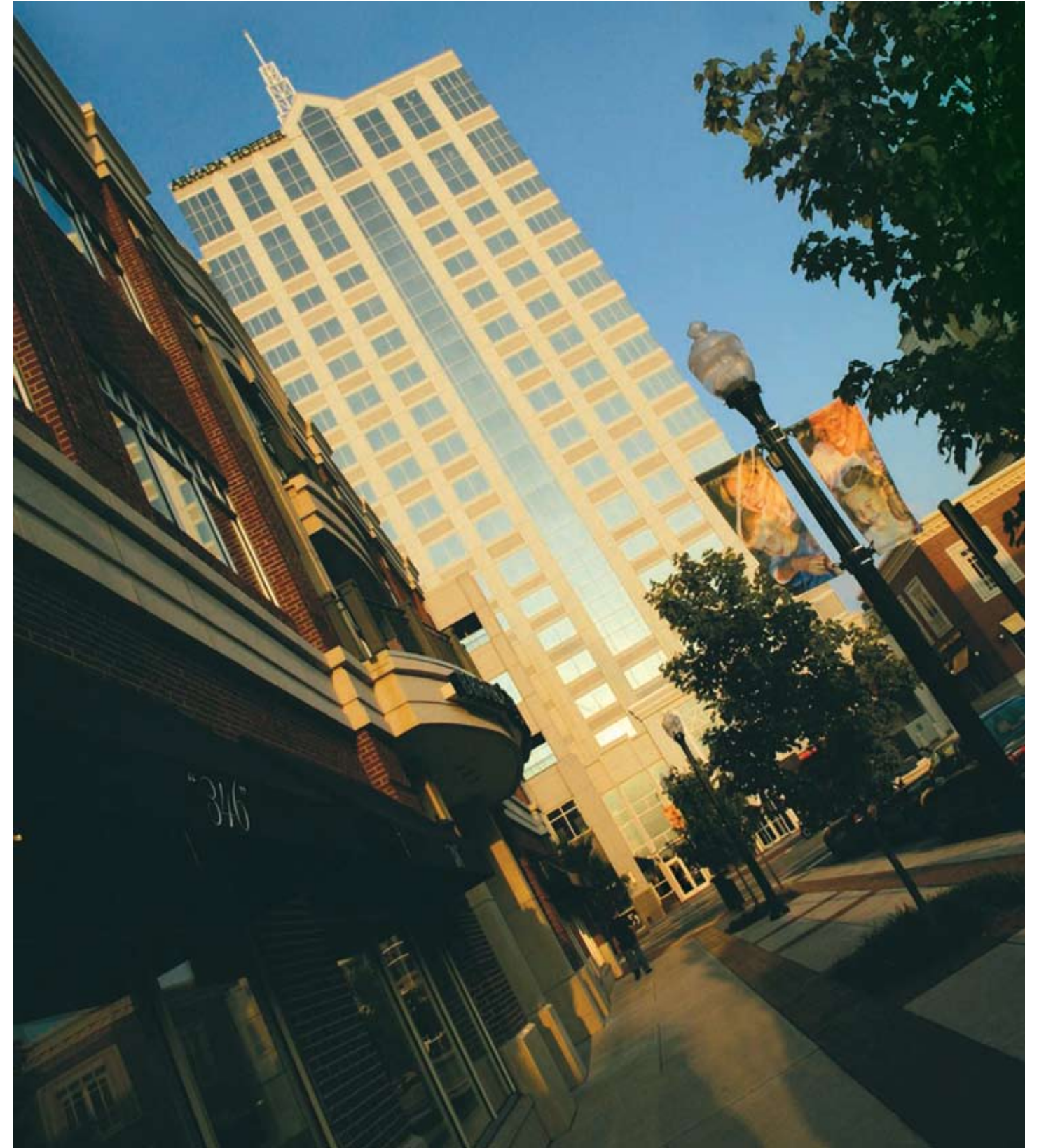
Town Center features a sophisticated blend of lifestyles in a new urban setting. At the heart of the development is Town Center Plaza, a landscaped, open area

with a spectacular fountain, where people gather for outdoor concerts, events and dining, or just to relax after a long day at the office.

The Town Center spans 25 acres and 17 city blocks in the Pembroke area of the city, bounded by Virginia Beach Boulevard, Constitution Drive, Columbus Street and Independence Boulevard. The complex includes 800,000 sq. ft.

of Class "A" office space, 832,500 sq. ft. of multi-level upscale retail space, a 4-star Westin hotel, luxury apartments and condominiums, the Sandler Center for the Performing Arts, fine dining, specialty shops, and free structured parking.

THE TOWN CENTER OF VIRGINIA BEACH IS THE
LARGEST PUBLIC/PRIVATE
PARTNERSHIP IN THE CITY



11 MILES FROM DOWNTOWN NORFOLK AND 11 MILES FROM THE VIRGINIA BEACH OCEANFRONT.

Providing a much-needed unified center of commerce for Virginia Beach, the Town Center's strategic location and complementary mix of office and commercial space make it one of the most important developments in Virginia Beach and the region. This highly successful project fulfills a long-time goal of developing the Central Business District/Pembroke Area of Virginia Beach.

The VBDA and Armada Hoffer Holding Co., one of the premier commercial real estate developers in the mid-Atlantic region, has developed the Town Center as a public/private partnership. As of July 1, 2011, the total taxable real estate within the Tax Increment Finance (TIF) district was assessed at approximately \$724,845,800, representing growth of over \$572,951,570 since July 1, 1998.

Private investment within the core area of the TIF district is approximately \$376 million.

New tenants announced during the past year included: B. Original, Bevello, Havana Nights, Just Cupcakes, Yard House, Dr. Rita Frazier D.D.S., and The Laser and Cosmetic Center.

DIRECTORY

SHOPPING	
Ann Taylor Loft	G-6
B. Original	I-9
Bevello	I-4
Brooks Brothers	H-5
Caché	I-10
Dick's Sporting Goods	A-1
Eclectic Design Florist & Gifts	J-2
Johnston & Murphy	I-8
Jones Art Gallery	I-6
The Men's Wearhouse	J-13
Origins	I-7
The Royal Chocolate	I-2
Stanley Adams Stationery	J-21
Sunglass Hut	I-11
RESIDENTIAL	
The Cosmopolitan Apartments (Lobby)	I-16
Studio 56 Lofts & Sales Center	C-4
Westin Virginia Beach Town Center Residences	B-4
HOTELS	
Hilton Garden Inn	M-2
Westin Hotel	B-6
DINING & ENTERTAINMENT	
Bravol Cucina Italiana	G-3
California Pizza Kitchen	J-1
The Cheesecake Factory	H-3
Cold Stone Creamery	J-4
Confeiti Caffé	C-3
Daily Grind Unwind	I-3
Funny Bone	
Comedy Club & Restaurant (2nd Floor)	G-4
Gordon Biersch Brewery Restaurant	H-2
Great American Grill	M-3
Gaudalajara Mexican Restaurant	A-2
Havana Nights	B-10
Jimmy John's Gourmet Sandwiches	M-6
Just Cupcakes	J-14
Keagan's Irish Pub & Restaurant	H-1
The Lucky Star	B-9
The Marketplace	B-5
McCormick & Schmick's Seafood Restaurant	C-5
PF Chang's China Bistro	J-11
Red Star Tavern	J-18
Ruth's Chris Steak House (2nd Floor)	G-2
Saffron Indian Bistro	I-15
Sandler Center for the Performing Arts	C-1
Simply Fresh Café & Market	I-5
Sonoma Wine Bar & Bistro	G-1
Town Center City Club (2nd Floor)	J-3
Yard House	B-2
Zushi Japanese Bistro	J-20
SERVICES	
Annie B's Shoe Shine (Lobby)	J-9
Divaris Real Estate (7th Floor)	M-1
Dr. Rita Frazier, D.D.S.	I-12
Irving's Detailing Salon (Garage)	J-16
Laser & Cosmetic Center, Dr. David McDaniel	B-7,8
Sumatra Salon & Day Spa	J-5
Town Center Management Office (2nd Floor)	J-3
Town Center Fitness (2nd Floor)	J-17
TowneBank	M-4
U.S. Senator James Webb (Lobby)	J-8
The Virginian-Pilot	B-1
CAMPUS	
Art Institute of Virginia Beach	M-5
Hampton University (10th Floor)	J-15
Strayer University (3rd Floor)	H-4
University of Phoenix	I-1

town center
LIVE IT UP



The Westin Hotel & Residences is the tallest building in the state at just over 500 feet.



A HIGHLY SKILLED AND EDUCATED WORKFORCE OF 153,315 IS EMPLOYED WITHIN A 5-MILE RADIUS.



“A HIGHLY SKILLED WORKFORCE IS A NECESSITY TO REMAIN COMPETITIVE IN TODAY’S GLOBAL ECONOMY”

The VBDA’s Workforce Liaison Committee, along with Department of Economic Development staff, met with 11 Virginia Beach companies in fiscal year 2010/2011 to benchmark the current strengths and weaknesses of the area’s workforce. Candid feedback from business executives helps to improve the competitiveness of the local workforce through initiatives with area K-16 institutions.

A strong partnership between the VBDA and the City’s educational system prepares the workforce of the future. Technical and Career Education students of Virginia Beach City Public Schools earned 4,164 industry-recognized certifications in the 2010/2011 school year. In addition, 1,644 high school students obtained certification in 21st Century Skills for Workplace Success. These certifications confirm the students have the skills essential to employers.

Post-secondary education continues to experience strong growth, with student enrollment on the rise in the area’s public and private institutions. The completion of the Health Sciences Building and the construction start of the Joint Use Library on the Virginia Beach campus of Tidewater Community College reinforces the role of the Academic Village in the workforce development efforts of Virginia Beach.

“EFFECTIVELY SERVE THE SMALL BUSINESS COMMUNITY”

SMALL BUSINESS DEVELOPMENT

To support the region’s entrepreneurial community, the Virginia Beach Development Authority continues to provide funding for management, technical, and other assistance offered through the Small Business Development Center of Hampton Roads, Inc (SBDC). Hosted locally by the Hampton Roads Chamber of Commerce and Thomas Nelson Community College, SBDC is a non-

profit organization in partnership with the United States Small Business Administration and George Mason University. By obtaining matching federal dollars, the regionally-focused economic development program is able to effectively serve the small business community in Virginia Beach.

Throughout the 2010 calendar year, the SBDC provided direct assistance to 142 entrepreneurs in Virginia Beach,

a 3.27% increase from the previous year. Attendance at training events grew from 170 attendees to 196 attendees. According to the Chrisman Survey, SBDC clients had an increase in 2010 sales of 3.2% versus -0.2% for non-SBDC businesses. Overall, the clients of the SBDC experienced a 10.4% employment growth versus -1.4% for non-SBDC entrepreneurs.



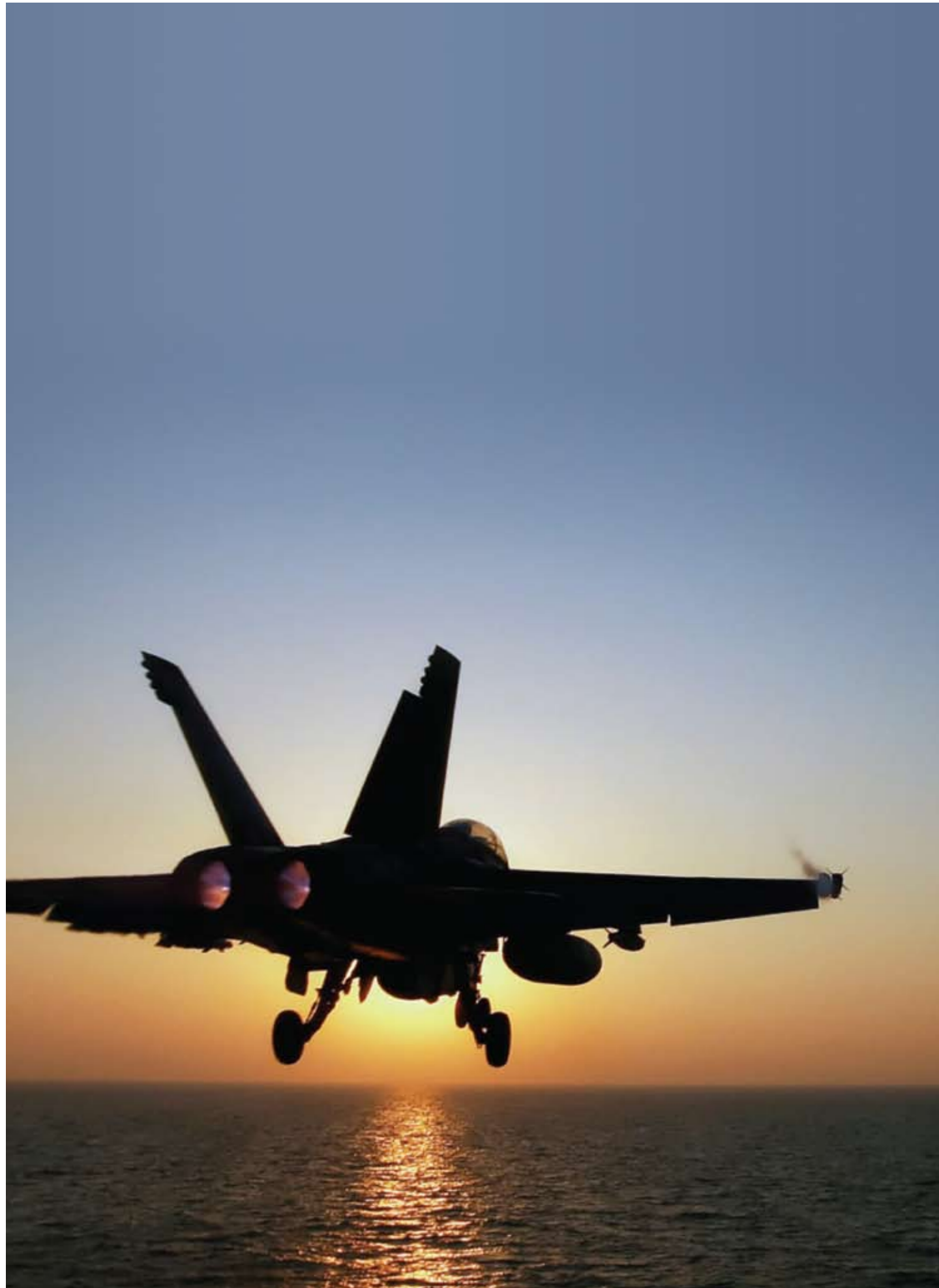
SMALL, WOMEN-OWNED AND MINORITY-OWNED FIRMS

Established in 2007, the Minority Business Development program works to generate new capital investment and employment opportunities among Small, Women-owned and Minority-owned (SWaM) firms. The program helps existing businesses identify resources that will stimulate entrepreneurial growth, create opportunities, and ensure success of local businesses. Fiscal year 2010/2011 was a success for the City’s SWaM community, with significant

expansions of nine SWaM companies, including Klett Consulting Group, Turner Strategic Technologies, and InMotion Hosting, totaling \$2.1 million in capital investment.

The VBDED partners with a variety of federal, state and local agencies to serve the SWaM business community, including elected officials, the Small Business Administration, the Small Business Development Center of Hampton Roads, Greater Hampton Roads Women in Defense, the Virginia

Department of Business Assistance, the Virginia Department of Minority Business Enterprise, the Virginia Beach Minority Business Council, and local colleges and universities. In addition, the partnership with Service Corps of Retired Executives (SCORE) allows small business owners to receive confidential business counseling at no charge. In FY2010/2011, 400 SCORE counseling sessions were conducted in the VBDED offices.



“THE CITY IS ABLE TO SPUR ECONOMIC DEVELOPMENT”

The City Council established the Oceana Land Use Conformity Committee (OLUCC) to guide and oversee various aspects of the Oceana Land Use Conformity Program (OLUCP), and to make recommendations to the City Council, the VBDA, and the Planning Commission on matters relating to the Plan. The Committee

is comprised of the Mayor, two City Council members, the City Manager, the City Attorney, and representatives of business and residential owners located within Accident Potential Zone 1 (APZ-1). The Commanding Officer of NAS Oceana sits as a non-voting member of the Committee to provide the Navy’s perspective on the Committee’s actions.

The goals of the OLUCP are to:

- (i) Bring new conforming uses into APZ-1
- (ii) Convert nonconforming uses to conforming uses
- (iii) Retain conforming uses in APZ-1
- (iv) Relocate nonconforming uses in APZ-1 to other areas of the City consistent with the Comprehensive Plan

To date, 29 nonconforming commercial properties have been removed from APZ-1. At the same time, the City of Virginia Beach has awarded incentive grants totaling more than \$1.1 million to 19 qualifying companies. These grants enable the city to spur

economic development in a way that is compatible with the mission of NAS Oceana.

In August 2010, the City was named by the Association of Defense Communities (ADC) as the Active Base Community of the Year at the ADC’s annual conference. This award recognizes an active defense community whose efforts in building partnerships with a military installation have enhanced military value and the overall economic development of the community. For more information, please visit www.yesoceana.com.

“COMMITMENT TO GLOBAL BUSINESS DEVELOPMENT”

MARKETING OUTREACH

Despite the challenging global economic situation, the VBDED increased its aggressive marketing outreach program in FY 2010/2011, participating in more than 47 separate events. Nine of these were international missions, demonstrating the City’s continued commitment to global business development. The number of self-generated missions conducted by the VBDED increased to 25 (including two international missions, to Brazil and Germany), with the remainder made in conjunction with one of the City’s strategic partners. Site-selection consultants remained a key contact for the VBDED, both in direct visits as well as email and telephone outreach, with more than 250 consultants now in the database.

INTERNATIONAL MARKETING ACTIVITIES

Virginia Beach is home to several outstanding international companies, and efforts to expand and diversify the international base are ongoing components of the Economic Development Strategic Plan.

The VBDED’s international outreach efforts continued in FY 2010/2011, with marketing missions to Europe and South America. In Europe, the VBDED traveled to Germany and Italy with the Mayor to visit the headquarters of several companies with major facilities in Virginia Beach, including STIHL Inc., Hermes Abrasives, Ltd., Busch Manufacturing and The Carraro Group. During this mission, STIHL Inc. introduced city officials to BMZ USA, Inc., a lithium battery manufacturer.

In March, BMZ USA, Inc., selected Virginia Beach as the new location for its US headquarters. BMZ USA, Inc. was one of four international companies to locate to, or expand in, Virginia Beach during FY 2010/2011.

The VBDED also entered three new international markets this fiscal year: Brazil, Poland, and France.

The VBDED is now a member of three international Chamber of Commerce organizations: The Brazil-American Chamber, The German-American Chamber, and AmCham France.

KEY EVENTS

HEADQUARTERS
OUTREACH MISSION

GERMANY

MARKETING MISSIONS

BRAZIL GERMANY ISRAEL UK

SOUTHEAST US/JAPAN
SOCIETY ANNUAL CONFERENCE

NASHVILLE

BRAZIL-AMERICAN CHAMBER OF
COMMERCE MEETINGS & SEMINARS

BRAZIL

HANNOVER MESSE TRADE FAIR

GERMANY

INVEST IN AMERICA
BUSINESS PANEL

FRANCE

BUSINESS SEMINARS

POLAND

OUTREACH EVENTS



“CONCENTRATED MARKETING SHOWCASES VIRGINIA BEACH’S SUCCESS”

In fiscal year 2010/2011, the VBDED concentrated its marketing efforts around building the business-oriented database, strengthening appearances at tradeshows, and increasing online presence. The VBDED continues to leverage the Powerful Forces at Work campaign, which showcases key

selling messages to attract and retain businesses looking to relocate or expand in Virginia Beach. The VBDED grew its existing database by 61% in the past fiscal year, increasing its contacts from 3,362 to 5,412, and strengthening an already-robust

audience base of qualified leads by communicating through e-marketing. The database consists of site selection consultants, real estate advisors, corporate leaders, and leads from tradeshow events.



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AN INNOVATIVE AND AWARD-WINNING SOLUTION FOR OCEANA.

AMERICA'S FIRST COMMUNITY-BASED PROGRAM TO ROLL BACK ENCROACHMENT:

- ZONING ENHANCEMENT
- PROPERTY ACQUISITION
- REDUCTION IN INCOMPATIBLE DEVELOPMENTS

HOME | DOING BUSINESS IN VIRGINIA BEACH | BUSINESS DATA | REAL ESTATE & MAPS | NEWS & PUBLICATIONS | ABOUT US



Just one of Virginia

The Economic Development team will be at ICSC, and we'd love to show you some sunny reports from Virginia Beach. Our resort lifestyle and strong military population add up to remarkable retail opportunities. Let us know if you have 15 minutes to learn about some great potential in Virginia Beach. Call Cynthia Whitbred-Spanoulis at 757-377-3383 or [click here](#) to send an email to schedule an appointment.

We're hoping that what happens in Vegas doesn't stay in Vegas.



VIRGINIA BEACH ECONOMIC DEVELOPMENT

YesVirginiaBeach.com

Quarterly e-newsletters announced new and expanding business projects in the City, while regular email blasts featured the City's most recent and compelling accolades. These included Virginia Beach's public school system being named the fifth best in the country by GreatSchools.org, Virginia Beach being named the fourth safest city for children by Men's Health magazine, and Virginia Beach being ranked 12th in a list of the top 25 cities to give careers a boost by The Career Guide.

In addition, banner advertising, featuring key accolades, appeared on The Wall Street Journal's and The Economist's websites, and garnered close to 1.6 million impressions.



Studio Center has offices throughout the U.S, and its headquarters in Virginia Beach. Woody Prettyman says he wouldn't have it any other way. The beach is a draw for skilled employees, and it offers the lifestyle he and his creative team enjoy. In fact, he says each week is like a mini vacation.

His employees can choose between Santa Monica, Las Vegas or New York, but Studio Center has to turn down hundreds of applicants each month who want to work in Virginia Beach. [Click here](#) to hear how Studio Center has cast and produced its successful business model.

Studio Center
TOTAL PRODUCTION
Woody Prettyman
CEO

YesVirginiaBeach.com

VIRGINIA BEACH
ECONOMIC DEVELOPMENT

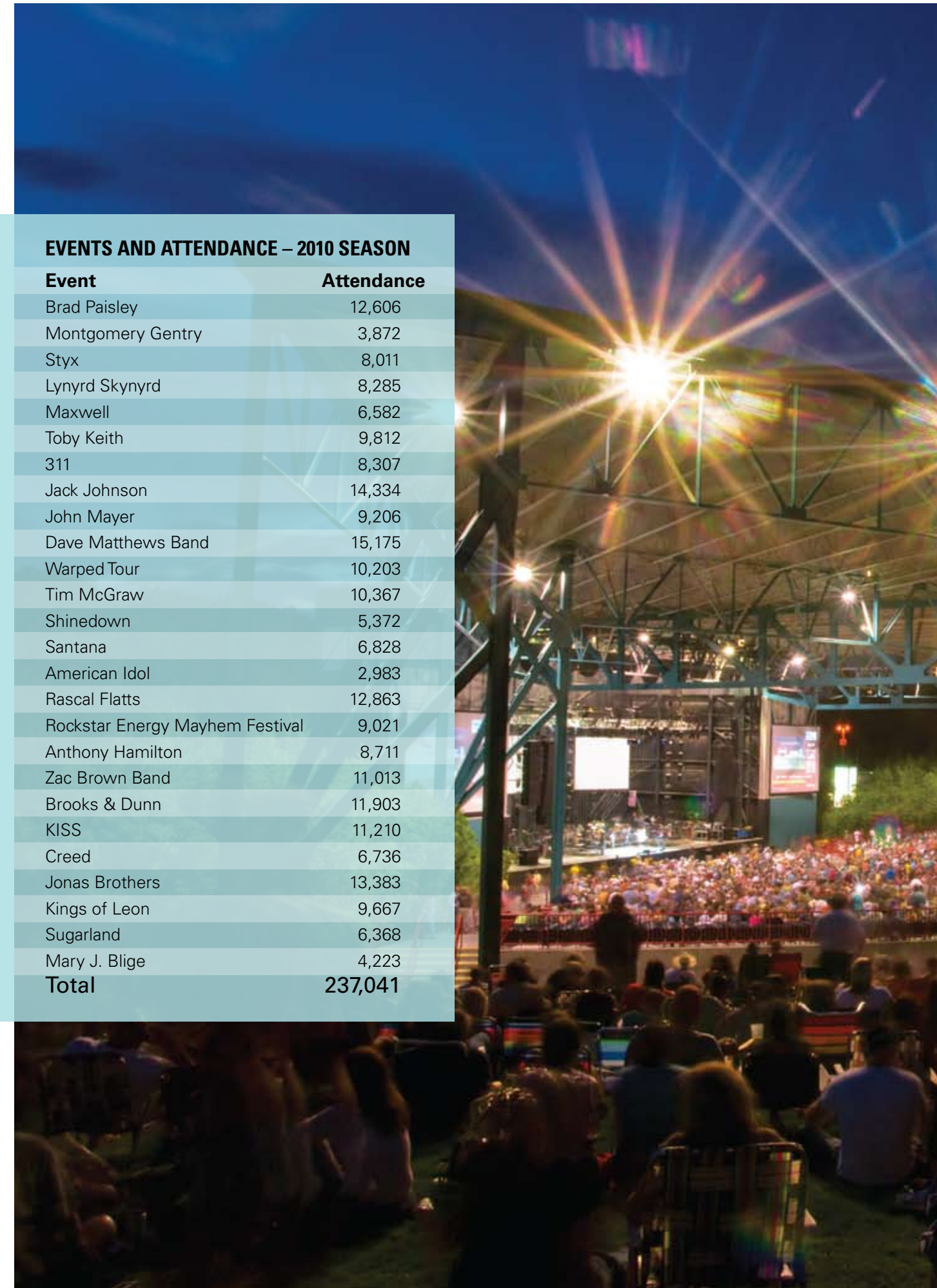
RETAILER OF THE YEAR AWARDED - SWEET SUCCESS!
Congratulations to Royal Chocolates at Town Center in Virginia Beach. The store was named Retailer of the Year for 2018. The business, opened in 2006 by Brenda Tising and Tony Reale, The shop offers a variety of chocolate, gourmet food and gift baskets.

SOUTH UNIVERSITY OPENS
South University, founded in 1875, opened a 12,000-square-foot campus in Greenbush Center office park off I-264 near The Town Center and opened in April. It is the Savannah, Georgia-based institution's seventh campus and second in Virginia, the first being opened in Richmond in 2005.

The Virginia Beach campus will initially offer an associate's degree program in Paralegal Studies, bachelor's degree programs in Business Administration, Criminal Justice, Healthcare Management, Legal Studies, Psychology, and a BA in HR (emphasized master's bachelor of science, nursing), and graduate programs including a Master of Arts in Professional Counseling and a Master of Business Administration.

From left to right: Alexander Hines, Chair of Academic Affairs and Operations, South University-Virginia Beach; Steve Mills, PhD - Vice Chancellor, South University; Major Will Seaman, SVP, President of South University-Virginia Beach; Jeff McWhorter, Virginia Beach State Senator; Ronnie Harris, Director Virginia Beach Economic Development.

WANT TO HEAR MORE NEWS? [CLICK HERE FOR VIDEO PODCASTS.](#)
CONTACT A DEPARTMENT OF ECONOMIC DEVELOPMENT STAFF MEMBER.



EVENTS AND ATTENDANCE – 2010 SEASON

Event	Attendance
Brad Paisley	12,606
Montgomery Gentry	3,872
Styx	8,011
Lynyrd Skynyrd	8,285
Maxwell	6,582
Toby Keith	9,812
311	8,307
Jack Johnson	14,334
John Mayer	9,206
Dave Matthews Band	15,175
Warped Tour	10,203
Tim McGraw	10,367
Shinedown	5,372
Santana	6,828
American Idol	2,983
Rascal Flatts	12,863
Rockstar Energy Mayhem Festival	9,021
Anthony Hamilton	8,711
Zac Brown Band	11,013
Brooks & Dunn	11,903
KISS	11,210
Creed	6,736
Jonas Brothers	13,383
Kings of Leon	9,667
Sugarland	6,368
Mary J. Blige	4,223
Total	237,041

“A VENUE FOR WORLD-RENOWNED
PERFORMERS
 AND LOCAL CULTURAL AND COMMUNITY EVENTS”

In 2010, its 15th season, the Virginia Beach Amphitheater returned 11.56% on the City's \$10.5 million investment and provided a venue for world-renowned performers as well as local cultural and community events.

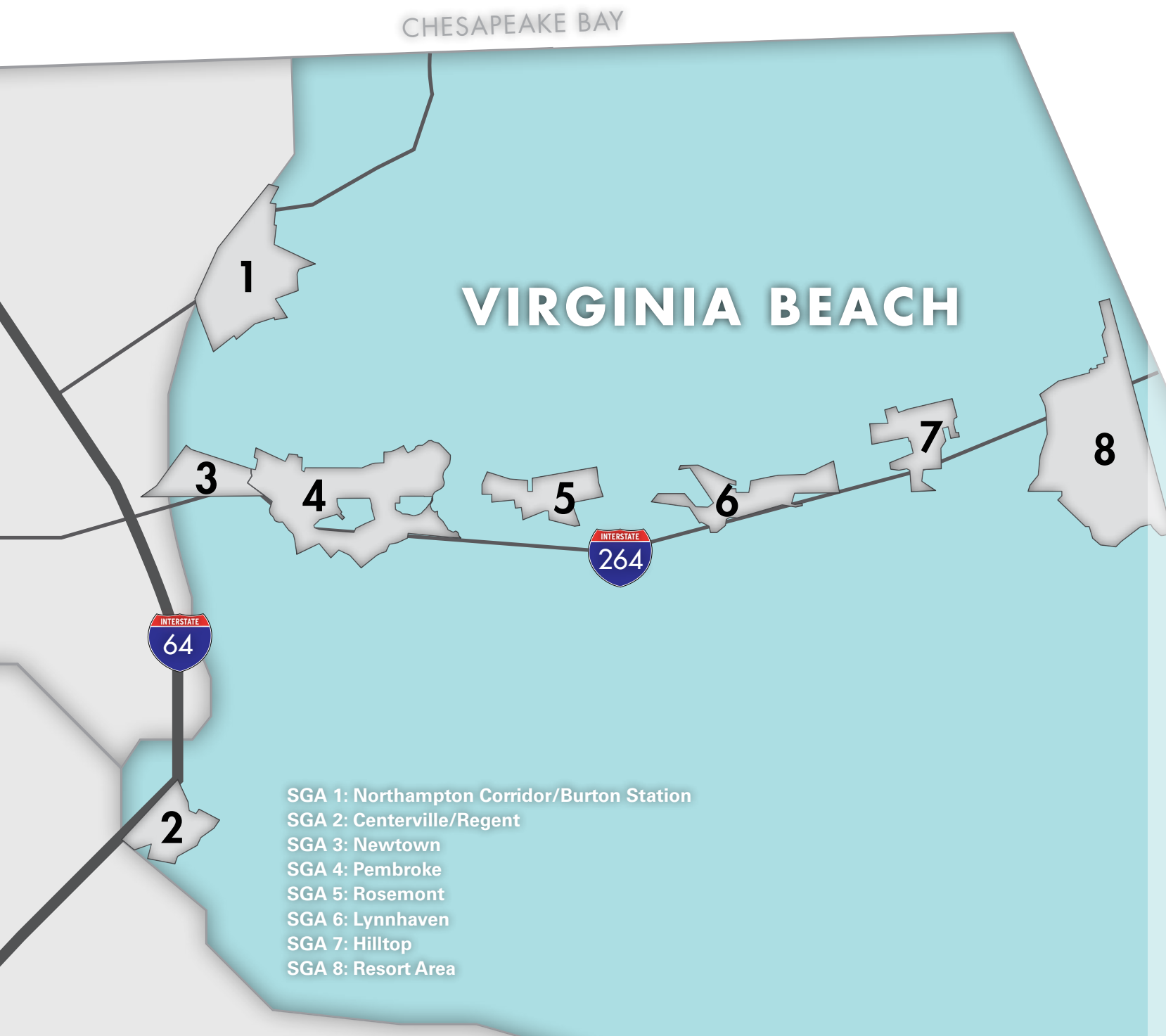
During the 2010 season, the amphitheater held 26 events with attendance in excess of 237,000 patrons. In its first 15 years of operation, the amphitheater has provided performances for over 4.2 million music lovers and generated over \$17.5 million in direct revenue for the City. Historical data since inception is illustrated in the tables below.

1996 – 2010 RENT & TAXES

Description	Calendar Years 1996 – 2009	Calendar Year 2010	TOTAL
Admissions Taxes	\$10,363,264	\$727,798	\$11,091,062
Leasehold Taxes	\$1,288,709	\$63,613	\$1,352,322
Business License Tax	\$613,389	\$55,504	\$668,893
Concessions Tax	\$1,968,259	\$178,590	\$2,146,849
Merchandise Tax	\$159,587	\$11,760	\$171,347
Rent	\$1,948,826	\$176,893	\$2,125,719
Total	\$16,342,034	\$1,214,158	\$17,556,192

OTHER INFORMATION

Calendar Years 1996 – 2009	Calendar Year 2010	TOTAL
405	26	431
NUMBER OF EVENTS	NUMBER OF EVENTS	NUMBER OF EVENTS
3,995,466	237,041	4,232,507
ATTENDANCE	ATTENDANCE	ATTENDANCE



“THE CITY CAREFULLY DEFINED AREAS TO ACCOMMODATE AND ABSORB URBAN GROWTH”

STRATEGIC GROWTH AREAS

In 2008, in response to extensive public input, the City adopted a new growth strategy. Instead of relying on the remaining inventory of underdeveloped land to absorb growth, the City carefully defined and planned Strategic Growth Areas (SGAs), designed to:

- Provide opportunities for continued physical and economic growth
- Help prevent urban sprawl
- Protect established residential neighborhoods and rural areas from incompatible development
- Maximize infrastructure efficiency
- Create unique and exciting urban destinations

NORTHAMPTON BOULEVARD CORRIDOR/BURTON STATION

Burton Station, in the Northampton Boulevard corridor, is one of the first SGAs for which a plan is being implemented. The Capital Improvement Plan (Road Design) is at 100%, with

construction set to begin in the spring of 2012.

The Burton Station team, comprised of city staff from the Departments of Economic Development, Planning, Neighborhood and Housing Preser-

vation, and Public Works, continue to meet and engage the Burton Station community with workshops that encourage community participation in the creation of the new Burton Station Village.



NEWTOWN

Newtown Road is located in the center of the region, along the I-264 corridor on the western edge of Virginia Beach adjacent to the City of Norfolk, where major highways and planned future transit converge. This SGA is attractive to businesses seeking easy access to regional highways and the interstate system, and is a highly visible portal to the city.

The western side of Newtown Road in this SGA is within the City of Norfolk and includes the easternmost transit stop in Norfolk on the new Hampton Roads Transit (HRT) Light Rail system. This transit stop is convenient to much of the Newtown SGA and will enable the redevelopment of the SGA as a transit-oriented district, thus increasing the value of Newtown as an area of future economic development at higher densities. Public improvements and strategies for development will capitalize on public investments in transit and highways.

On July 6, 2010, City Council voted unanimously for approval of the Newtown Strategic Growth Area Master Plan, which was developed based on the design principles identified in the analysis phase of the public planning process. The design transforms underutilized commercial property into a series of mixed-use development opportunities and public infrastructure improvements. A new street framework and block structure provides the access and visibility necessary to consider redevelopment at higher densities.

The value of the property will be enhanced with new parks and trails that will eventually connect to the larger city systems. At the center of the redevelopment will be a new transit station that will provide direct access to both downtown Norfolk and Virginia Beach, the Atlantic Ocean, convention centers, medical centers, universities, and military bases.

PEMBROKE

The Pembroke SGA is home to Virginia Beach's vibrant Central Business District. It has a true midtown location – 10 miles from the Oceanfront Resort District, 10 miles from downtown Norfolk, 10 miles from the Virginia Beach Municipal Center and 10 miles to the Chesapeake Bay. Established boundaries are Thalia Creek to the east,



Jeanne and Broad Streets to the north, Clearfield Avenue to the west, and Bonney and Baxter Roads to the south. The plan, which was officially adopted by City Council in November 2009, calls for a blending

of unique districts designed to emphasize academics, arts, business, green space and wooded areas, and urban-style residences. The model for the Pembroke area's future growth is the Town Center of Virginia Beach, a successful mixed-use, high-density development. Activity for fiscal year 2010/2011 included an extension to Constitution Drive, which connects the core area of Town Center to the Bonney Road area of the district.

ROSEMONT

Rosemont is located just east of the Pembroke SGA and is served by an I-264 interchange and two major crossing arterials. This SGA is attractive to businesses seeking easy access to transportation serving the vast residential neighborhoods that surround it, and a planned public transit station will increase the value of Rosemont as an area of future economic development at higher densities.

Beginning in February 2011, the City of Virginia Beach held the first round of public meetings for input on the

Rosemont SGA Plan. These meetings were facilitated by Urban Design Associates (UDA) and resulted in a list of Draft Design Principles. In March, public meetings were held to refine these principles and to obtain more specific public input. In June 2011, a draft long-range plan for the Rosemont SGA was presented to the public. Adoption of the plan is expected to occur in August 2011.

RESORT AREA

The Resort Area SGA is located at the oceanfront, extending from the north end of Rudee Inlet to 42nd Street and from the boardwalk west to Birdneck Road. This SGA is attractive to high-density mixed-use development, hotel development, and mixed-use entertainment districts, with the Dome site as the main site of indoor activity for the area. The North Beach, Central Beach, and South Beach districts will be developed in keeping with the unique character and distinctive qualities of each district.

Dome Site

At the request of City Council, the VBDA has solicited letters of interest for a qualified development company to build a mixed-use, high-density entertainment venue at the old Dome Site at the oceanfront. The VBDA selected Leisure and Recreation Concepts, Inc. (LARC) to develop conceptual plans and recommendations regarding the type of entertainment that would be successful in the Virginia Beach market. The conceptual plans and recommendations are to be presented to the VBDA for their consideration in fiscal year 2011/2012.

Convention Center Headquarters Hotel

At the request of City Council, the VBDA conducted a Public-Private Education Act process to explore the potential development of a Convention Center headquarters hotel. A selection committee was created to review the proposals and select two finalists. The selection committee received detailed proposal submissions from the two finalists and is currently drafting a proposed development agreement with the selected company.

VBDA BUSINESS PARKS

Property	Total Acreage
Airport Industrial Park	250
Oceana West Corporate Park	1,024
Corporate Landing Business Park	325
Centre Pointe Office Park	25
Lakeview Corporate Park	23
31st Street Property	1
Little Creek Industrial Park	39
Lynnhaven Industrial Park	15
Town Center	13
Princess Anne Commons (VBDA-Owned Portion)	10
Total	1,725

MAJOR COMPANIES

Name	Product/Service	Approximate Number of Employees
Sentara	Healthcare	4,000
GEICO	Insurance Carriers and Related Activities	2,300
Stihl Incorporated	Other General Purpose Machinery Manufacturing	2,067
Urology of Virginia	Medical and Diagnostic Laboratories	2,000
Navy Exchange Service Command	Public Administration	1,888
AMERIGROUP Corporation	Insurance Carriers	1,850
Hall Automotive	Automobile Dealers	1,300
CBN	Radio and Television Broadcasting	1,000
Checkered Flag Motor Car Company	Automobile Dealers	570
LifeNet Health	Other Ambulatory Health Care Services	560
AmSEC LLC (Northrop Grumman)	Computer Systems Design and Related Services	500
J. K. Hill & Associates, Inc.	Facilities Support Services	500
SAIC (Science Applications International Corporation)	Computer Systems Design and Related Services	500
Securitas Security Services USA Inc.	Investigation and Security Services	457
The Breeden Company, Inc.	Construction	420
Avis / Budget Group Inc.	Information	419
Electronic Systems, Inc.	Computer Systems Design and Related Services	400
Q.E.D. Systems, Incorporated	Architectural, Engineering, and Related Services	400
S. B. Ballard Construction Co.	Nonresidential Building Construction	400

Name	Product/Service	Approximate Number of Employees
ADS Inc.	Electrical and Electronic Goods Merchant Wholesalers	350
M & G Electronics Corporation	Motor Vehicle Parts Manufacturing	350
Wackenhut Corp.	Investigation and Security Services	350
LoanCare Servicing Center Inc.	Activities Related to Credit Intermediation	340
Liberty Tax Service	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	308
NCO Financial	Business Support Services	300
Pearson	Educational Support Services	300
Atlantic Dominion Distributors	Miscellaneous Nondurable Goods Merchant Wholesalers	283
VT Milcom	Architectural, Engineering, and Related Services	280
Architectural Graphics, Inc.	Other Miscellaneous Manufacturing	270
Century Concrete	Construction	250
Hampton Roads Sanitation District	Water, Sewage and Other Systems	250
AAA of Tidewater Virginia	Travel Arrangement and Reservation Services	240
Aetna Insulated Wire Company	Alumina and Aluminum Production and Processing	230
Charles Barker Toyota Scion	Automobile Dealers	225
London Bridge Trading Company Ltd.	Other Textile Product Mills	225
nTelos	Information	218
PROSOFT	Computer Systems Design and Related Services	210
TowneBank Enterprises	Depository Credit Intermediation	208
Architectural Graphics, Inc.	Other Miscellaneous Manufacturing	200
Coastal Training Technologies Corporation	Motion Picture and Video Industries	200
E. L. Hamm & Associates, Inc.	Architectural, Engineering, and Related Services	200
Eurpac Home Entertainment	Wholesale Trade	200
Kalman & Company Inc.	Professional, Scientific, and Technical Services	200
Northrop Grumman	Computer Systems Design and Related Services	200
DECA	Wholesale Trade	168
URS Corporation	Architectural, Engineering, and Related Services	166
Allied Technology Group, Inc.	Business Support Services	165
Atlantic Protective Services Inc.	Investigation and Security Services	165
Labels Unlimited, LLC	Printing and Related Support Activities	156
Dominion Resources Services, Inc.	Utilities	154
PLANIT Technology Group	Computer Systems Design and Related Services	150
Busch Manufacturing Company	Other General Purpose Machinery Manufacturing	150
InMotion Hosting	Wired Telecommunications Carriers	150
NGK-Locke Polymer Insulators, Inc.	Other Electrical Equipment and Component Manufacturing	147
Asphalt Roads & Materials	Highway, Street, and Bridge Construction	144
Bay Mechanical, Inc.	Building Equipment Contractors	140
Controls Corporation of America	Other General Purpose Machinery Manufacturing	140
Hermes Abrasives, Ltd.	Other Nonmetallic Mineral Product Manufacturing	138
LoanCare Servicing Center Inc.	Activities Related to Credit Intermediation	135
DOMA Technologies LLC	Computer Systems Design and Related Services	131
Arai Americas, Inc.	Industrial Machinery Manufacturing	127
Gordon Paper Company, Inc.	Converted Paper Product Manufacturing	125

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