THE CASE AGAINST THE PRINCESS ANNE LANDING TRANSACTION

A consolidated reference of documented concerns regarding the proposed sale of the Virginia Beach National Golf Course property to Dragas Associates, Inc.

Prepared July 31, 2026 for the August 11, 2026 City Council vote

How to read this document. Each item states a concern and cites its source. Items are drawn from the City's own documents wherever possible: the draft Term Sheet, the Council agenda item, the RFP, the executed Non-Disclosure Agreement, the City's FOIA production, the City's payment records, and the City's published pay plans. Items that rest on estimates, assumptions, or matters still requiring verification are marked in brackets. This is a reference compilation with a point of view; every factual claim is checkable against the cited original, and readers are encouraged to check.

1. The Money

The City nets zero dollars from the sale. The entire $17,940,000 purchase price is deposited into an escrow account and spent on the renovation of the golf course the buyer will then own. No portion reaches the general fund.

Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 3(a) and 5(b)*

Public money stacks to roughly $19.9 million on top of the recycled purchase price. $1.82 million in Authority funds, a $4.3 million Public Infrastructure Cap, a $3.6 million Project Cap for course overruns, and a Performance Grant of up to $10.2 million, itself adjusted upward by inflation.

Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 5(a), 7(a), 7(b)(i), 10(a); City Council Agenda Item, public hearing July 7, 2026*

The caps are not caps. Section 7(b)(ii) states the Developer pays all costs above the two caps. Section 10(a) then opens with the words Notwithstanding any other provision of this Agreement and reimburses the Developer for exactly those costs through the Performance Grant.

Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 7(b)(ii) and 10(a)*

The Performance Grant is funded by the new homebuyers themselves. The grant is funded by annual appropriations equal to the incremental real estate taxes paid at the property. Because the pre-sale baseline is defined as zero, the increment equals one hundred percent of the property's real estate taxes. The 659 households pay property taxes from day one; those taxes are contractually routed to reimburse the Developer's overruns, up to $10.2 million plus inflation, before reaching the general fund, while the City provides police, fire, and school services to the new neighborhood throughout. The $10.2 million equals roughly the first three years of the projected $3.4 million in annual new taxes.

Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Section 10(a)(i) and (ii)*

A 10 percent related-entity fee rides on every reimbursable dollar, including reimbursed overruns. Dragas Management Corporation, a related entity to the Developer, serves as general contractor, and all Developer reimbursable costs include its 10 percent fee. Cost overruns reimbursed through the Performance Grant therefore carry a built-in margin for the Developer's own company.

Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 4(b) and 5(d)*

The City surrenders a profitable and growing asset. VB National returned record amounts to the City in its final two years: $697,840 in 2024 and $729,942 in 2025, including $319,448 and $358,724

respectively in rent and profit sharing over and above taxes. Total returned since 2007: $6,596,371. At 2025 levels, a decade of surrendered payments is about $5.9 million.
Source: *City summary of VBN rent and tax payments, 2007 to 2025*

This is not a failing golf course; it is a failed landlord. Under the management agreement, the operator handles maintenance under $5,000 and the VBDA is responsible for capital maintenance above it, funded by the operator's dedicated capital reserve payments. Operators paid $2,216,058 into that reserve since 2007. The Term Sheet says the VBDA currently holds $750,000. The City Auditor identified $7.7 million in unmet needs. The deterioration cited as the reason to sell reflects the Authority's failure to perform funded maintenance, not a lack of golfers or revenue. Where the reserve money went remains unanswered.
Source: *City Council Agenda Item, public hearing July 7, 2026; Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Section 5(a); City summary of VBN rent and tax payments, 2007 to 2025* ***[FOIA request drafted; accounting pending]***

The Tourism Investment Program alternative was never publicly analyzed. TIP, funded by hotel, meals, and admissions taxes, built the $68 million Sports Center, paid $6.1 million more in 2024 to buy out its failed operator, and funds a sports facilities capital project exceeding $25 million including the Virginia Beach Sportsplex. VB National needs $7.7 million, one ninth of the Sports Center alone, and unlike the Sports Center it produces net revenue. No analysis of a TIP-funded renovation that keeps land, course, and revenue in public hands appears in the public record.
Source: *WAVY (Feb. 2023, Mar. 2024, Nov. 2024); 13News Now (2024); City Council Agenda Item, public hearing July 7, 2026*

The land price is roughly $51,000 per acre, and the furniture goes free. Approximately $17.94 million for approximately 350 acres in the appreciating Courthouse corridor, with all furniture, fixtures, and equipment conveyed to the Developer at no cost.
Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 1 and 3(d)*

The $18.4 million in Additional Private Investment is unitemized, unsecured, and unbonded. The Term Sheet lists categories (clubhouse upgrades, cottages, putting course, grand entrance, equipment) with no dollar breakdown, no financing commitment, and no security, yet the same figure inflates the price the City must pay to ever repurchase the course through the Investment Recovery Amount formula.
Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 2(a) and 9(b)(ii)*

The 99-year repurchase option is weaker than advertised. It triggers only after public golf stops for more than 24 months, requires the City to pay the greater of fair market value or the Investment Recovery Amount, is exercisable only if the City commits to operate an 18-hole course or agreed facility itself within two years, and excludes the residential and daycare land entirely.
Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Section 9*

Nothing binds Dragas to stay. The Term Sheet contains no assignment restriction and no anti-flip provision. After closing, the renovated course and the entitled residential land, improved substantially with public money, could be resold to any buyer. Settlement timing itself rests on approvals judged necessary or desirable in the Developer's sole and absolute opinion, and the City covenants not to take any action that would impair, encumber, or diminish the Developer's interest.
Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 3(b) and 3(c)*

The deal unwinds a state-funded conservation purchase. The Farm Property was acquired with Commonwealth Oceana and ITA conformity grant funds specifically to prevent development encroachment; selling it for this project requires repaying an estimated $178,000 to the Commonwealth.
Source: *City Council Agenda Item, public hearing July 7, 2026*

2. The Process

An 18-month confidential head start. City staff first met privately with Dragas and her attorney on April 22, 2024. The public RFP issued October 12, 2025. In between, a confidential document pipeline delivered leases, stormwater studies, facility assessments, five years of financials, wetlands and drainage records, with documents shared with Dragas ahead of the full VBDA board.

***Source:** City FOIA production, April to October 2024 (April 19-23 and May 29, 2024 emails; August 27, 2024 Document List)*

An exclusivity NDA, signed without a Council vote, walling off the City's own oversight bodies. The City Manager signed the agreement August 7, 2024. Its execution clause names it an Exclusivity and Mutual Non-Disclosure Agreement; a Senior City Attorney transmitted the signed copy under the subject line VB/Dragas Non-Compete; and Section 2(c) commits the City to withhold the information from any member of any appointed committee or commission of the City, excluding the VBDA and the TA/ITA Citizens Advisory Committee by definition. The Manager's charter authority to sign it remains unconfirmed.

Source:** Executed NDA, Aug. 7, 2024; City FOIA production, April to October 2024* ***[FOIA F022004-071726 pending on signing authority]

The developable footprint was defined in private the day after the NDA. On August 8, 2024, staff mapped the yellow area outside the ITA overlay, about 42 acres, the portion of the property where residential development is possible.

***Source:** City FOIA production, April to October 2024 (Aug. 8, 2024 email)*

The parcel shuffle: five, then two, then four. The NDA's Exhibit A mapped five parcels in August 2024. The public RFP offered two. The negotiated deal conveys four, including roughly 110 acres of adjacent farm parcels no competitor could bid on. Of nine RFP respondents, only Dragas's proposal referenced adjacent City property beyond the RFP scope. Eight competitors priced a two-parcel offering; the party who helped define the footprint in private negotiated a four-parcel deal.

***Source:** NDA Exhibit A; RFP #ED-25-04; Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Section 1; review of respondent proposals via public document library*

Three Council members took the developer's pitch in private, structured to stay outside the open-meeting law. In September 2024, Dragas texted three Council members directly about an exciting proposal. Meetings were arranged in groups of no more than two, below Virginia FOIA's three-member public-meeting threshold; the Mayor's own reply cited the legal limit on how many members can gather at once. No violation of law, and no public in the room.

***Source:** City FOIA production, April to October 2024 (Sept. 23-27, 2024 text messages); Va. Code 2.2-3701, 2.2-3710*

Council never reviewed all nine proposals. Asked directly at a District 2 town hall before roughly 25 witnesses whether Council had reviewed all nine proposals submitted for the property, City Attorney Mark Stiles said no.

***Source:** First-person witnessed exchange, District 2 town hall, July 2026*

The committee with jurisdiction was excluded, then overridden twice. The TA/ITA Citizens Advisory Committee, whose charter covers this land, was never consulted before the deal and formally recommended denial twice, on January 7 and July 6, 2026. The vote proceeds regardless. By contrast, a 10.6-acre Historic Kempsville parcel received Citizens Advisory Committee input before its RFP even issued.

***Source:** CAC letters of Jan. 7 and Jul. 6, 2026; July 14, 2026 Council agenda (Historic Kempsville item)*

The required public hearing exists only because the first one was defective. The June 28, 2026 legal notice misstated the acreage, forcing re-advertisement and moving the vote from July 14 to August 11 to satisfy Va. Code 15.2-1800.

***Source:** Virginian-Pilot legal notices; Va. Code 15.2-1800, 15.2-1813*

After the vote, Council is largely out of the loop by design, and the nine-vote safeguard has a staff-controlled trigger. Re-authorization by a nine-vote supermajority is required only if a change to the transaction is material. Whether any change is material will be determined by the City Manager upon consultation with the City Attorney and in their sole reasonable discretion. The ordinance pre-authorizes the City Manager to execute the binding Purchase and Development Agreement with such other terms, conditions or modifications as may be acceptable to the City Manager. The charter-level supermajority protection therefore operates only when the same offices that conducted the confidential process, signed the exclusivity NDA without a Council vote, and structured the transaction decide it should. That is the whole safeguard, and it is in their hands, not Council's.

***Source:** Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), page 2; Ordinance, paragraphs 2 and 3; City Council Agenda Item, public hearing July 7, 2026 (nine-vote requirement)*

The City becomes the rezoning applicant's contract partner before its own review begins. Council is asked to authorize the sale before the Planning Commission has heard the required conditional rezoning. The Term Sheet then obligates the Developer to obtain rezoning with the City's cooperation as a contract partner, with the parties attempting to obtain all approvals by June 30, 2027. The City will be contractually aligned with the applicant in the very land use review it is supposed to judge impartially. The rezoning is prejudged by contract before the first public hearing on it.

***Source:** Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 8(d) and 8(e)*

The public roads and utilities will be sole-sourced, not competitively bid. The Term Sheet states the parties anticipate a sole source determination under the Virginia Public Procurement Act for the design and construction of the Public Infrastructure Improvements, the turn lanes, road widening, utility relocations, sidewalks, and sewer extensions the public is paying up to $4.3 million for. That public work flows through the Developer's related-entity general contractor with its 10 percent fee, subject only to best efforts to solicit three bids on material components.

***Source:** Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 4(d), 5(d), 6, and 7(a)*

The City's golf revenue ends before the sale even closes, and then the course closes. Upon Council approval of the Term Sheet, an interim management agreement allows the Developer to operate the course and retain all revenues generated there before Settlement, agreeing to reinvest an equal amount in operations. The City's rent, profit sharing, and reserve stream, $729,942 in 2025, stops at that point, not at closing. The course then closes to public play for an expected 15 to 18 months, up to 24.

***Source:** Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 2(a)(v) and 8(e); City summary of VBN rent and tax payments, 2007 to 2025*

The public has never seen a final document. The only published Term Sheet bears a DRAFT watermark and an unexecuted date line reading June blank 2026. Reports that vote commitments were secured before the required hearing remain unverified hearsay and are the subject of a drafted records request.

***Source:** Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026) (as published)*
[Verify: current version FOIA drafted; vote-count reports are hearsay pending records]

Count the strings, then judge the label. The City Attorney has characterized this transaction as a straight land sale. A straight land sale conveys property, collects the price, and ends at closing. This transaction includes: an escrow account the City administers to disburse the buyer's own purchase price back into her construction project through monthly draw requests; $1.82 million in Authority funds added to that escrow; up to $4.3 million in infrastructure reimbursement and $3.6 million in overrun reimbursement; a Performance Grant capturing the property's real estate taxes for annual Council appropriations to the Developer for years, up to $10.2 million plus inflation; a 99-year repurchase option enforcing a public golf covenant; a City right to enter and maintain the property during closures; a contractual obligation to cooperate as the Developer's contract partner in rezoning; an anticipated sole-source determination for public infrastructure built by the Developer's related entity; jointly funded subdivision of the City's own land; and a mutual Plan of Development with milestones, termination rights, and a staff-controlled mechanism for deciding what changes ever return to Council. No legal conclusion is offered here. The features are listed from the document itself; readers can judge for themselves whether straight land sale describes them.

Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 1(g), 3, 5, 6, 7, 8, 9, and 10; City Attorney characterization per public statements, July 2026*

3. Planning and the Comprehensive Plan

The housing conflicts with four of the six core goals of the City's own Comprehensive Plan. The CAC's July 6, 2026 denial letter found the added density conflicts with four of the six stated goals of Imagine VB 2040.

Source: *TA/ITA CAC letter, July 6, 2026*

It directly collides with the pending ITA and Vicinity Master Plan Update. The relocation of golf holes 2 and 3 required by the Dragas plan needs land the Master Plan Update designates for other use. The CAC recommended denial of both proposals for this structural conflict. Two City initiatives that contradict each other are advancing simultaneously.

Source: *TA/ITA CAC letter, July 6, 2026*

The density is an order of magnitude out of scale for the location. Approximately 659 units on roughly 42 to 52 developable acres is about 13 to 16 units per acre, against the Transition Area design guideline of one dwelling per acre south of the Green Line and the ITA overlay standard of one dwelling per 15 developable acres inside the ITA, on land at the edge of the corridor the City and Commonwealth spent years and public money protecting from residential encroachment after BRAC 2005.

Source: *City Comprehensive Plan, Princess Anne Commons and Transition Area chapter; CZO Section 1806; RFP #ED-25-04 zoning section*

4. AICUZ and Jet Noise

Three of the four parcels sit inside the ITA in 65 to 75 dB DNL noise zones. Precision overlays run against the City's own GIS services confirm GPINs 1494-34-4919, 1494-13-7202, and 1494-03-5237 inside the ITA boundary in 65-70 or 70-75 DNL zones; only the roughly 48-acre housing parcel, 1494-52-3434, falls outside the ITA, at the edge of the 65 DNL contour.

Source: *City of Virginia Beach ArcGIS services (Planning MapServer/26; AICUZ MapServer/0), queried July 2026*

The noise contours are decades old; a study flown today would draw different lines. The adopted AICUZ contours trace to noise studies conducted roughly two decades ago, reflecting the aircraft mix and flight operations of that era, not the aircraft flying from Oceana today and not any future airframe, such as the F-35C, that could be based there. Newer aircraft generally present louder noise profiles than the airframes the old studies modeled, so a study conducted today would not be expected to shrink the contours or favor residential development at their edge. Homes permitted at today's drawn line could sit inside a louder zone if the contours are ever redrawn, and by then the encroachment is permanent and becomes political pressure against the base itself.

Source: *Adopted City AICUZ overlay* ***[Verify the adopted study's date and aircraft assumptions against the AICUZ document itself before publication]***

The Navy's compliance letter narrows, rather than resolves, the concern. NAS Oceana's Planning Liaison confirmed in writing: no portion of the site is in any Accident Potential Zone; the Navy relies entirely on the City's AICUZ overlay and CZO Article 18 and has never requested project-specific impact studies; and on that basis the proposal is CZO-compliant. Navy compliance therefore means compliance with the existing overlay. The age of that overlay is the concern.

Source: *Correspondence from John Lauterbach, Planning Liaison, NAS Oceana and Dam Neck Annex, July 2026*

5. Environment and Stormwater

The City's own advisory committee found the soils and drainage unsuitable for the density proposed. The CAC's July 6, 2026 letter cites ITA soil and drainage suitability concerns among its grounds for denial.
Source: *TA/ITA CAC letter, July 6, 2026*

The Term Sheet concedes stormwater governs the entire redesign. The Course Redesign will be driven by stormwater design requirements, and includes all stormwater facilities necessary to serve the Property and Project. The course's lakes and drainage easements serve surrounding areas; redesigning them affects the neighbors.
Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Section 2(a)(i)*

The key stormwater study sits behind the NDA. A VHB stormwater study was among the documents delivered to Dragas under the NDA. Whether it is a City-commissioned public infrastructure study or Dragas-specific work product, and who engaged and paid VHB, is unestablished.
Source: *City FOIA production, April to October 2024 (Aug. 27, 2024 Document List, VHB stormwater study)* ***[Provenance unverified; records follow-up identified]***

A federal Clean Water Act suit was dismissed on timing, not merits. SFF Conservation Initiative and Rachel Clarkson v. City of Virginia Beach (E.D. Va.) was dismissed on ripeness grounds and is expected to be refiled as the project advances.
Source: *Case No. 2:26-cv-00738 (E.D. Va.), July 2026 filings*

6. The Housing Promise

The affordability commitment is best efforts only. The Developer shall use best efforts to target two of four product types to households earning under 120 percent of AMI. No binding sale price, no deed restriction, no buyer income qualification, no stated remedy if prices come in higher, and, per the items above, not even a commitment that Dragas remains the owner.
Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Section 2(d)*

The people the housing is named for cannot buy it, at hire or at five years. At the City fiscal model's $374,600 value for the two targeted product types, a starting Virginia Beach police officer, firefighter, or teacher would need 62 to 67 percent of gross pay for housing; at five years of service, 54 to 61 percent. A five-year officer married to a five-year firefighter, $136,532 combined, misses the standard 28 percent lending test at 5 percent down by $54 a year. A family at the very top of the targeted band, $129,240, fails every financing scenario tested.
Source: *City fiscal model; City Salary Structure eff. 7/9/2026; VBCPS step scale SY 2026-27; VBPD published figures; Freddie Mac PMMS 7/30/2026 (6.66%)* ***[Step-advancement and cost assumptions documented in the companion affordability handouts]***

FHA makes it worse; VA helps only veterans, and only barely; neither works without approvals nobody has promised. FHA's mortgage insurance raises the required income to $137,459, above conventional 5 percent down. A zero-down VA loan lowers it to $134,445, enough for the officer-firefighter couple only if one is a veteran. Both FHA and VA condominium lending require the project itself to hold FHA or VA approval, which new construction lacks by default and which nothing in the Term Sheet commits the Developer to obtain.
Source: *Companion affordability analysis (assumptions stated therein); Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026)*

All 659 units are condominiums with undisclosed fees, in formats that make the targets harder. Condominium fees for a community with clubhouse, pool, and fitness center are not disclosed and are excluded from every affordability representation. The one- to three-bedroom formats of the targeted product types attract one- and two-person households, whose HUD household-size-adjusted AMI ceilings are lower than the advertised four-person figure.

Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Section 2(d); HUD income-limit methodology* ***[Household-size ceilings derived from standard HUD factors; verify against published FY2026 table]***

The marketing borrows credibility the commitment does not match. The project's public materials cite the developer's Spence Crossing record at 100 percent of AMI while the actual Princess Anne Landing commitment is the materially looser 120 percent ceiling.

Source: *renewvbnational.com residential materials, captured July 2026*

The circle closes on the buyers themselves. The Performance Grant is funded by the property taxes of these same purchasers, routed to the Developer's overruns before the general fund, in a project that advertises a daycare pad site its own price-targeted neighbors cannot afford to use, using childcare costs no lending ratio even counts.

Source: *Draft Term Sheet, Princess Anne Landing, Exhibit A to the ordinance (public hearing July 7, 2026), Sections 2(e) and 10(a)*