

PRINCESS ANNE LANDING: THE FULL PICTURE

What the deal delivers, what it costs, and how it was put together

A plain-language summary from the City's own records, prepared ahead of the August 11, 2026 City Council vote

The proposal: sell approximately 350 acres including Virginia Beach National Golf Course to Dragas Associates for \$17.94 million, renovate and reopen the course as a public facility, and build 659 condominiums, up to 20 stay-and-play cottages, and a daycare pad site. The information below is drawn from the City's agenda item, the draft Term Sheet, and the City's fiscal model, organized by what the deal includes and what it costs.

What the deal includes and what it costs

What the deal delivers	What it costs and involves
A \$38.16 million renovation addressing \$7.7 million in identified repairs and restoring the course to its original Pete Dye standard.	The City and its taxpayers do not receive net proceeds from this sale. The entire \$17.94 million price is escrowed and spent renovating the course, which the buyer will then own; the funds do not go to the general fund.
VB National stays a publicly accessible 18-hole course, redesigned in the Pete Dye style by his longtime protege, operated by Century Golf Partners.	In addition to the sale price, the Term Sheet contemplates the public adding \$1.82 million (VBDA), \$4.3 million (infrastructure), up to \$3.6 million (contingency), and up to \$10.2 million (Performance Grant), for total public exposure of up to \$19.9 million.
The City keeps a 99-year repurchase option if public golf ever stops for more than 24 months.	To use that option the City must buy the course back at fair market value or the investment recovery amount, whichever is greater.
Roughly \$3.4 million per year in projected new tax revenue at full buildout.	The \$10.2 million Performance Grant is roughly equivalent to three years of the projected \$3.4 million in new annual tax revenue. The course's existing payments to the City were \$589,480 in 2025; those payments end under the sale, and a decade at that level would total approximately \$5.9 million.
659 new for-sale homes, with 360 units targeted toward households earning up to 120% of Area Median Income, plus a childcare pad site.	The housing target is structured as a best-efforts clause, without a stated binding price, deed restriction, or income qualification specified in the Term Sheet. Based on the City's own model values, a starting police officer, firefighter, or teacher would not be able to afford one of the units at market pricing (see companion handout).
No financing contingency; the Developer is an established local builder with a 50-year record.	The Developer's affiliated company, Dragas Management Corporation, is the general contractor and collects a 10% fee inside every reimbursable cost. Furniture, fixtures, and equipment convey at no cost. The course closes 15 to 24 months after settlement.
First Tee's 50-acre youth golf facility is carved out and will be conveyed to the YMCA; 45 acres of woodlands and open space are preserved; a 1.8-acre daycare pad site is dedicated.	Settlement timing depends on approvals the Term Sheet describes as subject to the Developer's sole and absolute opinion, and the City covenants not to impair the Developer's interest. The Term Sheet does not include an assignment or anti-flip restriction, so the course and housing land could be resold after closing.

Context

City payment records show the course generated record payments to the City in 2024 and 2025, returning roughly \$319,000 to \$359,000 per year in rent and profit sharing over and above taxes, and its operators have paid more than \$2.2 million into a dedicated capital reserve since 2007. Per the City Council agenda item, the VBDA was responsible for capital maintenance above \$5,000 under the management agreement; the City Auditor's 2023 report identified \$7.7 million in unmet repair needs. The question before Council is how to address that maintenance gap, alongside a proposal that includes public funding layered on a purchase price that does not return to the general fund, housing commitments structured as best-efforts targets rather than binding requirements, and a process in which one bidder had roughly 18 months of confidential engagement before the public RFP was issued, with developer meetings held in groups of two council members at a time, below the three-member threshold that triggers Virginia's open-meeting law.

Parcels over time

AUG 2024 5 PARCELS mapped in the NDA's Exhibit A, kept confidential	OCT 2025 2 PARCELS offered in the public RFP that 8 competitors answered	JUN 2026 4 PARCELS conveyed in the negotiated term sheet
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Five parcels were mapped in the NDA's confidential Exhibit A (August 2024). The public RFP issued in October 2025 offered two parcels, which eight competitors responded to. The negotiated Term Sheet unveiled in June 2026 conveys four parcels, four of the same five mapped in the confidential 2024 exhibit. This progression shows that the confidential NDA identified five parcels, the public RFP offered two parcels, and the final Term Sheet conveys four parcels.

How this deal came together, in the City's own documents

Date	What the City's own records show
Oct 13, 2023	The City Auditor releases its audit of VB National, identifying substantial capital and maintenance needs. Unsolicited purchase interest from groups led by Dragas Associates and L.M. Sandler and Sons follows.
Apr 22, 2024	Dragas and her attorney meet privately with the Deputy City Manager and Deputy Economic Development Director. Staff email the next day: Dragas wants a for-sale home and condo community adjacent to VB National, and asks for the City's cost reports.
May 29, 2024	Staff arrange to share course documents with Dragas as soon as the VBDA's asset committee has previewed them, before the full VBDA board has seen them.
Jul 16, 2024	Dragas's Vice President sends the City an agreement titled "Exclusivity/Non-Disclosure Agreement" for review.
Aug-Oct 2024	The City Manager signs the NDA (Aug 7). Its signature clause calls it an "Exclusivity and Mutual Non-Disclosure Agreement," and Section 2(c) commits the City to withhold the information even from members of its own appointed committees and commissions. A Senior City Attorney transmits the signed copy under the subject line "VB/Dragas Non-Compete." The NDA's own Exhibit A maps five parcels, three more than the public RFP will later offer. Dragas then submits a detailed document list (leases, stormwater studies, facility assessments, five years of financials, wetlands and drainage records) and staff deliver them through shared folders.
Sep 4-6, 2024	L.M. Sandler and Sons, the other unsolicited proposer, also meets privately with staff including the City Manager. Both developers had private meetings with staff; only Dragas received the exclusivity NDA and the follow-on document sharing.
Sep 23-27, 2024	Dragas texts three Council members directly about an "exciting proposal." Under Virginia FOIA, three or more members discussing public business is a public meeting requiring advance notice; the meetings were held in groups of no more than two, and the Mayor's own reply cites the legal limit on how many members can gather at once. One meeting is set in the Mayor's office; a third member meets the Dragas team at City Hall the next day. No violation of the law is documented, and no public was in the room.
Oct 12, 2025	Nearly 18 months after talks began, the public RFP is issued. It offers two parcels. Eight other groups respond alongside Dragas on that basis.
Jun 16-17, 2026	The negotiated term sheet is unveiled. The deal now spans four parcels, including Brown Farm land bought with Commonwealth Oceana/ITA conformity funds that must be partially repaid (\$178,000).
Jun 28-Aug 11, 2026	The legal notice misstates the acreage, moving the vote from July 14 to August 11. Residents attend two public hearings, some requesting delay and independent review; a federal lawsuit is filed.

This course pays the City, not the other way around

The City's own payment summary shows VB National returned record amounts in 2024 and 2025: rent and profit sharing over and above taxes, plus a dedicated capital reserve payment intended to fund the repairs now cited as a reason to sell.

Year	Rent + profit sharing	Capital reserve paid	Taxes paid	Total to City
2024	\$319,448	\$235,285	\$143,107	\$697,840
2025	\$358,724	\$230,756	\$140,462	\$729,942
2007-2025	\$2,803,492	\$2,216,058	\$1,576,821	\$6,596,371

Rent and profit sharing is money to the City beyond taxes. The capital reserve column is the operator's separate payment stream dedicated to capital maintenance. Figures are from the City's own 2007-2025 payment summary.

Capital reserve: payments versus current balance

Since 2007 the course operators have paid \$2,216,058 into a dedicated capital reserve, intended to fund the capital maintenance the VBDA is responsible for under the management agreement (items over \$5,000). The Term Sheet states the VBDA "currently holds \$750,000" in the VBN Maintenance Account, while the City Auditor identified \$7.7 million in unmet repair needs. A full accounting of the reserve, how much came in year by year and what it was spent on, would clarify this gap. This is a question, not an accusation; it may have a straightforward explanation, and placing that information on the record before the vote would allow the public to evaluate the maintenance rationale for the sale directly.

Other funding tools available to the City

Virginia Beach maintains a Tourism Investment Program (TIP) fund, fed by hotel, meals, and admissions taxes, used to build and sustain tourism assets. TIP built the \$68 million Sports Center at the Oceanfront in 2020. When that facility lost more than \$1.3 million a year, TIP paid an additional \$6.1 million in 2024 to buy out its operator; the Mayor noted it was "paid for with tourism dollars and not the general fund." In March 2024, Council dedicated \$18.5 million more for improvements at four sports facilities including the Virginia Beach Sportsplex, within a capital project already carrying \$6.9 million in TIP appropriations. The Term Sheet describes this deal as adding to the City's sports tourism market. VB National's identified repair need is \$7.7 million, about one ninth of what TIP spent on the Sports Center alone, and the course has generated revenue for the City in recent years. It is not clear from the public record whether a TIP-funded renovation option, one that would keep the land, the course, and its revenue in public hands, was analyzed and set aside, or whether it was not studied.

What the public holds now, and what it would hold after

Today	After the sale
The public owns approximately 350 acres of land in the Courthouse corridor.	Dragas would own roughly 350 acres, about 300 for the golf course and 52 for housing, including 659 condominiums on land that was not part of the public RFP's two-parcel scope.
The course pays the City roughly \$730,000 a year in rent, profit sharing, reserve payments, and taxes; this total has grown each year since 2020.	The rent, profit sharing, and reserve payment streams end. New real estate taxes phase in over time, with early years directed to the Developer under the Performance Grant.
Council controls the property's future and can direct funding for repairs, including through TIP, as it has for other sports facilities.	Council's leverage is a repurchase option requiring payment of fair market value to exercise, and future modifications to the deal are subject to the City Manager's discretion regarding what returns to Council.

After the vote: who reviews future changes

The Term Sheet anticipates "refinements, adjustments, and evolution of the business terms," and whether a future change is material enough to return to Council "will be determined by the City manager upon consultation with the City attorney and in their sole reasonable discretion." The City Manager and City Attorney, who negotiated the transaction, would also determine whether Council reviews future changes to it. The 659 homes still require a conditional rezoning with Planning Commission and Council public hearings, so the housing component returns for public input; the underlying land transaction, once approved, largely does not return to Council absent a determination that a change is material.

What the City and Developer say

The City Attorney says the NDA was authorized under Council's adopted policy for evaluating economic development partnerships, and that any interested party could have sought and obtained the same information provided to Dragas. The Mayor says the RFP itself leveled the playing field. Dragas says she received no nonpublic information and simply did her homework. These statements can be considered alongside the timeline above, which shows confidential discussions beginning approximately 14 months before the public RFP was issued, an RFP scoped to two parcels, and a final deal scoped to four.

Open questions ahead of the August 11 vote

- Why the final deal conveys four parcels when the public RFP and competing bidders addressed two.
- Whether the confidential record shared under the NDA will be made available to the public and the other bidders.
- Whether the housing commitment, an assignment/anti-flip restriction, and the threshold for what returns to Council will be defined in binding terms.
- What became of the \$2.2 million in capital reserve payments collected since 2007, relative to the \$750,000 the Term Sheet says is currently held.
- Whether a TIP-funded renovation option that keeps the course, land, and revenue in public hands was analyzed.

The deal in nine numbers

Number	What it means
\$17.94M	Sale price. The full amount is escrowed and reinvested in the course, which the buyer will own; it does not go to the general fund.
Up to \$19.9M	Total public funding contemplated on top of the sale: VBDA funds, infrastructure, contingency, and the Performance Grant caps combined.
\$6.6M	What the course has paid the City in rent, profit sharing, reserve payments, and taxes since 2007, with the highest annual totals in 2024 and 2025.
\$2.2M vs. \$750K	Capital reserve payments collected since 2007, versus what the Term Sheet states the VBDA currently holds.
\$7.7M	The identified repair backlog per the 2023 City Audit, about one ninth of what the TIP fund spent building the Sports Center alone.
5 - 2 - 4	Parcels mapped in the confidential NDA exhibit, parcels offered in the public RFP, and parcels conveyed in the final deal.
18 months	Approximate length of confidential discussions before the public RFP was issued.
2 at a time	The maximum number of Council members who met with the developer at once, below the three-member threshold that triggers Virginia's open-meeting law.
9 votes	The Council supermajority required to approve the sale on August 11.

Sources

City of Virginia Beach FOIA production, April-October 2024 (staff emails; Dragas "Exclusivity/Non-Disclosure Agreement" transmittal July 16, 2024; Senior City Attorney email "VB/Dragas Non-Compete" August 13, 2024; Dragas Document List August 27, 2024; Sandler meeting recap September 6, 2024; September 2024 Dragas-Council text messages). Mutual Non-Disclosure Agreement, August 7, 2024, executed by the City Manager: Section 2(c) and Exhibit A (five GPINs). RFP #ED-25-04, October 12, 2025 (two GPINs). Draft Term Sheet, Princess Anne Landing (four GPINs; materiality clause p. 2; Performance Grant Sec. 10(a); GC fee Sec. 5(d); FF&E Sec. 3(d); repurchase Sec. 9). City Council Agenda Item (funding figures, \$178,000 Commonwealth repayment, nine-vote requirement). City fiscal impact workbook. City summary of VBN rent and tax payments, 2007-2025 (2024 rent and profit sharing \$319,448; 2025 \$358,724; 2025 total operator payments \$589,480; cumulative capital reserve payments \$2,216,058). Management agreement responsibilities per the City Council Agenda Item (operator responsible for maintenance under \$5,000; VBDA responsible for capital maintenance above it). City Attorney and Mayor statements per WAVY/Virginian-Pilot coverage, July 2026. TIP fund uses: \$68 million Sports Center funded by the Tourism Investment Program and \$6.1 million TIP operator buyout (WAVY, Feb. 2023 and Nov. 2024; 13News Now, 2024); March 2024 Council resolution dedicating \$18.5 million to four sports facilities including the Sportsplex, in capital project #100629 carrying \$6.9 million in prior TIP appropriations (WAVY, Mar. 2024). Va. FOIA: three or more members discussing public business is a "meeting" (Va. Code 2.2-3701, 2.2-3707). GPIN lists available on request; verify every claim against the originals.