

Economic Development Authority of the City of Portsmouth

February 18, 2020

**6th Floor Conference Room, City Hall
801 Crawford, Portsmouth, VA**

COMMISSIONERS PRESENT:

Neal J. Barber
Kyle J. Kovachik – Treasurer
Malcom Mitchell – Vice Chairman
Theresa J. Saunders-Smith
Barbara B. Smith (arrived at 8:02)
Ray A. Smith, Sr. – Chairman

ALSO PRESENT:

Robert D. Moore – Secretary
Brian Donahue – Assistant Secretary
Jeff Miller – Deputy City Attorney
Kelsey Swieringa – Assistant City Attorney
Bob Baldwin – Deputy City Manager
Elizabeth M. Psimas – City Councilwoman
William E. Moody, Jr. – City Councilman
Patti Phillips – Interim CFO

ABSENT:

Bette “Cathy” Drewry

GUESTS:

Monique McWhite – ODU/PTAC

The Chairman called the meeting to order at 8:00 a.m.

The minutes from the January 21, 2020 meeting were reviewed.

ACTION: On a motion by Mrs. Saunders-Smith and seconded by Mr. Barber, the Commissioners approved the minutes from the January 21, 2020 meeting as presented. **Roll Call Vote:** Mr. Barber – yes; Ms. Drewry – absent; Mr. Kovachik – yes; Mr. Mitchell – yes; Ms. Saunders-Smith – yes; Ms. Smith – absent; Mr. Smith – yes.

The January 2020 financial statements. It was agreed that the January 2020 statements would be filed for audit.

Mr. Moore reported that the 2021 Budget Ad Hoc Committee will meet on Monday, March 16, 2020 to begin the planning process.

Mr. Moore reported that Midlantic Builders Inc. submitted a Letter of Termination for the Purchase and Sale Agreement signed September 21, 2018 for property located at 700/710 Crawford Street. Their \$10,000.00 deposit will be refunded.

Mr. Moore reported that the EDA was successful at the Tax Sale for the purchase of property located at 387 Quebec Street. This property will be transferred to the City and the EDA will be reimbursed the purchase price of \$31,000.00 from the City's Stormwater Management Fund.

Mr. Moore provided an update on Economic Development projects; a review of the 2019 year end numbers presented at the Portsmouth Community Meeting on February 18, 2020 and the casino legislation currently in the General Assembly.

Mr. Donahue presented an update on the status of all current Local Incentive Grants that have been approved. He also reviewed a request to authorize additional exterior work items for the FY2017 Façade Improvement Grant for Monumental United Methodist Church located at 450 Dinwiddie Street.

ACTION: On a motion by Mrs. Saunders-Smith and seconded by Mr. Kovachik, the Commissioners approved a request to authorize additional exterior work items for the FY2017 FIG for Monumental United Methodist Church located at 450 Dinwiddie Street.

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

Mr. Moore requested that Commissioners continue to email Ms. Lee Ogelby with any topics they would like to see addressed at the joint meeting with the Portsmouth Port and Industrial Commission on Thursday, March 19, 2020.

Mr. Miller presented information concerning a seemingly unrecorded deed from 1995, on property located at 640 North Street.

ACTION: On a motion by Mr. Barber and seconded by Mr. Kovachik, the Commissioners, approved the following resolution:

**RESOLUTION
(640 North Street)**

WHEREAS, in the 1970s and 1980s (prior to certain changes in the Internal Revenue Code), it was common for the Industrial Development Authority (now EDA) to issue Revenue Bonds to finance private development; and

WHEREAS, interest on the Revenue Bonds was tax exempt, resulting in lower interest rates for project financing; and

WHEREAS, under the Revenue Bond structure, the developer would convey its interest in the property to be developed to EDA for a dollar, and EDA would lease the property back to the developer until the developer had completed the project and paid off the Bonds; and

WHEREAS, upon completion of the project and payoff of the Bonds, EDA would automatically convey the property back to the developer for a dollar; and

WHEREAS, in 1979 EDA agreed to provide Revenue Bond financing to Dr. E. A. Barham, Jr. for the development of an office building at 640 North Street (the "Property"); and

WHEREAS, Dr. Barham accordingly conveyed the Property to EDA and EDA leased the Property back to Dr. Barham and issued Revenue Bonds in the amount of \$200,000; and

WHEREAS, Dr. Barham constructed the office building on the Property and made the required payments on the Bonds; and

WHEREAS, in 1995 the Bond debt was paid in full, and a Certificate of Satisfaction releasing the lien of the Bonds was recorded in the Portsmouth Circuit Court Clerk's Office in Deed Book 1145 at Page 1396; and

WHEREAS, the lease agreement between EDA and Dr. Barham provided that EDA would convey the Property back to Mr. Barham for a dollar within thirty days of full satisfaction of the Bond debt; and

WHEREAS, through an oversight, no Deed was recorded in the Clerk's Office formally conveying title to the Property back to Mr. Barham; and

WHEREAS, since 1995 all parties have nevertheless proceeded as if EDA had conveyed the Property back to Mr. Barham in accordance with the terms of the lease, and Mr. Barham and his successor in interest have paid all taxes and fees related to the Property as if they were the owners; and

WHEREAS, Mr. Barham's successor in interest, BI, LLC is now attempting to sell the Property; and

WHEREAS, the title company involved in the sale has discovered that no Deed was recorded conveying the Property from EDA to Mr. Barham, and the seller, purchaser and title company have all requested that EDA authorize and execute a Quitclaim Deed conveying all title it may have in the Property to BI, LLC; and

WHEREAS, granting the request will correct the prior error and comply with the terms of the lease, and is consistent with how the parties have treated ownership of the Property for the past twenty-five years;

NOW, THEREFORE, it is hereby RESOLVED that:

1. The Chair and Vice Chair are each authorized to execute and deliver a Deed conveying any interest EDA may have in 640 North Street to BI, LLC or its successors and assigns.
2. The Chair, Vice Chair, and Secretary, and their designees, are each hereby authorized to take such further actions and execute such further documents and instruments as may be necessary or desirable in furtherance of the purpose of this Resolution.
3. This Resolution shall be effective immediately upon its adoption.

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

Ms. Monique McWhite from the ODU Procurement Technical Assistance Center (PTAC) presented information regarding the services they provide to help area businesses in preparing to bid competitively on Federal, State and Local government contracts. The ODU PTAC is in the process of applying to be a stand-alone PTAC and requested a cash match of \$10,000.00 from the City of Portsmouth. The commissioners requested Ms. McWhite submit more detailed information on PTAC's current community impact, and include more information on PTAC's services for businesses in Portsmouth.

Information about the upcoming Virginia Industrial Development Authorities Institute seminar, which is scheduled May 19 & 20, 2020 in Roanoke, was provided to each commissioner.

ACTION: At 8:57 a.m. on a motion by Mr. Mitchell and seconded by Mr. Barber, the Authority entered a closed meeting to pursuant to Virginia Code subsection 2.2-3711 A.3 for the purpose of discussing acquisition or disposition of publicly held real property interests where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically regarding 3335 Victory Boulevard. **Roll Call Vote:** Mr. Barber – yes; Ms. Drewry – absent; Mr. Kovachik – yes; Mr. Mitchell – yes; Ms. Saunders-Smith – yes; Ms. Barbara Smith – yes; Mr. Smith – yes.

City Councilwoman Psimas and Councilman Moody remained for the Closed Meeting.

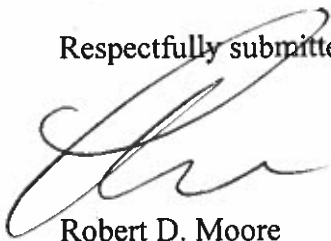
ACTION: At 9:16 a.m., on a motion by Mr. Mitchell and seconded by Mr. Barber, the Authority entered an open meeting whereby only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting just concluded. **Roll**

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Call Vote: Mr. Barber – yes; Ms. Drewry – absent; Mr. Kovachik – absent (he departed the meeting at 8:57 a.m.); Mr. Mitchell – yes; Ms. Saunders-Smith – yes; Ms. Smith – yes; Mr. Smith – yes.

With no other business before the Board the meeting was adjourned at 9:25 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read 'R. Moore', is written over the typed name.

Robert D. Moore
Secretary