

Economic Development Authority of the City of Portsmouth

November 16, 2021

9:00 AM

COMMISSIONERS PRESENT:

Ray A. Smith, Sr. – Chairman
Malcom Mitchell – Vice Chairman
Bette "Cathy" Drewry
Neal J. Barber
Theresa J. Saunders-Smith
Anthony Brown

ALSO PRESENT:

Brian Donahue - Assistant Secretary
Jeff Miller – Deputy City Attorney
Kelsey Swieringa - Assistant City Attorney
Angel Jones – City Manager
Robert D. Moore – Interim Deputy City Manager,
Secretary
Patti Philips - Finance

ABSENT:

Barbara B. Smith

GUEST:

Aires Coleman – CLA
Greg Bussink – CLA, virtual

Welcome & Call to Order

- The Chairman called the meeting to order at 9:02 a.m.

Roll Call

- Mr. Donahue called the roll. There was a quorum.

Minutes

- The minutes from the October 19, 2021 Regular Meeting, were reviewed.

ACTION: On a motion by Mr. Barber and seconded by Ms. Sanders-Smith, the Commissioners approved the minutes from the October 19, 2021 Regular Meeting as presented. **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - absent; Mr. Smith – yes; Mr. Brown - yes.

Financials

- Ms. Phillips reviewed the October 2021 financial statements. It was agreed that October 2021 statement would be filed for audit.
- Ms. Aires Coleman from the auditing firm CLA presented the EDA Audit to the board. Mr. Greg Bussink from auditing firm CLA was attending virtually.

ACTION: On a motion by Mr. Barber and seconded by Ms. Drewry, the Commissioners approved the EDA Audit Report as presented. **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - absent; Mr. Smith - yes; Mr. Brown - yes.

Old Business

- Mr. Mitchell provided an update to the board regarding the Economic Development Incentive Ad Hoc Committee. He spoke to the possibility of new business through Offshore Wind Projects and what incentives could be offered.
- Mr. Donahue provided an update on the Business Investment Program. Mr. Barber and Ms. Drewry provided comments. Program Guidelines and Applications were presented for approval to the board.

ACTION: On a motion by Mr. Barber and seconded by Mr. Brown, the Commissioners approved the EDA Business Investment Program as presented, with the minor modifications discussed. **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - absent; Mr. Smith - yes; Mr. Brown - yes.

- Mr. Donahue stated that the existing FY-2022 budget amount for incentive programs is \$300k and requested that the Board amend the FY 2022 budget to increase this line item by \$200k to fund the new programs just approved. The source of the \$200k would be the existing Economic Development Grants budget line item, which would be reduced from \$1,000,000 to \$800k.

ACTION: On a motion by Ms. Saunders-Smith and seconded by Mr. Barber, the Commissioners approved the transfer of \$200k from the Economic Development Grants line item of the FY 2022 budget to the Incentive Programs line item of the FY 2022 budget. **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - absent; Mr. Smith - yes; Mr. Brown - yes.

- Mr. Donahue provided a presentation for the Property Inventory update to the board.
- Mr. Donahue updated the board on the Local Incentive Program. He stated that 3315 High St. will need a 90-day extension to complete.

ACTION: On a motion by Ms. Saunders-Smith and seconded by Mr. Barber, the Commissioners approved the 90-day extension for 3315 High St. **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - absent; Mr. Smith - yes; Mr. Brown - yes.

- Mr. Donahue discussed the LIP grant provided to 305 High Street. Mr. Donahue informed the board that at the time of the LIP grant approval, 305 High Street was to be

developed as a bodega, but that the use has subsequently changed to a restaurant. Mr. Donahue stated that, despite the change in use, the scope of work partially funded by the LIP grant did not change. Therefore, the LIP grant would be funded in accordance with the original approval. The Board had no objection.

New Business - none

Closed Meeting

ACTION: At 9:52 a.m. Mr. Mitchell, seconded by Ms. Drewry, moved to go into a closed meeting pursuant to Virginia Code Subsection 2.2-3711 A.8 for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, specifically regarding collection of debts owed to EDA; and (B) pursuant to Virginia Code Subsection 2.2-3711 A.3 for the purpose of discussing the acquisition or disposal of real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically regarding 409 McLean Street, 3336 Victory Blvd, the Portsmouth Entertainment District and strategic acquisitions. **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry – yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith -absent; Mr. Smith – yes; Mr. Brown yes.

ACTION: At 11:03 a.m. Mr. Mitchell, seconded by Mr. Barber, moved that each Commissioner certify that, to the best of his or her knowledge: only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting just concluded.

Roll Call Vote: Mr. Barber - yes; Ms. Drewry – yes; Mr. Mitchell - absent; Ms. Saunders-Smith - yes; Ms. Smith - absent; Mr. Smith – yes; Mr. Brown -yes.

Open Meeting

409 McLean Resolution:

ACTION: On a motion by Mr. Barber and seconded by Ms. Saunders-Smith, the Commissioners approved the following Resolution:

**RESOLUTION
(409 McLean)
(Closing and Purchase Price Amendment)**

WHEREAS, pursuant to a resolution adopted on May 19, 2018 the EDA entered into a Purchase and Sale Agreement with The Miller Group of Virginia, Inc. (the “Developer”) for the residential development of 409 McLean Street (the “Property”) (as amended, the “Agreement”); and

WHEREAS, the Developer is prepared to close on acquisition of the Property and commence the development of the Property with 197 townhomes (the “Development”); and

WHEREAS, the purchase price under the Agreement is \$1,810 per unit, for a total of \$356,570; and

WHEREAS, EDA has agreed to provide Developer a credit in the amount of \$200,000 to cover a

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portion of the cost of environmental remediation necessary for the Development, including disposing of piles of contaminated soil and debris on the Property;

NOW, THEREFORE, it is hereby RESOLVED that:

1. EDA hereby consents to the amendment of the Agreement to provide that the purchase price for the Property shall be \$156,570, calculated as follows: \$1,810 multiplied by 197 units, minus \$200,000.
2. The Chair and Vice Chair are each authorized to execute an amendment to the Agreement in accordance with the intent of this Resolution.
3. This Resolution shall be effective immediately upon its adoption.

Roll Call Vote: Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - absent; Mr. Smith – yes; Mr. Brown - yes.

Items submitted by Commissioners:

Mr. Barber requested that the Planning Director attend a meeting in the near future.

Mr. Mitchell would like an update on the status of key projects at a future meeting.

Ms. Saunders-Smith inquired about the status of the Pizza Hut on London Blvd.

Report Backs:

The board was invited to join the Economic Development staff at the City Managers Forum on December 2, 2021. Ms. Drewry and Ms. Saunders-Smith will attend.

Adjourn: The meeting adjourned at 11:11 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brian Donahue", with a long horizontal flourish extending to the right.

Brian Donahue, Assistant Secretary