

**Economic Development Authority of the City of Portsmouth
May 21, 2024
9:00 AM**

COMMISSIONERS PRESENT: Malcom Mitchell – Chairman
Neal Barber – Vice Chairman (9:39am)
Barbara Smith
Anthony Brown
Matthew James
Joe Harmon

ALSO PRESENT: Brian Donahue – Secretary
Jeff Miller – Deputy City Attorney
Kelsey Swieringa – Assistant City Attorney
Steven Carter – City Manager
Alisa Winston – PRHA
Vernon Tillage – City Council Liaison

ABSENT:
Theresa J. Saunders-Smith – Treasurer
Lavonda Graham-Williams – City Attorney
Flora Berisha – Finance
Kyera Pope – Finance
William Moody – City Council Liaison

GUESTS: Mark Hugel – City Councilman (9:24am)
Steve Edwards – Interim City Assessor
Dorothy Morgan – Deputy City Assessor
Jay Grant – LISC Hampton Roads
Michelle Wren – Portsmouth Partnership

Welcome & Call to Order

- The Chairman called the meeting to order at 9:04 a.m.

Roll Call

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

Minutes

- The minutes from the April 16, 2024, Regular Meeting were presented and adopted.

ACTION: On a motion by Mr. Mitchell and seconded by Mr. Brown, the Commissioners approved the minutes from the April 16, 2024, Regular Meeting as presented.

Roll Call Vote: Mr. Barber - absent; Mr. Mitchell - yes; Mr. Brown - yes, Ms. Saunders-Smith - absent; Mrs. Smith - yes; Mr. James – yes; Mr. Harmon-yes. Approved 5-0 vote.

Old Business

- **Bloom Market Update** Michelle Wren, Executive Director of the Portsmouth Partnership and Bloom Market, provided an update on its performance since its launch on March 28, 2024. In collaboration with the Retail Alliance, Bloom Market has fostered an incubator environment for 22 vendors, with 18 enrolled in the Certificate in Retail Operations (CROPS) Program. Bloom Market also hosts one vendor currently participating in the SURGE program offered by Black Brand. With a focus on quality products and competitive pricing, vendors at Bloom Market sold 306 items and generated nearly \$4,000.00 in revenue within the first month of operations.
- **LISC Hampton Roads EMERGE Presentation** – Jay Grant, Executive Director of LISC Hampton Roads gave an overview of the EMERGE Program, a real estate developer training program. EMERGE aims to increase affordable homes and empower developers. The inaugural EMERGE cohort is set to launch in Portsmouth in September 2024 and plans to train and support 40-50 developers over three years.
- **1220 High St.** – Mr. Donahue provided an update on the acquisition of the 1220 High Street which the EDA purchased on April 12, 2024. The property is undergoing cleaning and maintenance of the building, and exterior clean-up. Ryan King and A'Daye Foster of Harvey Lindsey Commercial Real Estate are preparing marketing materials to list the property. Mr. Donahue advised that the EDA must determine whether to lease or sell the property, and the selection criteria for tenants and uses that are in alignment with the vision for the Innovation District.
- **1117-1121 High Street** – Mr. Donahue shared a progress report on 1117-1121 High Street, stating that he has received a completed construction document package for the roof replacement. The next step is the issuance of an Invitation for Bids (IFB) through the City's purchasing office. The project has been divided into two parts, allowing for flexibility in replacing the roofs of the 1117 and 1121 properties either separately or together based on pricing. A cost proposal for interior upgrades and exterior building improvements is also being prepared to make the building marketable and a centerpiece for the Innovation District.
- **Cradock – Afton Square** – Mr. Donahue provided an update on the Cradock-Afton Square project, specifically focusing on the EDA's three properties. The demolition of a warehouse structure at 73 Farragut St. was recently completed. Additionally, there is a city parcel within the square that is currently utilized as a community garden, which may be relocated to facilitate the project. The EDA has collectively agreed to proceed with marketing the properties for redevelopment in collaboration with Harvey Lindsey Commercial Real Estate.
- **Small Business Events Update** – Ms. Autumn Bailey, Senior Business Development Specialist provided the Board with an update on upcoming EDA sponsored small business events.

New Business

- **Business Investment Grant Programs** – Ms. Autumn Bailey provided the Board with an update on the Smart Start Business Development Grants and the Smart Start Business Acceleration Grants for the 4th quarter and Fiscal Year-to-Date.
- **Real Property Investment Grant Program** – Mrs. Aimee Tracy, Business Development Specialist provided the Board with an update on the Real Property Investment Grants for the 4th quarter and Fiscal Year-to-Date.
- **Real Property Investment Grants** – Mrs. Aimee Tracy, Business Development Specialist, presented the following Real Property Investment Grant applications:
 - 1 Beechwood Ct. - Atlantic Fabrication & Boiler Services - \$25,000
 - 623 High St. - CMCK, LLC - \$13,595
 - 309 Columbia St. - Krambias Properties, LLC - \$11,802.58
 - 4824 George Washington Hwy - Stylez & Kutz School of Barbering & Cosmetology -\$12,500
 - 2330 Portsmouth Blvd - Beauty Masters - \$25,000
 - 900 Broad St. - ECG 900 Broad LLC -\$10,830.45
 - 611 Airline Blvd - All About Food, LLC - \$25,000

ACTION: On a motion by Mr. Barber and seconded by Mrs. Smith, the Commissioners approved the Real Property Investment Grants as presented.

Roll Call Vote: Mr. Barber - yes; Mr. Mitchell - yes; Mr. Brown - yes, Ms. Saunders-Smith - absent; Mrs. Smith - yes; Mr. James – yes; Mr. Harmon-yes. Approved 6-0 vote.

- **Business Investment Grant Program Committee Update** – The Business Investment Grant Committee recommended the following proposed FY25 modifications to the EDA’s Business Investment Grant programs:
- **Real Property Investment Grant**
 - Requirement for pre-application meeting with staff.
 - Require property owner contact information on consent form.
 - No shopping center inclusion category for the center and/or tenants.
 - Increase number of grant awards for multi-tenant property from two per physical address to three within a five-year period.
 - Increase signage allowance from \$2,500 to \$5,000.
 - Contractor DPOR licensed and insured for work over \$1,000.
- **Smart Start Business Development & Acceleration Grant**
 - Businesses utilizing a co-working space mailbox must prove Portsmouth residency with a 12-month residential lease or proof of home ownership.
 - Co-working space tenants are required to have a minimum of a twelve-month lease. Copy of lease is required.
 - Proof of Portsmouth residency for home-based businesses
 - Require Financial Statement for business plan. Template to be added to application portal/website.
 - Business Plan Template requirement. Template to be added to application portal/website.

- Business Plan Course requirement – Add verbiage that states “additional resources available. Please contact PED Staff.”

ACTION: On a motion by Mr. Barber and seconded by Mrs. Smith, the Commissioners approved the Business Investment Grant FY25 Modifications as amended.

Roll Call Vote: Mr. Barber - yes; Mr. Mitchell - yes; Mr. Brown - yes, Ms. Saunders-Smith - absent; Mrs. Smith - yes; Mr. James – yes; Mr. Harmon-yes. Approved 6-0 vote.

- **Small Business Finance Committee Update** – Mr. Barber stated the Small Business Finance Committee plans to meet with Jay Grant of LISC Hampton Roads as soon as possible to discuss small business lending programs.

Closed Meeting

ACTION: At 11:08 a.m. Mr. Barber, seconded by Mr. Brown, moved to go into a closed meeting: (A) Pursuant to Virginia Code Subsection 2.2-3711 A.3 for the purpose of discussing the acquisition or disposition of real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically regarding strategic acquisitions, waterfront development, and 219 Pavilion Drive; and (B) Pursuant to Virginia Code Subsection 2.2-3711 A.6 for the purpose of discussing or considering the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected, specifically regarding investment in small business support.

Roll Call Vote: Mr. Barber - yes; Mr. Mitchell - yes; Mr. Brown - yes, Ms. Saunders-Smith - absent; Mrs. Smith - yes; Mr. James – yes; Mr. Harmon-yes. Approved 6-0 vote.

Open Meeting

ACTION: At 11:55a.m. Mr. Barber, seconded by Mrs. Smith, moved that each Commissioner certify that, to the best of his or her knowledge: (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and (ii) 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; Mr. Mitchell - yes; Mr. Brown - yes, Ms. Saunders-Smith - absent; Mrs. Smith - yes; Mr. James – yes; Mr. Harmon-yes. Approved 6-0 vote.

ACTION: On a motion by Mr. Barber and seconded by Mr. Brown, the Commissioners approved a Resolution extending the Purchase and Sale Agreement Feasibility Period for EDA property at 219 Pavilion Dr. to April 15, 2025.

Roll Call Vote: Mr. Barber - yes; Mr. Mitchell - yes; Mr. Brown - yes, Ms. Saunders-Smith - absent; Mrs. Smith - yes; Mr. James – yes; Mr. Harmon-yes. Approved 6-0 vote.

RESOLUTION
(219 Pavilion)
(Extension of Feasibility Period)

WHEREAS, EDA entered into a Purchase and Sale Agreement dated January 20, 2022 with Gerdau International, Inc. (the “Developer”) for the conveyance of 219 Pavilion Drive (as amended, the “Agreement”); and

WHEREAS, Developer has diligently pursued site design and permitting, but has had to address issues related to the configuration of the property and railroad encumbrances; and

WHEREAS, Developer has requested to extend the Feasibility Period expiration date through April 15, 2025; and

WHEREAS, it is in the interest of both parties to allow the Developer additional time to complete the permitting process for the development;

NOW, THEREFORE, it is hereby RESOLVED that:

1. The amendment of the Agreement to extend the Feasibility Period through April 15, 2025 is hereby approved.
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.

ACTION: On a motion by Mr. Barber and seconded by Mr. Harmon, the Commissioners approved the acceptance of the Hampton Roads Small Business Development Center’s “Portsmouth Contracting Institute” program proposal for \$23,500.

Roll Call Vote: Mr. Barber - yes; Mr. Mitchell - yes; Mr. Brown - no, Ms. Saunders-Smith - absent; Mrs. Smith - yes; Mr. James – yes; Mr. Harmon-yes. Approved 5-1 vote.

Items Submitted by Commissioners

- **No Items Submitted**

Report Backs

- **VML Local Elected Officials Conference** – Mrs. Karen Williams, Administrative Coordinator II advised the EDA that the Virginia Municipal League will be offering in-person training sessions from the Virginia Freedom of Information Act Council (FOIA) and the Conflict of Interest and Ethics Advisory Council (COIA) on June 26, 2024. These sessions are mandatory every two years for elected or appointed local government officials. Alternatively, they are also accessible online.

EDA Meeting
May 21, 2024

- **Business Directory SWAM update** - Mr. Donahue provided an update on the ongoing enhancements to the Portsmouth Business Directory which is located on the Economic Development Department website. Specifically, efforts are being made to expand data pertaining to women and minority-owned businesses. The Economic Development Department is collaborating with its website consultant to upgrade the database, introducing additional categories that enable businesses to specify their industry sector and SWAM status.

Adjourn

- The meeting adjourned at 12:04p.m.

Respectfully submitted,

Brian Donahue, Secretary

Malcom Mitchell, Chair