



# LAUNCH

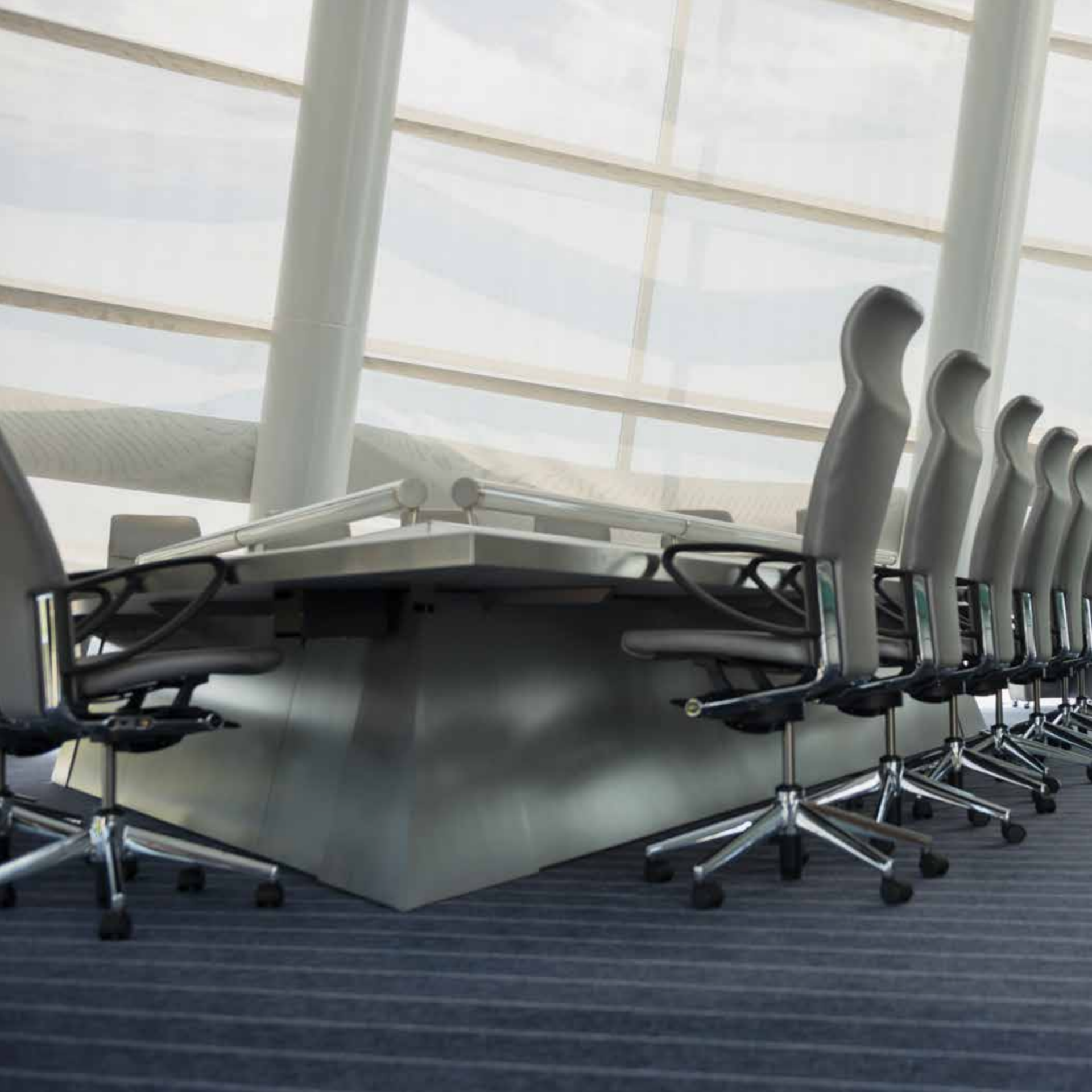
VIRGINIA BEACH

VIRGINIA BEACH DEVELOPMENT AUTHORITY ANNUAL REPORT 2013-2014



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Dear Virginia Beach City Council, Citizens and Business Community,

I am happy to report that FY2013-2014 was another good business year for our City. The Department of Economic Development recorded the creation of nearly 1,000 new jobs and more than \$111 million of new capital investment by 50 projects, with more than 1,200 jobs retained in Virginia Beach by 26 expanding companies. Five announcements were from international companies, and eight came from among Virginia Beach Small, Women- or Minority-Owned businesses. Business sectors experiencing the most activity included Professional Services (29 percent), Technology (21 percent), Manufacturing (19 percent) and Logistics (15 percent).

The past year was one of transition for the entire Virginia Beach region, as changes in federal government and defense spending policies increased stresses on many local companies. The City's Economic Development team anticipated this trend, launching efforts to attract new companies to the City while also expanding support of entrepreneurial and small business activities. The number of active projects increased seven percent June 2014 over June 2013. Staff participated in 64 direct marketing events, an increase of eight percent from the previous year, and approximately 2,000 square feet of space in the Department's new office was reserved to host expanded entrepreneurial business programs.

The Virginia Beach Development Authority continued to support City Council's efforts to prepare our City for the next generation through strategic investment partnerships. This included the allocation of grant funding for the preservation of the historic Cavalier Hotel, as well as a nearly \$500,000 grant from the Commonwealth of Virginia to improve access into Corporate Landing Business Park. Assistance for the creation of VanGuard Landing was also approved, which will provide residential and employment opportunities for Virginia Beach residents with developmental disabilities.

Virginia Beach has always been a leader in the Commonwealth and nation in launching innovative programs and partnerships to create opportunities for job creation and new capital investment. Your Development Authority is proud to continue that tradition, and appreciates the support of its many partners. One of our strongest partners, Deputy City Manager Steve Herbert, retired in October 2013 after six years of dedicated service to the City. Steve earned the sincere respect and appreciation of the Development Authority for supporting our efforts to grow the Virginia Beach economy. Many thanks go to him, and to all of you who help make the City a wonderful place to live and work.

Respectfully,

John W. Richardson

Chair

## VIRGINIA BEACH DEVELOPMENT AUTHORITY

**John W. Richardson**  
Chair  
Kaufman & Canoles

**Elizabeth A. Twohy**  
Vice Chair  
Capital Concrete, Inc.

**C. Maxwell Bartholomew, Jr.**  
Commissioner  
Dominion Virginia Power

**Linwood O. Branch**  
Commissioner  
Days Inn Virginia Beach

**Joseph E. Strange**  
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**Bryan D. Cuffee**  
Treasurer  
Gold Key/PHR Hotels & Resorts

**Shewling Moy**  
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STIHL, Inc.

**Robert L. Nicholson**  
Assistant Secretary  
East Coast Appliance, Inc.

**Charles M. Salle**  
Commissioner  
ADS, Inc.

**Dorothy L. Wood**  
Commissioner  
JD&W, Inc.

## CITY LEADERSHIP

**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

<b>Bob Dyer</b>	<b>John Moss</b>
<b>Barbara M. Henley</b>	<b>Amelia N. Ross-Hammond</b>
<b>Shannon DS Kane</b>	<b>John E. Uhrin</b>
<b>Brad Martin</b>	<b>James L. Wood</b>

## CITY STAFF

**James K. Spore**  
City Manager

**Ruth Hodges Fraser**  
City Clerk

**Mark D. Stiles**  
City Attorney

**Douglas L. Smith**  
Deputy City Manager

**Alexander W. Stiles**  
Associate City Attorney

## VIRGINIA BEACH DEPARTMENT OF ECONOMIC DEVELOPMENT

**Warren D. Harris**  
Director

**Linda Assaid**  
Economic Development Technician/  
Clerk to the Virginia Beach  
Development Authority

**Michelle Chapleau**  
Business Development Manager

**Betty Clark**  
Executive Assistant to the Director

**Curtis Cobert**  
Business Development  
Manager (APZ-1)

**David Couch**  
Strategy Coordinator

**Scott Hall**  
Business Development Coordinator

**Steve Harrison**  
Business Development and  
Research Manager

**Ashley Hashampour**  
GrowSmart Associate

**Rob Hudome**  
Project Development Manager

**Lloyd Jackson**  
Business Development Manager

**Karen Kehoe**  
GrowSmart Coordinator

**Sean Murphy**  
Virginia Beach Development Authority  
Accountant

**Olivia O'Bry**  
Economic Development Assistant

**Jeffrey Smith**  
Business Development Manager  
(Small, Women- and Minority-Owned  
Business)

**Jerry Stewart**  
Workforce Development Coordinator

**Svetla Tomanova**  
Marketing Assistant

**Mark Wawner**  
Project Development Coordinator

**Ray White**  
Business Development Manager

# USER FRIENDLY

Enticed by our tech-savvy workforce and pro-business environment, more than 24 new companies opened in Virginia Beach in the last fiscal year.



ECONOMIC IMPACT | VIRGINIA BEACH BUSINESSES INVESTED

# 111 MILLION

## 26

EXPANSIONS

## 50

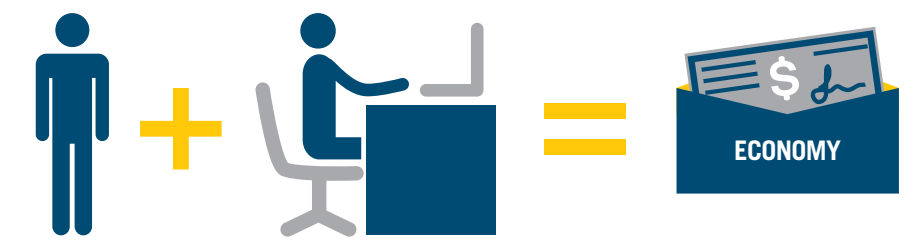
NEW PROJECTS ANNOUNCED

## 24

NEW LOCATIONS

## 1,200+ JOBS RETAINED

THROUGH INDUSTRY EXPANSION



## 940 NEW JOBS CREATED

## 718,000 SQ FT

OF NEW AND EXISTING COMMERCIAL SPACE



# NETWORK

The City's strategic marketing is turning virtual prospects into real business growth. In 2013, VBDED launched three award-winning, interactive economic development tools: a library of industry-specific eBooks, a globally accessible website, and the first fully customizable site selection app in the nation.

## MARKETING

The Virginia Beach Department of Economic Development (VBDED) continued its aggressive marketing efforts this past fiscal year, with three key areas of focus:

- **Existing Industry:** More than 720 direct outreach contacts with current Virginia Beach companies
- **Business Attraction:** 64 official marketing events outside the Virginia Beach market
- **Entrepreneurs & Small Business:** Partnership with regional SCORE (Service Corps of Retired Executives) Chapter; Funding of Small Business Development Center of Hampton Roads; Virginia Beach Small Business Workshop Series; Small Business Mentoring Program; SWaM Business Forum

VBDED staff used a mix of traditional and innovative techniques to expand the City's brand locally and globally, including face-to-face, digital and advertising strategies. Overall prospect activity increased by seven percent at the end of FY2014 over the final number for FY2013. Existing companies were responsible for 37 percent of active projects, with 63 percent of activity coming from companies considering Virginia Beach for a new location.

### FACE-TO-FACE MARKETING

VBDED staff participated in 14 international and 50 domestic marketing events. Face-to-face meetings were held with more than 800 business decision makers and consultants, introducing and promoting Virginia Beach as a world-class business destination.

Outreach events included:

- 8 missions to meet with site selection consultants
- 12 marketing missions
- 15 special events
- 15 trade and professional conferences
- 14 trade shows

In addition to participating in 14 international marketing events, VBDED completed the first full year of operations with its German office, generating more than 90 active business contacts. The City also opened an international trade office in Olongapo City, Philippines as part of its International Sister City program.

## DIGITAL MARKETING

Virginia Beach is recognized as a global economic development leader, especially in regards to innovative digital marketing. This past year, VBDED unveiled a new content-driven website designed to be responsive and accessible across multiple platforms. It was named one of the Top 5 Foreign Direct Investment Websites by the World Forum for Economic Development Investment.

VBDED launched the first fully customized economic development iPad app available on the market; providing users the ability to create a customized tour of the entire Virginia Beach MSA. The app saw nearly 300 downloads during the first two months after launch. It also offers a real-time commercial real estate property search option.

VBDED released the first four volumes of eBooks, which serve as interactive mobile versions of the Department's traditional print marketing materials: Community Profile, Annual Report, Retail Target Sector, SWaM Business Target Sector. The Community Profile eBook received the Gold Excellence Award from the International Economic Development Council.

### SOCIAL MEDIA

- Active profiles on Facebook, LinkedIn, Twitter and YouTube have made VBDED one of the "most followed" Economic Development agencies in Virginia, with more than 1,000 followers
- A shift in focus from Facebook to Twitter and LinkedIn, increased visibility to more company stakeholders and businesses across the globe

### ADVERTISING

- Web banner advertising was concentrated on a network of news-related sites, including *The Washington Times*, *ABC News*, *NY Daily News*, *The Philadelphia Inquirer*, *Boston.com*, *The Washington Post* and *Associated Press*.
- Unique website landing pages were created for each web banner, increasing effectiveness with messaging specific to each geographic market targeted.
- The campaign yielded a total of 8,142,149 impressions and more than 11,810 clicks to [YesVirginiaBeach.com](http://YesVirginiaBeach.com)

THE CAMPAIGN YIELDED A TOTAL OF

**8,142,149**  
IMPRESSIONS

AND MORE THAN

**11,810** CLICKS  
TO [YESVIRGINIABEACH.COM](http://YESVIRGINIABEACH.COM)



## NEW WEBSITE

Virginia Beach is a virtual powerhouse. In 2013, VBDED and the City's Department of Communications and Information Technology significantly restructured their website, [www.YesVirginiaBeach.com](http://www.YesVirginiaBeach.com), unveiling a data-driven website that is easier for global clients to navigate.

### FEATURES INCLUDE:

- More information on Virginia Beach—FAQs about the international business climate, featured properties, a newsportal and more
- A user-friendly design—Addition of infographics, icons and videos make the site easier for foreign-language speakers to find the facts they need
- Information at your fingertips—As the first responsive site designed by the City, the dimensions of the site change based on the user's computer or mobile device



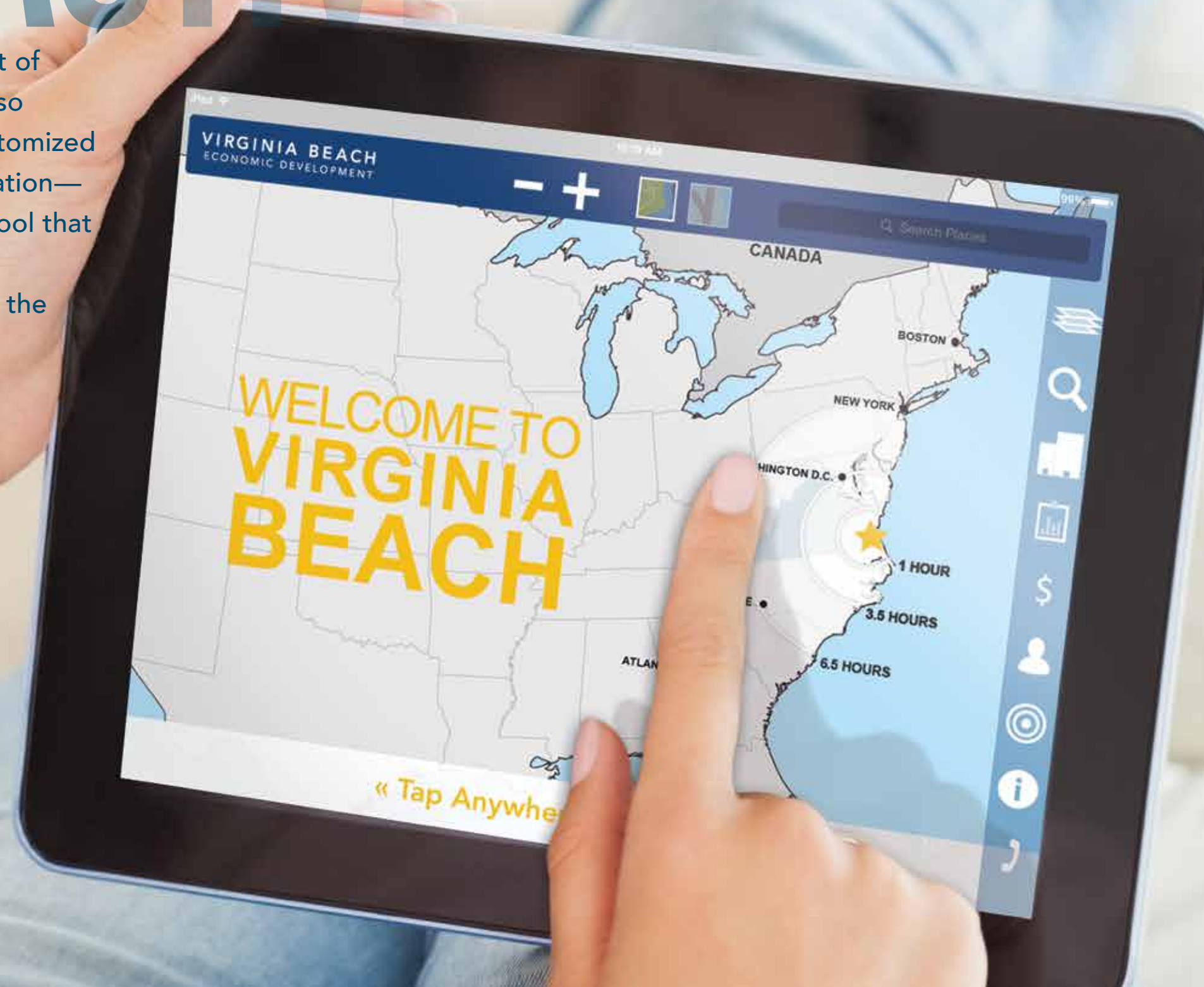
# ACCESSIBLE

With additional videos, graphics and easy-to-search information, [YesVirginiaBeach.com](http://YesVirginiaBeach.com) is now an even more powerful tool for promoting Virginia Beach.



# INTERACTIVE

Virginia Beach Department of Economic Development also launched the first fully customized site selection app in the nation—an award-winning search tool that provides real-time results for companies considering the move to Virginia Beach.



## YES VIRGINIA BEACH APP

### FEATURES INCLUDE:

- Virtual Tours—Explore the City's business districts and neighborhoods, accessing key demographics and additional business assets
- Real Estate—Real-time search of available industrial, office and retail properties using custom search criteria
- Custom Map Layers—Interact with business districts, major and international employers, colleges and universities, attractions and more with a click
- Comprehensive Data—Learn more about Virginia Beach's business costs, workforce and target industries
- Relocation—see the benefits of moving a business to Virginia Beach

“The site selection business has changed remarkably in the last few years. Most companies are identifying their top choices for relocation virtually. Innovations such as the Yes Virginia Beach app push crucial information to our fingertips. This helps us more easily determine a community's available properties, business costs, tax structures, quality of the workforce and other identifiers that are crucial for site selection decisions.”

**Lindsey Myers**  
Senior Consultant  
McCallum Sweeney Consulting

# PLUGGED IN

Smart research can lead to successful business decisions. Prospects, businesses and citizens now have access to a wider range of key data about the Virginia Beach business climate—from demographics and workforce data, to industry and real estate analysis.

## RESEARCH AND INITIATIVES

The Virginia Beach Department of Economic Development strives to be a one-stop source for information about the City. During FY2013-2014, VBDED expanded its database of information regarding the Virginia Beach business climate, making these key resources available to the business community at large. Our goal is proactive research, where information is automatically pushed to stakeholders as it is collected rather than when it is requested.

The research staff primarily focuses on the following areas:

- Prospective and Existing Company Research
- Demographic Analysis
- Targeted Industry Analysis
- Mapping
- Real Estate Database Collection and Analysis
- Workforce Data Collection and Analysis

The Department also built upon the success of the 2013 Community Profile by expanding and enhancing the document for 2014. Now 56 pages, the Virginia Beach Community Profile provides an in-depth look at the City's demographics, target industries, workforce and education, quality of life, and business costs. The document has been featured by *Inside Business*, *The Hampton Roads Business Journal*, and is also made available for download as an eBook on YesVirginiaBeach.com and the Apple iBooks Store.

Additional eBooks are also available online, including Retail and SWaM business sectors and the VBDA Annual Report.



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### THE 2013 COMMUNITY PROFILE eBook

received the Gold Excellence in Economic Development Award in the new media category for communities with populations of 200,000 – 500,000 from the International Economic Development Council (IEDC).

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# WIDE SCREEN

Virginia Beach's economic picture is bright. By strategically targeting resources toward several industry sectors, the City has seen impressive growth in corporate expansion, relocations and new job creation.

## TARGET SECTOR REPORTS

To improve the Economic Development Department's marketing, business attraction and existing industry programs, resources are focused on several key business clusters identified in the City's Economic Development Strategic Plan. These clusters represent industry sectors for which the City of Virginia Beach has been determined to hold a competitive advantage. As part of the implementation of the Strategic Plan, each of the Department's Business Development Managers are assigned responsibility for business attraction and retention activities within at least one sector.



### OFFICE/PROFESSIONAL SERVICES

- Liberty Tax Services expanded their corporate headquarters operations in Corporate Landing Business Park, hiring 73 new employees and purchasing 3.5 acres of land to accommodate a 25,000sf expansion
- Olympia Development began construction of a new 50,000sf, \$11 million office building and parking garage at their Convergence Center office park to accommodate growth by the law offices of Wolcott Rivers Gates
- Advanced Engineering Consultants (AEC), a Dayton-based, SWaM-certified mechanical engineering firm, opened their new mid-Atlantic regional headquarters in The Town Center of Virginia Beach, creating 13 new jobs
- Construction was completed on 4525 Main Street, a new 213,000sf office tower located in Town Center of Virginia Beach
- The Franklin Johnston Group selected the Sidney Kellam Building as the corporate headquarters for their real estate development and management company



### MANUFACTURING

- Canada Metal (Pacific) Ltd, based in Vancouver, British Columbia, Canada, announced plans to open their first U.S. manufacturing facility in Virginia Beach, creating 70 new jobs with a \$3 million investment
- PRUFREX USA, based in Cadolzburg, Germany, which previously selected Virginia Beach as home of their U.S. headquarters and manufacturing facility, broke ground on a new 20,000sf facility to meet greater-than-expected growth projections
- Eagle Industries, manufacturer of tactical equipment for defense and law enforcement agencies, leased 17,000sf of manufacturing space
- *Forbes* magazine named Virginia Beach a "Manufacturing Boomtown" and among the top seven cities leading the country in a manufacturing revival
- Attended the 2014 Hannover Messe International Trade Fair — Hannover, Germany
- Attended Composites 2013 Expo — Orlando, FL
- Attended Power-Gen Conference and Expo — Hamburg, Germany
- Attended the Southeast Coastal Wind Conference — Charleston, SC
- Attended the AWEA Offshore Wind Conference — Providence, RI

# TARGET SECTOR REPORTS



## BIO/LIFE SCIENCES

- Children's Hospital of the King's Daughters announced plans for a new 60,000sf, \$25 million medical facility in the Princess Anne Medical Village
- Urology of Virginia announced plans for a \$17.8 million expansion of their headquarters and medical services campus, to include construction of a new 44,000sf medical office and services facility
- Operation Smile opened their new global headquarters in the Princess Anne Corridor
- Establishment of the Mayor's BioSciences Task Force to provide strategic advisory support for the Department's efforts to expand its Bio/Life Sciences industry sector
- Engaged Facility Logix to serve as a consultant to help shape the Department's Bio/Life Sciences program
- Attended the BIO International trade show — San Diego, CA
- Attended the MEDICA Medical Device trade show — Dusseldorf, Germany



## TECHNOLOGY

- JES/KBH Business Management Systems announced the expansion and relocation of their corporate headquarters to Corporate Landing Business Park, purchasing a 45,000sf office building and creating 33 new software development positions
- 360IT Partners expanded their corporate headquarters by 2,000sf, also adding five new jobs
- ThunderDome Studios established their video and music production company by leasing 6,500sf of space at Chandler Creek Commerce Center, creating five new jobs
- Endurance IT was recognized as one of the Best Places to Work in 2013, and was also named the Hampton Roads Chamber's 2014 Small Business of the Year
- Attended the CEBIT International Technology Trade Fair — Dusseldorf, Germany
- Attended the Capitol Hill Modeling & Simulation Expo — Washington, DC
- Attended the Mod-Sim World Conference and Trade Show — Hampton, VA
- Created task force with Valkyrie Enterprises, LLC, Small Business Development Center of Hampton Roads, Hampton Roads Business Roundtable and other local, state and national entities to pursue establishment of a Cyber Security Center of Excellence for Virginia Beach



## MARITIME & LOGISTICS

- Artemis Global Logistics & Solutions leased 20,000sf and created 12 new positions in Oceana South; this is their 9th international facility and 2nd in Virginia
- FR8 Solutions LLC leased 28,000sf of space in Airport Industrial Park for their first Hampton Roads facility
- Lindab, a Swedish manufacturer of building systems, opened their U.S. sales and distribution headquarters in Oceana West Corporate Park
- Grand Furniture leased an additional 43,600sf of warehouse and distribution space in Airport Industrial Park to support their regional retail operations



## DEFENSE

- Atlas North America created five new positions at their U.S. headquarters facility, investing \$1.5 million to support transfer of product lines and business services from Germany
- StarChase LLC, Virginia Beach-based manufacturer and provider of GPS tracking & pursuit technologies for government agencies, announced the creation of 35 new positions
- Alliant TechSystems, Inc. opened a new 5,000sf office in Corporate Landing Business Park
- Partnered with the Virginia Economic Development Partnership to promote the "Going Global Defense Initiative" to assist existing Virginia-based defense companies in expanding their market presence overseas
- Sponsored and attended ADS Warrior Expo 2014 — Virginia Beach
- Attended the AFCEA/USNI WEST 2014 trade show — San Diego, CA
- Attended Navy League Sea-Air-Space Expo — Washington, DC
- Attended the Expeditionary Warfare Conference — Portsmouth, VA
- Attended the Multi-Agency Craft Conference — Joint Expeditionary Base, Little Creek, VA
- Attended Surface Navy National Symposium — Washington, DC



## RETAIL

- More than 35,000sf of street-level retail space leased in Town Center by five "first in the market" national retailers (Anthropologie, Lululemon Athletica, Free People, West Elm and Francesca's)
- Two new restaurants contracted space, Tupelo Honey Cafe occupying 7,000sf and Twist Martini with 2,500sf
- General Growth Properties began work on the second stage of a multimillion-dollar interior renovation of Lynnhaven Mall
- Attended the ICSC ReCon Trade Show — Las Vegas, NV

# HIGH CAPACITY

In the heart of the City's thriving central business district, Town Center continues to draw crowds—as well as popular new restaurants, shops and businesses.



## MAIN STREET TOWER

Located at 4525 Main Street, the newly opened Main Street Tower is anchored by Clark Nexsen, PC—one of the oldest and largest architecture and engineering firms in Virginia. The Virginia Beach Department of Economic Development and the Strategic Growth Areas Department have also relocated their offices to the new tower.

## RETAIL ANNOUNCEMENTS

Town Center's success has attracted four of the hottest women's brands to the area, as well as one of the nation's top home décor stores; all stores will be "first to the market" locations.

Anthropologie will be the ground-floor anchor for the new 15-story Main Street Tower, leasing 9,431sf of space.

Lululemon Athletica and Free People have executed separate leases for 3,200sf of space each on the corner of Main Street and Town Center Drive.

West Elm, a furniture and home décor store and subsidiary of Williams-Sonoma, Inc., has leased 10,000sf of space on the ground floor of Main Street Tower.

Two new restaurants contracted space, Tupelo Honey Cafe occupying 7,000sf and Twist Martini with 2,500sf.

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**213,000**sf office tower

**26,000**sf street level retail

**927** space attached parking garage

**290** luxury apartments

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## INTERNATIONAL BUSINESS

Global trade is big business in Virginia Beach, with 20 international-based firms having their U.S. or North American headquarters here.

Small and medium-sized companies in Europe and Asia continue to look to the U.S. market for long-term growth and placement of business facilities. U.S. businesses are actively engaged in “onshoring” manufacturing and office operations from overseas locations, and an increasing number of emerging nations are developing active export programs to the U.S. Additionally, more and more Virginia Beach-based companies are expanding into overseas markets, strengthening connections between Virginia Beach and the international business communities.

Nearly 30 percent of all prospect activity tracked by VBDED staff is now generated by foreign-based companies. In FY2013-2014, Staff participated in 14 international marketing missions and events, a 55 percent increase over the previous year. These activities included:

- Hosting the first-ever Virginia Beach Global Business Forum, with business and government representatives from the U.S., Japan, Norway, Northern Ireland, Nicaragua and the Republic of the Philippines
- Hosting visits from Ambassadors to the U.S. of both Nicaragua and the Philippines, to include discussions with local corporate leaders on identifying new business opportunities with and/or in each country
- Co-sponsoring the Virginia Conference on World Trade
- Participation in trade shows and marketing missions to Japan, China, the Philippines, Germany, Belgium, the Netherlands and Spain

### MAJOR INTERNATIONAL BUSINESS ANNOUNCEMENTS INCLUDED:

- Canada Metal (Pacific) Ltd: announced the location of their first U.S. manufacturing facility, with 70 new jobs and \$3 million in investment
- Lindab: opened the U.S. headquarters for their building systems division, leasing 9,000sf of space and creating five new jobs
- PRUFREX USA: began construction on a 20,000sf building to house their U.S. headquarters and manufacturing operations
- Atlas North America: announced a \$500,000 expansion and creation of five new jobs to support transfer of manufacturing operations from Germany

Last year also saw completion of the first year of operations for the City’s European office in Dusseldorf, Germany, which has generated 99 active business contacts and 13 active projects. The City also opened the Virginia Beach Trade Office in Olongapo, Republic of the Philippines.



# WORLD WIDE

Drawn by a healthy business climate and high quality of life, international businesses are finding a welcome home in Virginia Beach. Nearly 30 percent of all prospects now come from foreign-based companies.



# DRIVE

Small businesses make a big impact in Virginia Beach. Encouraged by the City's entrepreneurship and business development programs, one out of every three startups in the MSA happens right here.

## SMALL AND SWaM BUSINESS DEVELOPMENT

The Virginia Beach Development Authority, together with numerous partners, provides a wide range of support activities for entrepreneurial start-ups as well as established small businesses; it also actively supports the City Council's commitment to providing support to certified SWaM (Small, Women- and Minority-Owned) Service-Disabled Veteran-Owned Businesses. Working with staff, a comprehensive program has been designed to generate new capital investment and employment opportunities within each of these communities. More than 87 percent of announced projects in FY2013-2014 were by companies announcing the creation of less than 50 new jobs. Eight announcements were by certified SWaM companies, representing 66 new jobs and \$4.6 million in new investment.

The Virginia Beach Development Authority continues to provide \$10,000 in funding for management, technical, and other assistance offered through the Small Business Development Center of Hampton Roads, Inc. (SBDC). During the 2013 calendar year, the SBDC provided direct assistance to 69 clients from Virginia Beach. Attendance at various training events held in Virginia Beach rose to 189 attendees in 2013.

This past year, Staff initiated a Small Business Mentoring Program for Virginia Beach companies, connecting them with partners at Old Dominion University, Norfolk State University and Regent University, as well as the Entrepreneurs Organization of Southeast Virginia for tailored and dedicated business counseling.

In partnership with Kaufman & Canoles, Pilot Media and BB&T Bank, VBDED also developed a year-long series of free workshops for small business owners at the City's

Advanced Technology Center, covering topics such as Social Media, Small Business Financing, Joint Ventures and Team Agreements.

VBDED also co-hosted, with Councilmember Amelia Ross-Hammond, a forum to connect SWaM businesses directly with established large businesses to learn how to identify vendor and business partnership opportunities.

The regional chapter of SCORE (Service Corps of Retired Executives) provided individual, confidential counseling to nearly 400 small businesses out of the Virginia Beach Economic Development offices this past year.

For the 8th consecutive year, a Virginia Beach company was named Hampton Roads Small Business of the Year. With 28 employees, Endurance IT Services plans, builds and helps manage network infrastructure and software applications for a variety of businesses. The company experienced a 40 percent revenue growth in 2013.

Fourteen Virginia Beach businesses were named to the 2013 Inc. 5000 list of America's fastest-growing companies, making up 56 percent of the region's representation on the list.

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**14** BUSINESSES RANKED AMONG THE  
**FASTEST-GROWING  
IN AMERICA**  
ARE LOCATED IN VIRGINIA BEACH

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## GROWSMART

Virginia Beach GrowSmart helps to ensure our youngest citizens have access to high-quality learning experiences, setting them on a path to success in school and in life. The program works with children from infancy to age eight, promoting healthy development, school-readiness and early reading proficiency. Now fully operated by the VBDED, Virginia Beach GrowSmart is nationally recognized as a forward-thinking approach to workforce development.

The program impacts adults, too. Since 2010, Virginia Beach GrowSmart and the Small Business Development Center (SBDC) of the Hampton Roads Chamber of Commerce have provided intensive business training and one-on-one mentorship to several local childcare centers and preschools. More than 2,000 families have been impacted to date. In 2013 alone, 10 jobs were created, and the small businesses enrolled in the program saw an average 28 percent revenue increase—10 percent higher than in 2012.

Each year, Virginia Beach GrowSmart sponsors childcare centers and preschools to participate in the Virginia Star Quality Initiative, a rigorous rating and quality improvement system. Six sites participated in 2013, with employees encouraged to apply for continuing education scholarships. Thirteen teachers received scholarships during the 2013-2014 academic year.



The small businesses enrolled in the program saw an average 28 percent revenue increase—10 percent higher than in 2012.



## WORKFORCE DEVELOPMENT

The Virginia Beach Workforce Development Program, the first of its kind in the region, is recognized as one of the most successful local programs in the country, directly engaging the Development Authority with the local business community, prospects and education providers on a daily basis.

Encouraging manufacturing growth in Virginia Beach requires competitive job training. In 2013, the Mayor's Manufacturing Roundtable launched a new initiative, designed to increase the skilled workforce via an innovative dual enrollment agreement between Virginia Beach City Public Schools (VBCPS) and Tidewater Community College (TCC). Now, high school students will be able to earn TCC credit for mechatronic-related courses. Plans for expansion are in the works.

According to Dr. Jonathan Rothwell of The Brookings Institute, Virginia Beach has emerged as a national leader in the STEM (science, technology, engineering and mathematics) economy. Our business community requires extraordinary knowledge in core STEM fields, and access to employees with technical and problem-solving skills is critical. The Virginia Beach metropolitan area currently ranks in the top 40 (out of 352 metro areas) in STEM knowledge and STEM share of employment, and is in the top 25% for productivity growth.

The Authority and staff continue to support the Virginia Beach Public Schools Technical and Career Education Center with its existing industry and workplace readiness certification programs:

Students earned

**7,554** VBCPS Industry Certifications—3,371 more than last year

**1,602** Virginia Beach students obtained VBCPS Workplace Readiness Skills certifications—112 more than last year

To increase the excitement and interest in STEM careers, Virginia Beach City Public Schools (VBCPS) recently acquired "Baxter the Robot" as an instructional tool for elementary through high school students. Baxter is an adaptive, collaborative, six-foot-tall robot that can simulate the programming of robotics in the manufacturing sector.



# CONNECTION

It's more than high-tech. It's a symbol of hope.



## OPERATION SMILE

When Operation Smile moved its global headquarters to Virginia Beach in October 2013, the international children's medical charity opened a new chapter in advanced healing. From here, industry-leading technology allows for a global connection, linking the nonprofit with its network of 5,400 volunteer medical professionals and staff in more than 80 countries worldwide. The central mission: To provide free surgical procedures for children born with cleft lip, cleft palate and other facial deformities, and to create permanent health infrastructures that allow for ongoing patient care.

The new building features cloud-based technologies and state-of-the-art media tools thanks to a \$1.2 million donation from Microsoft and its global partners. Removing technological barriers streamlines international collaboration, increasing the quality of training efforts and allowing team members to teach and interact virtually—without the high cost of travel.

Operation Smile's new global headquarters is also a vital medical magnet for Virginia Beach. The charity hosts numerous conferences throughout the year, drawing hundreds of leading medical professionals from dozens of fields. At the 2013's NEXT Medical Conference, for example, a partnership with CHKD made it possible to live-stream a rare surgery to a group of young medical professionals—a feat that would have been impossible only a year earlier.

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**\$1.2 MILLION**  
DONATION FROM MICROSOFT

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# NAVIGATE

Virginia Beach's award-winning Oceana Land Use Conformity Program, YesOceana, enters its 10th year. To date, 26 compatible businesses have relocated here, creating a concentrated enterprise zone for productive manufacturers.

## YESOCEANA

YesOceana, Virginia Beach's award-winning Oceana Land Use Conformity Program, was created to help reduce the incompatible land uses surrounding Naval Air Station Oceana, the Navy's East Coast Master Jet Base. To date, a total of 53 non-conforming commercial properties have been eliminated in Accident Potential Zone 1 (APZ-1) and the City has committed a total of \$2.4 million to 26 businesses to promote compatible uses within the APZ-1 district. Included in that total, the Development Authority has awarded \$1.8 million in Economic Development Investment Program (EDIP) grants for projects under the YesOceana program, leveraging more than \$20 million in new private investment.

This year, a major expansion announcement included the redevelopment of 1889 Virginia Beach Boulevard. Air Station Storage plans to expand its operation and invest more than \$4 million in site improvements and construction costs for a new 71,400-square-foot storage facility. The City also issued an RFP for the redevelopment of 1888 Virginia Beach Boulevard. The site was purchased with BRAC funds to eliminate a 15-unit apartment complex and a bar. The site was awarded and an agreement of sale is being finalized.

Through projects like these, the program reduces non-conforming uses while encouraging conforming businesses to move into the area – creating a catalyst for redevelopment of the Virginia Beach Boulevard corridor.

In addition, the acquisition of the London Bridge Commerce Center eliminated 22 non-conforming uses from the APZ-1 district. Last year, the City worked to relocate the last remaining tenants to other parts of the City. The existing buildings on the property are set to be demolished during the 4th quarter of 2014. The site will be master planned and rezoned for light industrial development. The result will be a new 18-acre, shovel-ready site adjacent to I-264.

The commitment demonstrated by the Commonwealth, the City of Virginia Beach and the partnership with the Navy continues to be a successful model for reducing incompatible development. As a result of the program's continued success, the Cities of Chesapeake and Hampton are in the process of receiving funding to develop similar programs to address encroachment.

**\$2.4 MILLION**  
\$=200K  
**IN CAPITAL INVESTMENT**

**26 BUSINESSES**  
**RECEIVED INCENTIVE AWARDS**

## VBDA TOP ACCOMPLISHMENTS

The Virginia Beach Development Authority is an 11-member organization, appointed by City Council, to facilitate the expansion of the Virginia Beach tax base and employment opportunities through increased business development and redevelopment. The Authority owns and develops land, owns and oversees the management of certain public facilities, administers the City's Economic Development Investment Grant Program, induces the issuance of Industrial Revenue Bonds, and advises/supports Staff in the implementation of the City's Economic Development program.

More than 50% of the office and industrial land developed in the City is directly attributable to the City of Virginia Beach Development Authority's extraordinary efforts.

### KEY PROJECTS/INITIATIVES

- Opening of Town Center Phase V, a \$105 million public-private investment
  - 15-story/213,000sf Class A office tower
  - 290 luxury apartments
  - 26,000sf street level retail
  - 927 space parking garage
  - New home to Virginia Beach Department of Economic Development
- Reissued a Request for Qualifications for the redevelopment of the former Dome Site. Entered into discussions with The Peterson Companies on creation of a development plan for this key property in the Virginia Beach Resort Area
- Sale of 3.5 acres of land in Corporate Landing Business Park to Liberty Tax
- Secured \$453,000 Economic Development Access Program grant from the Virginia Department of Transportation for Corporate Landing Business Park
- Approval of \$8.2 million grant for the preservation of the historic Cavalier Hotel
- Approval of a \$2.9 million loan for the development of VanGuard Landing, which will provide residential and employment opportunities for those in Virginia Beach with developmental disabilities
- Transitioned from paper to digital board meeting books, helping staff save a projected \$12,800 the next four years

### ECONOMIC DEVELOPMENT INVESTMENT PROGRAM

The VBDA has administered the City's Economic Development Investment Program (EDIP) on behalf of City Council since 1994. During this time, VBDA has awarded 173 grants worth \$48.9 million incentivizing the creation and retention of more than 29,300 jobs and \$1.85 billion in new capital investment. For FY2013-2014, a total of \$8.8 million EDIP grants were approved, intended to leverage \$242 million in new investment and create and/or retain 712 jobs.

### VIRGINIA BEACH NATIONAL GOLF COURSE

The Virginia Beach National Golf Course, owned by the VBDA, continues to be operated by Virginia Beach Golf Club, LLC (VBGC). The VBDA received more than \$165,000 of rental income for calendar year 2013 from the facility in addition to the taxes generated, which were paid to the City to support basic City services. The number of rounds played at the course was 25,107 rounds of 18-hole equivalents. In addition, the VBDA is utilizing a portion of the rent revenues received to fund capital repairs and maintenance to the facility.

On May 1, 2014, VBDA presented the 6th Annual Virginia Beach Business Appreciation Golf Classic as part of the City's Business Appreciation Program. The tournament raised \$15,000 from the local business community for local charities.

### TOWN CENTER SPECIAL SERVICE DISTRICT (SSD)

The SSD is the Town Center core area sometimes referred to as the Central Business District. Owners of the property located in the SSD pay an additional tax to cover the costs associated with the maintenance of the garages and enhanced services in the core area, and to build a long-term maintenance reserve.

In FY2013, the VBDA approved a \$2.02 million SSD budget for FY2014. The tax rate remained at a level of 45 cents per hundred dollars of assessed value. The real estate assessments decreased 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.

### FARM BUREAU LIVE

In 2013, in its eighteenth season, the Farm Bureau Live returned 11.67 percent on the City's \$10.5 million investment and provided a venue for world-renowned performers and local cultural and community events.

The amphitheater held 28 events with attendance of nearly 300,000 patrons. In the first 18 years of operation, the amphitheater has provided performances for more than 4.9 million music lovers and generated more than \$21.5 million in direct revenue for the City.

**A Top Ten Metro Area for Millennials**

Forbes

**Fourteen Virginia Beach Businesses Listed Among the  
Fastest-Growing Private Companies in America**

Inc. 5000 List

**One of the Big Cities Leading a U.S. Manufacturing Revival**

Forbes

**Gold Award for the Community Profile eBook**

International Economic Development Council

**Silver Award for the 2012 Annual Report**

International Economic Development Council

**Virginia Named the Best State for Business**

Forbes

**One of America's 10 Hardest-Working Cities**

Forbes

**Virginia Beach Ranked as the Fittest City in America**

Facebook's Fittest Cities

**2nd Most Business-Friendly City in America**

CNNMoney.com Report

**Virginia Beach named the 2nd Most Small-Business Friendly City**

Governing Magazine

**Virginia Beach is the 6th Happiest City in the Country in Which to Work**

Forbes.com





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