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**Dear Virginia Beach City Council, Citizens and Business Community:**

The Virginia Beach Development Authority exists to support the implementation of the City's strategic economic vision. We experienced increased production in FY2017-18 for Virginia's most populous city, as a rising national economy paired with a number of existing company expansions and new announcements brought our unemployment rate to just 3.3%. The Department of Economic Development recorded the creation of 2,371 new jobs and private investment of \$319 million across 37 projects. Targeted initiatives surrounding the rapidly growing biomedical and cybersecurity industries, along with the arrival of transoceanic subsea cables laid by industry titans Telxius, Microsoft, Facebook, and Google helped keep Virginia Beach on the cutting edge. The Authority approved 26 investment grants totaling \$5.58 million, which leveraged \$308 million in capital investment, a ratio of 55 to 1. Significant growth occurred among each of our target business sectors, including 13 announcements by small businesses, an important part of our economy. Our workforce development program continued to innovate, from providing roundtables and job fairs to the introduction of the LENA Start program from GrowSmart.

The Development Authority treats the tasks and responsibilities granted to it by the City Council with the utmost care. Virginia Beach has seen an exponential economic rise in its 55 years, from being known as a small agricultural and beach town in the 1960s to being named among the "best big cities to live in" by *WalletHub* in 2018. Through our work with the City Council and Economic Development staff, we hope to see our City's economy grow and thrive for decades to come, and to make the citizens of Virginia Beach proud.

Respectfully,

A handwritten signature in black ink that reads "Dorothy L. Wood". The signature is fluid and cursive, written in a professional style.

Dorothy L. Wood



## CITY COUNCIL

**William D. Sessoms, Jr.**  
Mayor (July 2017–April 2018)

**Louis R. Jones**  
Vice Mayor (July 2017–April 2018)  
Mayor (May 2018–Present)

**James L. Wood**  
Vice Mayor (May 2018–Present)

**Rosemary C. Wilson**  
Liaison to the Virginia Beach  
Development Authority

**Jessica Abbott**

**Benjamin Davenport**

**Bob Dyer**

**Barbara M. Henley**

**Shannon DS Kane**

**John Moss**

**John E. Uhrin**

## VIRGINIA BEACH DEVELOPMENT AUTHORITY

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

**David L. Bernd**  
Commissioner  
Sentara Healthcare

**Linwood O. Branch**  
Commissioner  
Days Inn at the Beach

**Bryan D. Cuffee**  
Treasurer  
Gold Key | PHR, Inc.

**Michael H. Levinson**  
Secretary  
Michael H. Levinson & Associates

**Stephen J. McNulty**  
Assistant Secretary  
TowneBank

**Jerrold L. Miller**  
Commissioner  
The Miller Group

**Shewling Moy**  
Commissioner (July–August 2017)  
Keller Williams Realty  
Coastal Virginia

**Lisa Murphy**  
Commissioner  
Wilcox Savage  
(September 2017–Present)

**Peter K. Mueller**  
Commissioner  
STIHL, Inc.

**Charles M. Salle**  
Vice Chair  
ADS, Inc.

**Joseph E. Strange**  
Commissioner  
Tidewater Sew-Vac

## KEY CITY STAFF

**David L. Hansen**  
City Manager

**Mark D. Stiles**  
City Attorney

**Ronald H. Williams, Jr.**  
Deputy City Manager

**Alexander W. Stiles**  
Senior City Attorney

**Ruth Hodges Fraser**  
City Clerk (Former)

**Amanda Barnes**  
City Clerk (Current)

## VIRGINIA BEACH ECONOMIC DEVELOPMENT

**Warren D. Harris**  
Director

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

**Michelle Chapleau**  
Business Development  
Coordinator

**Betty Clark**  
Executive Assistant to the  
Director

**David Couch**  
Business Development  
Coordinator

**Devin Cowhey**  
GrowSmart Development  
Specialist

**Scott Hall**  
Business Development  
Coordinator

**Kelsey Harkins**  
GrowSmart Administrative  
Technician

**Steve Harrison**  
Business Development  
and Research Manager

**Rob Hudome**  
Project Development  
Manager

**Lloyd Jackson**  
Business Development  
Manager

**Letitia Langaster**  
Business Development  
Manager (APZ-1)

**Barbara Lito**  
GrowSmart Coordinator

**Sean Murphy**  
Virginia Beach  
Development Authority  
Accountant

**Olivia O'Bry**  
Office Manager

**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

**Vicente Álvarez  
Fanjul**  
Representative Europe –  
Madrid, Spain

**Michael Vossel**  
Representative Europe –  
Düsseldorf, Germany

# ANOTHER YEAR OF REALLY BIG ACTION IN VIRGINIA BEACH.

The City continues to grow in numbers, acclaims and prominence. The biggest companies in the world are taking notice and driving business here, while an entrepreneurial revolution is building the next wave of difference-making companies.



## TOTAL ANNOUNCEMENTS

**37** COMPANIES

**2,371** NEW JOBS

**5,796** RETAINED JOBS

**1,278,240** SQUARE FEET

**\$319.39** MILLION  
IN CAPITAL INVESTMENT



## EXPANSIONS

**32** COMPANIES

**2,115** NEW JOBS

**\$249.29** MILLION INVESTMENT

**995,640** SQUARE FEET



## NEW LOCATIONS

**5** COMPANIES

**256** NEW JOBS

**\$70.10** MILLION INVESTMENT

**282,600** SQUARE FEET

# TOP ACCOMPLISHMENTS

Your Virginia Beach Development Authority (VBDA) is charged with driving and promoting economic activity in the City. In FY2017-18, neither our mission nor the results of our efforts changed—it was another year of wins and accomplishments. The following are the highlights.



- AWARDED OVER **\$5.5 MILLION** IN EDIP FUNDS
- LEVERAGING **\$308 MILLION** IN CAPITAL INVESTMENT
- **\$36 MILLION** AND **\$85 MILLION** OF INDUSTRIAL REVENUE AND REFUNDING BONDS TO VIRGINIA WESLEYAN UNIVERSITY AND WESTMINSTER CANTERBURY, RESPECTIVELY
- SINCE 1994 OVER **\$2.3 BILLION** IN CAPITAL INVESTMENT FOR INCENTIVE GRANTS AND PUBLIC-PRIVATE PARTNERSHIPS

## GLOBAL TECHNICAL SYSTEMS

GTS, a premier provider of advanced engineering solutions for defense and international customers, will invest \$54.7 million on a new electro-mechanical energy storage system manufacturing operation and will construct a 500,000-sq-ft advanced manufacturing center. 1,100 employees will be hired at an average annual salary of \$74,000.



During the fiscal year July 1, 2017 through June 30, 2018, EDIP assistance was approved for the following companies (listed chronologically):

## TRADITIONAL GRANTS

COMPANY	AMOUNT OF EDIP	AMOUNT OF INVESTMENT	EMPLOYEES	
			RETAINED	NEW
LifeNet Health	\$700,000	\$12,254,000	704	321
G2-Ops	\$25,000	\$446,000	15	10
Osprey Design Group	\$20,000	\$332,000	6	9
Mermaid Vineyard & Winery	\$38,000	\$1,072,000	-	4
Hermes Abrasives	\$125,000	\$3,750,000	155	12
Altmeyer	\$100,000	\$2,950,000	31	5
GET Solutions	\$125,000	\$3,650,000	65	10
STIHL Inc.	\$500,000	\$20,000,000	-	-
Coastal Hospitality	\$200,000	\$24,000,000	-	-
Vibrant Shore Brewing	\$20,000	\$827,800	2	10
Farmhouse Brewing	\$20,000	\$750,000	5	5
TDI	\$75,000	\$2,200,000	83	13
Wilmik	\$30,000	\$2,130,000	60	14
Global Technical Systems	\$1,800,000	\$54,700,000	-	1,100
Bcause	\$500,000	\$64,800,000	-	100
ACA International	\$500,000	\$52,100,000	-	30
Isley Brewing Company	\$30,000	\$825,000	-	10
Lingerfelt Commonwealth Partners	\$200,000	\$25,000,000	-	-
Custom Panel & Controls LLC & CPC Investments LLC	\$75,000	\$2,322,500	16	15
Suburban Capital	\$200,000	\$26,299,000	-	27

## APZ-1 GRANTS

COMPANY	AMOUNT OF EDIP	AMOUNT OF INVESTMENT
Broad Bay Cotton	\$10,000	\$127,000
Ironclad Media Alliance	\$30,000	\$675,000
Omniio	\$20,000	\$370,000
Southampton Roads Construction	\$60,000	\$1,243,000
EPIC Manufacturing	\$100,000	\$2,004,385
Seigler Reels	\$55,000	\$975,000

## TOWN CENTER PHASE 6

This newest addition to Town Center is expected to include 39,000 square feet of retail and restaurant space and 131 apartment homes. In addition to the retail and residential components, Zeiders American Dream Theater will occupy a 17,000-sq-ft, 300-seat performing arts theater on the second level. The City will provide public infrastructure to include an open-air public plaza and a pedestrian bridge connecting to the adjacent parking garage.

**\$42 MILLION**  
INVESTMENT



## VETERANS UNITED HOME LOANS AMPHITHEATER

The Amphitheater celebrated its twenty-second season in 2017 by holding 31 events with attendance of over 280,000 patrons. In the first 22 years of operation, the amphitheater has provided performances for more than 6.1 million music lovers and generated more than \$28 million in direct revenue for the City.

**\$28 MILLION**



## 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. The VBDA received more than \$145,000 of rental income for FY2017-18 from the facility in addition to the taxes generated, which were paid to the City to support basic City services. In addition, the VBDA is utilizing a portion of the rent revenues received to fund capital repairs and maintenance to the facility.

**OVER \$145,000**







# THE BIGGEST SEA LANDINGS IN VIRGINIA BEACH IN CENTURIES

This region of the East Coast was once the gateway for international expansion, exploration, progress and exchange of ideas. Much the same thing is happening in Virginia Beach today, with the arrival of several transatlantic cables and the resulting explosion of data centers and data companies to distribute and use all that power and information.

Make no mistake, Virginia Beach is now a tier-one digital port city and emerging global innovation hub. The world's fastest subsea data cables installed by Microsoft,

Facebook and Telxius connect Virginia Beach to Europe and South America. ACA International LTD and South Atlantic Express International Ltd. will soon land the third 72-terabit, high-speed subsea cable that will be the only system connecting South Africa directly to the U.S. It will combine with a partner system from Fortaleza, Brazil to offer a truly diverse transatlantic network, with a planned second phase from South Africa to Asia. And most recently, Google announced a new subsea cable that will link France to Virginia Beach.

**BCAUSE LLC**, a privately held company established in Virginia Beach in 2013, announced plans to expand its operations and move its corporate headquarters to 5465 Greenwich Road. The new location offers **84,000 sq ft** of space that will house its corporate headquarters and the computers and systems necessary to mine digital currency for the global financial market and support the company's data processing needs. They are among the largest operations of this kind in North America and will add **100 new full-time jobs** with average annual salaries of **\$60,000**.

**THE WORLD'S FASTEST SUBSEA DATA  
CABLES INSTALLED BY MICROSOFT,  
FACEBOOK AND TELXIUS.**



## WHAT TO DO WITH ALL THAT DATA?

Welcome to Corporate Landing, a 325-acre publicly developed business park owned by VBDA. Virginia Beach has laid the groundwork for a world-class telecommunications system complete with 163 acres of available sites, certified power requirements, available fiber-access hubs and a streamlined permitting process. Additional benefits include a low cost of doing business, reduced property taxes for data centers, no machinery and tools tax and a highly skilled workforce. The cable landing station in Corporate Landing provides high-capacity, reliable connectivity options to carriers, data center and co-location facility operators. Virginia Beach's infrastructure and economic potential have been ranked in the top 10 for mid-sized cities in the Western Hemisphere.

# A SHRINKING WORLD, A GROWING INTERNATIONAL HUB. HERE'S THE SUBSEA FIBER CABLE STORY, SO FAR:

- 1 Microsoft, Facebook and Telxius' MAREA cable connected Virginia Beach with Bilbao, Spain in Fall 2017
- 2 Telxius' BRUSA cable connects Virginia Beach with Rio De Janeiro, Brazil in 2018
- 3 SAEx announces new cable from Cape Town, South Africa to land in Virginia Beach in 2020
- 4 Globalinx purchases 11 acres of land in Corporate Landing to develop the first 138,000-square-foot carrier-neutral co-location campus in Virginia Beach
- 5 ACA International contracts for a 10-acre site in Corporate Landing to build 130,000-square-foot data center
- 6 NxtVn has acquired 10 acres of land adjacent to Corporate Landing to develop a data center campus

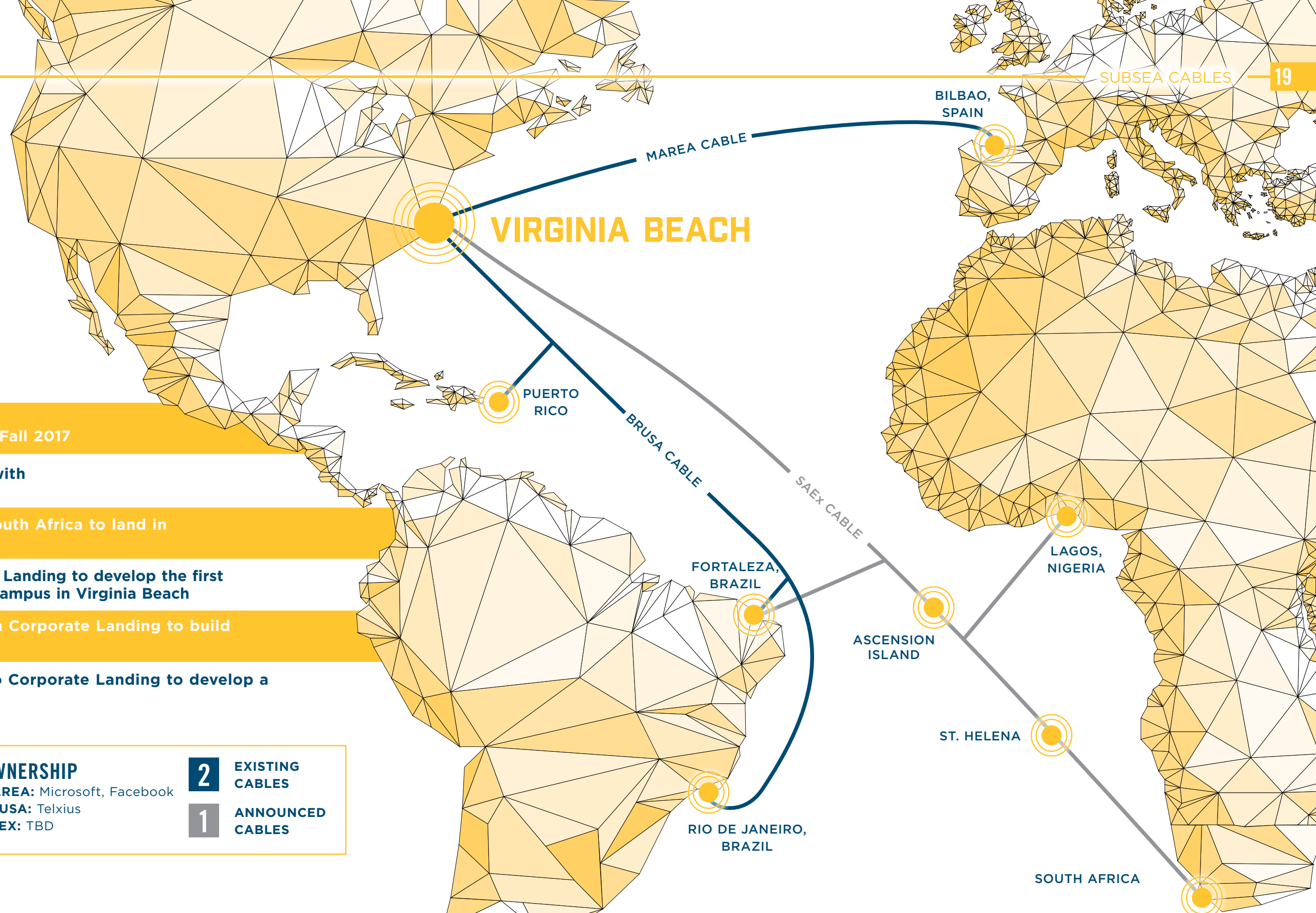
The carrier hotel and carrier-neutral data center being developed by Globalinx will offer any carrier direct access to these cables, which means businesses in Virginia Beach can reach customers in Europe, South Africa and South America more quickly and efficiently than from anywhere else in the world.

## OWNERSHIP

**MAREA:** Microsoft, Facebook  
**BRUSA:** Telxius  
**SAEX:** TBD

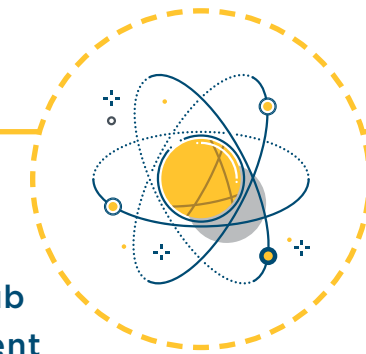
**2** EXISTING  
CABLES

**1** ANNOUNCED  
CABLES



# WE'VE UPDATED OUR BIO AGAIN

**LIFENET HEALTH**  
 In August, LifeNet Health, the top organ procurement organization and tissue processor in the world, announced that it would invest \$12.25 million to expand its global headquarters operation in Virginia Beach. The company announced expansions in three additional locations throughout the City and plans to add 321 jobs, making it one of the top employers in Virginia Beach. The expansion will add an 18,000-square-foot R&D facility, 20,000 square feet of office space and a 100,000-square-foot warehouse across three campuses, bringing LifeNet Health's total investment in Virginia Beach to more than \$70 million. The company also celebrated its 35th anniversary in 2017.

Virginia Beach continues to make waves as an emerging hub for biomedical and healthcare companies. The Development Authority took ownership of approximately 155 acres in the Princess Anne Commons corridor of Virginia Beach to create VABeachBio Innovation Park, the first biomedical research park in Hampton Roads. Here's what we helped make happen at the Park during the last year:

**Selected Olympia Development to construct the first building in the VABeachBio Innovation Park**

- 60,000-sq-ft facility
- VABeachBio Accelerator, a wet lab space with shared equipment designed for start-ups and international companies just beginning their journey in the American biomedical industry

**Established relationships with multiple international bio clusters, including:**

- Oxford Biotech Network in the United Kingdom
- ASEBio in Spain

**Partnered with Virginia Bio to promote workforce development and industry growth in biosciences**



More than 80 teams are vying to commercialize inventions and create start-up companies in Virginia Beach. A partnership with The Center for Advancing Innovation (CAI), the Challenge will create 20+ start-ups focused on veteran's health, including, but not limited to PTSD, diabetes, and cardiovascular disease in Virginia Beach.

Breakthrough inventions came from more than a dozen leading institutions, many from the Commonwealth of Virginia, including the University of Virginia, Virginia Commonwealth University, Virginia Tech and NASA Langley as well as the National Institutes of Health. To identify

these breakthrough inventions, CAI reviewed over 120,000 technologies from more than 150 universities, hospitals and federal laboratories in the United States spanning cardiovascular health, neurological disorders, diabetes, oncology, mental health and regenerative medicine.

Examples of inventions include a portable device for non-invasive cancer screening from NASA Langley, a miniature brain stimulation device to treat neurological disorders from Virginia Tech and a portfolio of best-in-class drugs to treat diabetes from the University of Virginia.

# INTERNATIONAL BUSINESS IS NOT FOREIGN TO US



**OVER 30  
INTERNATIONAL  
COMPANIES  
HAVE THEIR U.S. OR  
NORTH AMERICAN  
HEADQUARTERS  
IN VIRGINIA BEACH**

Virginia Beach has aggressively sought businesses from across the globe for decades. Some of our longest tenured and most successful local companies are foreign-based. Not only do more than 30 international companies have their U.S. or North American headquarters here, we also have dedicated international offices in Germany, Spain and the Philippines. When it comes to communicating our City's valuable assets, we all speak the same language. Here are some of our recent highlights:

**STIHL INC.** has continually grown and improved its campus facilities in Virginia Beach. The company announced plans to begin construction of the state-of-the-art, **80,000-sq-ft** administration facility as part of its commitment to growing U.S. operations in Virginia Beach. This expansion from the existing **21,000-sq-ft** administration building will allow STIHL to comfortably continue its anticipated growth at its Virginia Beach facility and allow the company to better serve its network of **9,000** independent servicing dealers and customers. The company will invest **\$25 million** in the project.

**IMS GEAR**, a German-based manufacturer of automotive equipment, will invest **\$1.05 million** to upgrade its

CNC cutting machine in Virginia Beach. The company's **115 employees** will be retrained to operate the new machinery with support from the Virginia Jobs Investment Program.

**HERMES ABRASIVES**, founded in Hamburg, Germany in 1927, is a leading manufacturer of industrial coated and bonded abrasives used in the automotive, aerospace, metalworking and woodworking industries. The VBDA was responsible for the initial location of the company's North American headquarters to Virginia Beach in 1979 and has assisted the company with several expansions over the years. In the FY2017-18, the company invested **\$3.75 million** and created **12 new jobs**.

## OTHER NOTABLE EVENTS:

- Opened a new European office in Madrid to assist the Spanish, Portuguese and French markets
- Established MOUs with three Spanish business institutions
- Our consultants in Germany and Spain attended 21 trade shows and 28 marketing events in Germany, Turkey, The Netherlands, Austria, Spain and France resulting in 160 leads.
- Created a social media marketing campaign for the Spanish-speaking market

# SWaM AND SMALL BUSINESS

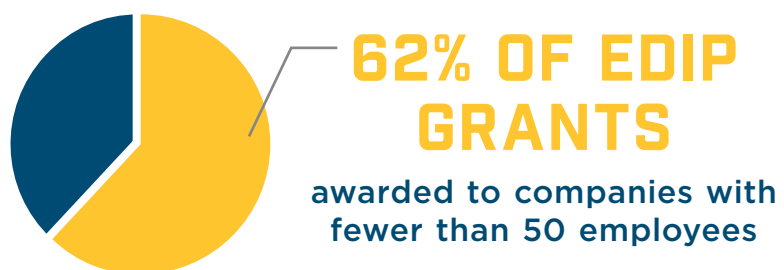
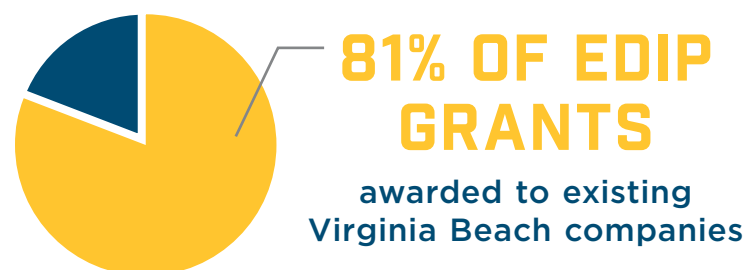
The VBDA seriously considers and supports small businesses. We use a targeted, comprehensive set of programs to support our small business community, including workshops and special events, funding of small business programming by Small Business Development Center of Hampton Roads and regional ODU Procurement Technical Assistance Center (ODU-PTAC), and hosting weekly counseling sessions, among other initiatives.

The Department strives to expand the breadth of services through outreach efforts and events to strengthen small businesses through training opportunities and facilitating business-to-business meetings. Notably, Virginia Beach accounts for one-third of the region's start-up activity. The City has twice the start-up activity of its closest neighboring cities. Approximately 95% of all Virginia Beach businesses have 50 or fewer employees.

From FY14 through FY18 (YTD), the VBDA awarded 85 EDIP grants totaling \$18.6 million. Of these, 81% (69 grants totaling \$15.9 million) went to existing Virginia Beach companies; 62% (52 grants totaling \$4.2 million) were awarded to companies with fewer than 50 employees or who were SWaM-certified.

Additionally, the VBDA contributes \$15,000 annually to the Small Business Development Center of Hampton Roads, and \$7,500 to the ODU-PTAC, to provide operational and marketing assistance to the City's small business community. Annually, SBDC provides services to approximately 250 Virginia Beach companies, while ODU-PTAC supports more than 30.

When working with relocation projects to the City, the VBDA regularly provides introductions to existing small businesses that may be able to provide services, support or supplies to potential new companies.



## HIGHLIGHTS:



- Hosted Bio-Focused SWaM Forum, September 2017
- Hosted 5<sup>th</sup> year of SWaM workshops
- 13 project announcements
- 48 new job announcements
- Retained 371 jobs
- \$14.68 million total investment
- 90,640 new square footage
- Co-sponsored 757 Accelerate



**CATAPULT** The City of Virginia Beach, in conjunction with the Navy and NASA, launched Catapult, a two-day expo and landmark event to connect Hampton Roads' academic and business tech talent pool with the renowned Naval Research Enterprise, as it serves a powerful and growing Naval fleet and force. Regional talent had an opportunity to discuss the areas of unmanned systems, cybersecurity and modeling and simulation. This marketplace gives local companies, including start-ups and entrepreneurs, the ability to meet with Naval technology experts and decision makers and learn how to become Naval suppliers, gain visibility and recognition as leading technology solutions providers, and maintain relationships.

# SUCCESS ACROSS THE CITY, ACROSS THE BOARD.

HIGHLIGHTS FROM ANOTHER BIG YEAR IN VIRGINIA BEACH,  
IN ALMOST EVERY CATEGORY.



## RETAIL

**WEGMANS**, a family-owned regional supermarket chain, broke ground on its Hampton Roads location in the Town Center/Central Business District area. The **130,000-sq-ft** store will include a parking deck and a mezzanine for café seating with the look and feel of European open-air markets.

**FLOOR & DECOR**, a leading specialty retailer of hard-surface flooring, opened its first Hampton Roads store in the former Kmart Town Center/Central Business District area. The **90,000-sq-ft** store and design center offers homeowners and contractors a superstore range of selections, showroom quality and warehouse prices.



## PROFESSIONAL SERVICES

**GET SOLUTIONS** will relocate its current corporate headquarters from 204 Grayson Road to 5465 Greenwich Road expanding from **11,600 sq ft** to **29,000 sq ft**. A capital investment of **\$3.65 million** includes real estate and equipment. GET will add **10 new full-time jobs** with average annual salaries projected to be **\$40,000**, excluding benefits.

**G2 OPS, INC.**, a small, women- and minority-owned business, has relocated and expanded its corporate headquarters creating **10 new jobs** with average salaries of **\$65,000**.

**WILLIAMS-SONOMA** and **POTTERY BARN**, two national retailers, opened in the Town Center of Virginia Beach. They occupy **18,000 sq ft** in the project's sixth phase of development.

**PARK LANE TAVERN**, a European tavern-themed restaurant, opened its first Southside location in the former Ruby Tuesday's in the KempsRiver Shopping Center.

**COOPER'S HAWK WINERY AND RESTAURANTS** based in Illinois, one of the largest winemakers in the U.S., will open an **11,000-sq-ft** tasting room and eatery in Lynnhaven Mall by the end of 2018.

**GEICO** announced more than **500 new jobs** for their Virginia Beach facility.

**IRONCLAD MEDIA**, a boutique media agency specializing in digital cinema, will relocate from **1,800 sq ft** at 207 25th Street and triple its footprint to **5,060 sq ft** with the purchase of a building at 1136 Jensen Drive. Ironclad will invest **\$675,000** in real estate and business equipment and add **three full-time** employees with salaries of **\$40,000**, excluding benefits. (APZ-1)



## DEFENSE

**CUSTOM PANEL & CONTROLS**, an electrical contractor for marine and commercial industries, relocated to a larger facility in the Lynnhaven corridor adding **15 new jobs** with average annual salaries of **\$50,000**. They will invest **\$3.22 million** on their expansion.



## MANUFACTURING

**BROAD BAY COTTON COMPANY** produces a variety of textile products such as backpacks, bags, aprons, and scrubs in addition to custom wood-based products such as plaques, trays, cutting boards and skateboards. Broad Bay Cotton Company is relocating from a **5,000-sq-ft** facility on Thurston Avenue to a **8,000-sq-ft** facility on Reliance Drive and will make a capital investment of **\$127,000** for furniture, fixtures and equipment for the expansion. (APZ-1)

**SEIGLER REELS** manufactures, assembles and distributes 10 models of performance fishing reels to U.S. and international retailers. The company is doubling in size and will bring a high-quality manufacturing operation to Virginia Beach, relocating six jobs here while creating **six to 12 new full-time positions** with salaries exceeding **\$37,000**. (APZ-1)

**OMNIIO** is an innovative and creative company providing goat milk bath and body products for the natural grocery and global gift industries. The company is relocating from **3,400 sq ft** at its current location at 2521 Engagement Court to **4,785 sq ft** at 2744 Sonic Drive. Omniio will invest **\$370,000** in the expansion and add four full-time jobs with salaries of **\$31,200**, excluding benefits. (APZ-1)



# SUDS AND SURF ARE UP IN VIRGINIA BEACH

13

## BREWERIES AND COUNTING!



### MANUFACTURING (CONTINUED)

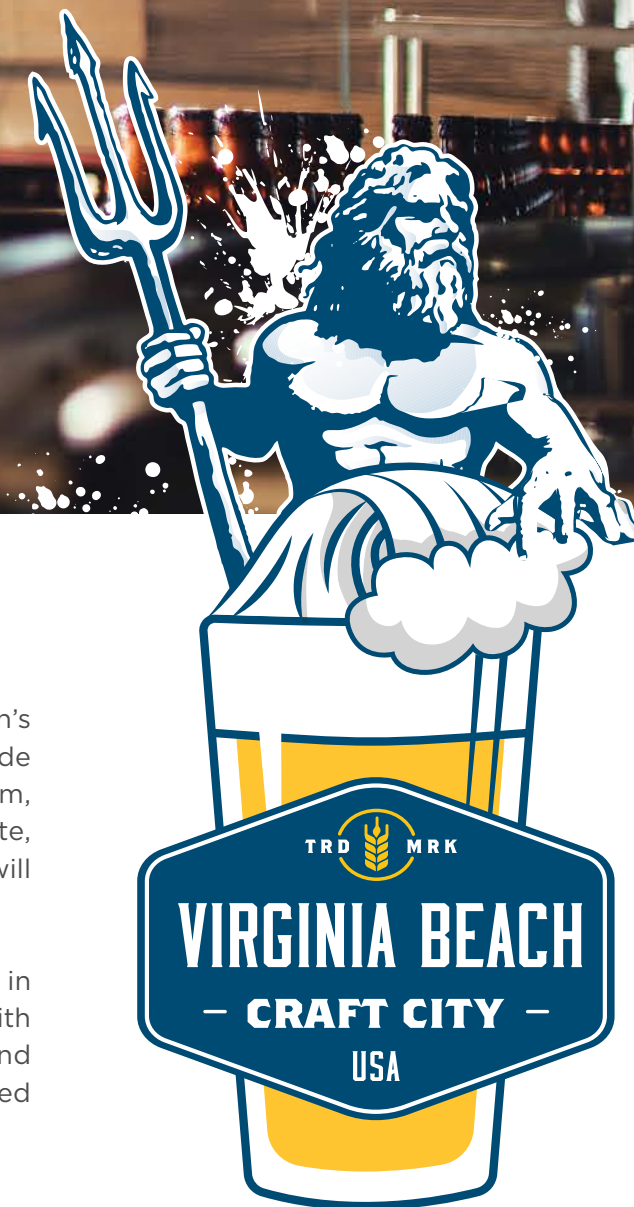
**NEW REALM BREWING**, the Southeast-based craft brewery, will open a second brewery and taproom in Virginia Beach. The **58,000-sq-ft** facility is capable of brewing **40,000 barrels** annually and will feature a tasting room with a wide variety of beers on tap, an outdoor beer garden and restaurant.

**VIBRANT SHORE BREWING** will open a craft brewery and tasting room at 505 18th St. in Virginia Beach's ViBe Creative District. The capital investment of **\$827,800** will include real estate, furniture and fixtures, and equipment.

**FARMHOUSE BREWING**, a partnership with Back Bay Brewing Co., has recently announced plans to build an additional **2,500-sq-ft** building that will become the first Virginia Farm Winery in Virginia Beach. The new facility will focus on producing hard cider using Virginia apples. **Five jobs** with average annual salaries of **\$45,000** will be added.

**ISLEY BREWING COMPANY** will open a second location in Virginia Beach's ViBe Creative District at 315 Virginia Beach Blvd. The new facility will include a brewery capable of producing **2,000 barrels** of beer a year, a tasting room, live music and events. The company will invest **\$825,000** in real estate, business property and machinery and tools. Additionally, **10 full-time jobs** will be created.

**MERMAID WINERY** opened a second regional location at 4401 Shore Drive in Virginia Beach. Virginia's first urban winery opened a **8,084-sq-ft** location with more than **\$1 million** in capital investment including real estate, machinery and furniture, fixtures and equipment. Mermaid Winery is a small, women-owned business and the expansion will bring **25 new jobs** to the City.





## ENTREPRENEUR

Several presenters at **1 Million Cups** Virginia Beach have made great strides and received regional and national recognition due to their participation. The program gives entrepreneurs a chance to present start-up ideas to mentors, advisors and entrepreneurs. Presenters learn ways they can improve their businesses, get real-time feedback, connect with a like-minded community and get an invaluable jumpstart for their vision. More than 1,150 people attended these sessions during the year, with over 40 entrepreneurs presenting their business vision and plans.

**1701 CoWorking**, in the City's ViBe District, has continued to grow, attracting 150+ entrepreneurs who use this facility to operate their businesses and collaborate with other business owners. More than 65 business licenses have been acquired by new companies at 1701 since opening in 2016. Fifteen "graduate" companies have created approximately 30 jobs in the community. New co-working facilities launched during the past year include College Park Executive Suites and The Annex.



**1,150 PEOPLE**  
ATTENDED SESSIONS

**40 ENTREPRENEURS**  
PRESENTED THEIR BUSINESS VISION AND PLANS



## 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. NAS Oceana generates 17,000 jobs with a total payroll of more than \$1.3 billion and is one of the most important components of the Virginia Beach economy.

### PROGRESS TO DATE



**56**

NON-CONFORMING  
COMMERCIAL PROPERTIES  
ELIMINATED



**\$3.1**

MILLION IN EDIP  
GRANTS AWARDED



**\$58.1**

MILLION IN NEW AND  
RETAINED PRIVATE  
INVESTMENT



**\$58.4**

MILLION COMMITTED TO 46  
BUSINESSES TO PROMOTE  
COMPATIBLE USES

COMPANY	AMOUNT OF INVESTMENT	AMOUNT OF EDIP
Broad Bay Cotton	\$127,000	\$10,000
Ironclad Media Alliance	\$675,000	\$30,000
Omnio	\$370,000	\$20,000
Southampton Roads Construction	\$1,243,000	\$60,000
EPIC Manufacturing	\$2,004,385	\$100,000
Seigler Reels	\$975,000	\$55,000

**TOTALS** ..... **\$5,394,385** ..... **\$275,000**



## GROWSMART

Virginia Beach Department of Economic Development understands the importance of advancing high-quality early childhood education to strengthen today's workforce while laying the critical foundation for the workforce of tomorrow.

GrowSmart brings the City, schools and community together to create stronger and healthier environments for our youngest citizens. By ensuring children have access to high-quality environments that support their emotional and cognitive development, we are investing in the City's human capital and future workforce.

During FY2017-18, Virginia Beach GrowSmart partners launched a new parent initiative called LENA Start. LENA Start uses innovative technology to improve interactive talk during the birth-to-3-year brain development window. In 2017-18, 46 families were reached through this 13-week parent class. Over 86% of the participants graduated and 62% of the families engaged were considered low-talk. All families saw growth in their adult words and conversational turns with the low-talk families showing higher gains. Parents reported reading nearly 1.5 times as much upon class completion and children whose parents participated in the program gained over two months of developmental skill each month.

**First Grade Mentoring Program: During the year, over 120 volunteers read to 125+ first grade students for a total of 3,275 volunteer hours. This equates to a \$87,620 volunteer service value.**

GrowSmart supports early education programs and connects them with Virginia Quality, the state's voluntary Quality Rating and Improvement System, that provides rating standards and professional development. In 2018, Virginia Beach had 35 programs engaged in Virginia's Quality Rating and Improvement System. Parish Day School was the first-ever Virginia Beach program to achieve the highest level of quality. GrowSmart also provides workforce support to our early education providers.



**12+ WORKFORCE TRAININGS  
AND/OR SCHOLARSHIP OPPORTUNITIES WERE PROVIDED  
TO OVER 365 PROVIDERS.**

## WORKFORCE DEVELOPMENT

Two manufacturing roundtables were held this year. A session at the Advanced Technology Center (ATC) enabled attendees to tour the City's public school classrooms and engineering labs. A second session at Old Dominion University provided an overview of digital manufacturing and the use of augmented reality as a training tool.

Departmental staff worked closely with the Virginia Employment Commission's SEVA Rapid Response Team and Opportunity, Inc. at the Virginia Beach Convention Center to coordinate a hiring event for transitioning Farm Fresh employees. According to the Rapid Response Coordinator, the Convention Center was an outstanding venue for conducting the hiring event, with the participation of 130 employers and over 800 attendees.

Virginia Beach City Public Schools Career and Technical Education students earned 13,161 industry credentials during the 2017-2018 school year. This is the highest number to

date and indicates students are prepared to enter directly into the local workforce. Other items of interest:

- Added a new Information Technology and Cyber Foundations course at the ATC to help connect students to the growing regional info tech field
- The HVAC program at the Tech Center completed full accreditation through HVAC Excellence
- Dual enrollment with Tidewater Community College was expanded to include Welding, Cybersecurity, CISCO, and Accounting
- The STEM Trifecta turned 10 years old with the addition of a STEM Career Expo

Tidewater Community College Center for Workforce Solutions conducted training for six companies and organizations impacting over 70 employees. In addition, nine companies were provided apprenticeship training affecting 50 employees.

## VIRGINIA JOBS INVESTMENT PROGRAM PROJECTS

COMPANY	CAPITAL INVESTMENT	EMPLOYEES		JOBS REIMBURSED	TYPES OF JOBS
		RETAINED	NEW		
Mythics	\$7,500,000	154	144	10	Accountants, Administration, Sales & Marketing
IMS Gear	\$1,050,000	295	115	-	Machine Operators
Sanjo	\$17,500,000	-	41	-	Administration, Maintenance Technicians, Quality Assurance, Supervisor, Warehouse
LifeNet Health	\$12,254,000	704	321	-	Research, Production, Administrative, Clinical

**\$38,304,000** ..... **1,004** ..... **770** ..... **10** ..... **TOTALS**

# ViBe CREATIVE DISTRICT

A hub for artists and spirits, roasters and restaurants, workouts and wares, museums and more, the ViBe is where our creative businesses have set up shop to share their passion and inspire a sense of discovery in locals and visitors alike.

ViBe Creative District was established to attract creative industries to a section of the Virginia Beach oceanfront that was identified for revitalization. It was once an incubator for small and emerging businesses. In 2015, the City established the boundary of the district by ordinance and declared it “an arts and cultural district and technology zone” with incentives established by the Virginia General Assembly.

In February 2018, an additional incentive was added to the program, the ViBe Creative District Matching Grant Program, to provide impactful support to small and locally owned and operated businesses located within the ViBe Creative District that fulfill the goals of the District. This program provides monetary matching grants to existing business owners or those who plan to buy or lease existing and/or vacant industrial or commercial property within the District. Grant funding from \$1,000 to \$15,000 can be used for building improvements, equipment to expand or modernize a business, and façade improvements.

## ViBe MATCHING GRANT FUNDING

The Authority awarded \$49,190 in matching grants to seven small businesses which will leverage \$162,690 in new private investment. Isley Brewing Company and Vibrant Shore Brewing, which received traditional grants, will also locate in the ViBe District.

COMPANY	AMOUNT OF INVESTMENT	AMOUNT OF EDIP
Commune Bakery LLC	\$110,000	\$15,000
1701 LLC	\$28,500	\$10,000
North End Bag Company	\$8,265	\$8,265
Evofit	\$1,925	\$1,925
Sugar Skull Creative LLC	\$4,800	\$4,800
Porpoise LLC	\$3,275	\$3,275
Wave Riding Vehicles	\$5,925	\$5,925

**TOTALS**.....\$162,690.....\$49,190



“We came to the ViBe district because we wanted to be around more creative businesses.”  
**Aaron & Sarah McLellan**  
OWNERS | NORTH END BAG COMPANY



**CITY OF VIRGINIA BEACH DEPARTMENT OF ECONOMIC DEVELOPMENT**

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