

Economic Development Authority of the City of Portsmouth

May 21, 2019

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

COMMISSIONERS PRESENT: Anthony W. Hinds
Kyle J. Kovachik – Treasurer
Malcom Mitchell
Don L. Scott Vice Chairman
Ray A. Smith, Sr. (arrived at 8:12 a.m.)

ALSO PRESENT: Brian Donahue – Assistant Secretary
Jeff Miller – Deputy City Attorney
Kelsey Swieringa – Assistant City Attorney
William E. Moody, Jr. – City Councilman
Elizabeth Psimas – City Councilwoman
Alisa Winston - PRHA
Wendy Hu – Assistant CFO

ABSENT: Tracy Link
Cathy Revell - Chairman

GUESTS: Mr. Daniel W. Aston – The Whitmore Company

The Vice Chairman called the meeting to order at 8:02 a.m.

The April 16, 2019 minutes were reviewed.

ACTION: On a motion by Mr. Hinds and seconded by Mr. Kovachik, the Commissioners approved the April 16, 2019 meeting minutes as presented. **Roll Call Vote:** Mr. Hinds – yes; Mr. Kovachik – yes; Ms. Link – absent; Mr. Mitchell – yes; Ms. Revell – absent; Mr. Scott –yes; Mr. Smith – absent.

Ms. Hu reviewed the April 2019 financial statements. It was agreed that the April 2019 statements would be filed for audit.

Mr. Kovachik and Mr. Hinds presented and reviewed the updated FY2020 Proposed Budget.

ACTION: On a motion by Mr. Hinds and seconded by Mr. Mitchell, the Commissioners approved the updated Proposed FY2020 Budget as presented. **Roll Call Vote:** Mr. Hinds – yes; Mr. Kovachik – yes; Ms. Link – absent; Mr. Mitchell – yes; Ms. Revell – absent; Mr. Scott –yes; Mr. Smith – absent.

Mr. Donahue presented a FIG application in the amount of \$25,000.00 received from The Quarters at Park View, LLC, for property located at 1140 London Boulevard.

ACTION: On a motion by Mr. Hinds and seconded by Mr. Mitchell, the Commissioners approved the FIG application in the amount of \$25,000.00 received from The Quarters at Park View, LLC. **Roll Call Vote:** Mr. Hinds – yes; Mr. Kovachik – yes; Ms. Link – absent; Mr. Mitchell – yes; Ms. Revell – absent Mr. Scott –yes; Mr. Smith – no.

Mr. Donahue and Mr. Miller provided information concerning the Hampton Roads Community Health Center’s proposal to build a new facility in the 1500 block of High Street.

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

**1500 Block High Street
Purchase and Sale Agreement**

WHEREAS, the Hampton Roads Community Health Center (“HRCHC”) and its developer partner Luna Development Services, LLC (“Developer”) have proposed to construct a new Community Health Center facility (the “Development”) in the 1500 block of High Street (South) (the “Property”); and

WHEREAS, at the request of the City, PRHA has conveyed the Property to EDA to facilitate the Development; and

WHEREAS, the Developer and EDA entered into a Letter of Intent in January 2019 which anticipated negotiation of a more formal Purchase and Sale Agreement; and

WHEREAS, EDA has negotiated a Purchase and Sale Agreement with Developer (the “Agreement”) pursuant to which the Developer will construct and lease the Development to HRCHC; and

WHEREAS, the existing HRCHC facilities are in poor condition and conveyance and development of the Property will result in a new, centrally located facility benefiting Portsmouth residents;

NOW, THEREFORE, it is hereby RESOLVED that:

1. The Chair and Vice Chair are each authorized to execute the Agreement on behalf of EDA.
2. The Chair, Vice Chair, and Secretary of the EDA and their designees are each hereby authorized to take such further actions and execute such further applications, documents and instruments (including without limitation a Deed conveying the Property and related closing documents) as may be necessary or desirable in furtherance of the conveyance and development of the Property in accordance with the Agreement, as the same may be amended from time to time; provided however, that any subsequent amendment to the Agreement shall be subject to the prior authorization of the Board of Commissioners.

Roll Call Vote: Mr. Hinds – yes; Mr. Kovachik – yes; Ms. Link – absent; Mr. Mitchell – yes; Ms. Revell – absent Mr. Scott –yes; Mr. Smith – yes.

Mr. Donahue presented for discussion and consideration the ability of EDA commissioners to participate in meetings remotely via telephone conference call. Deputy City Attorney Jeff Miller provided background on allowances for call-in meeting participation within the Code of Virginia based on recent amendments. There is currently no Authority adopted policy to allow for calling into meetings to participate remotely. City Council liaisons Psimas and Moody informed the Authority that City Council does not currently have an adopted policy to allow for call-in participation. The item is to be further considered at the Authority's June meeting.

Commissioner Hinds expressed an interest in opportunities for highlighting Portsmouth businesses through internet and mobile applications. Commissioner Mitchell stated a desire for a focused effort to raise awareness of restaurants and merchants along High St. in the downtown area. Mr. Donahue informed the Authority that the Economic Development office is actively working to promote local businesses and will continue to explore opportunities to further expand marketing and outreach efforts.

Mr. Donahue provided the Authority with an update on the status of the Authority's Local Incentive Program (LIP) for the 2019 fiscal year. The Authority appropriated \$300,000 to the LIP for 2019. The program has expended or obligated \$273,416.11 of the appropriated funding year to date. Economic Development is currently reviewing applications for the remaining program funds.

Mr. Donahue announced that a joint meeting between the Authority and Portsmouth Port and Industrial Commission is planned for September 17, 2019.

ACTION: At 8:42 a.m. on a motion by Mr. Hinds and seconded by Mr. Kovachik, the Authority entered into a closed meeting pursuant to Virginia Code subsection 2.2-3711 A.3 for the purpose of discussing the acquisition and disposition of publicly held real property interest where discussion in an open meeting would adversely affect the bargaining position

or negotiating strategy of the public body, specifically regarding 409 McLean Street and Victory Village. **Roll Call Vote:** Mr. Hinds – yes; Mr. Kovachik – yes; Ms. Link – absent; Mr. Mitchell – yes; Ms. Revell – absent; Mr. Scott – yes; Mr. Smith – yes.

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

ACTION: At 8:49 a.m., on a motion by Mr. Hinds and seconded by Mr. Kovachik, the Authority entered into 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 Call Vote:** Mr. Hinds – yes; Mr. Kovachik – yes; Ms. Link – absent; Mr. Mitchell – yes; Ms. Revell – absent; Mr. Scott – yes; Mr. Smith – yes.

ACTION: On a motion by Mr. Mitchell and seconded by Mr. Smith, the Commissioners approved the following Resolution:

**409 McLean
Extension of Feasibility Period**

WHEREAS, pursuant to a resolution adopted on October 15, 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 “Agreement”); and

WHEREAS, the Feasibility Period under the Agreement expires on May 23, 2019; and

WHEREAS, Developer has been diligent in pursuing the development, including obtaining a wetlands delineation and filing a rezoning application; and

WHEREAS, despite Developer’s diligence certain issues have arisen that have prevented Developer from completing its Feasibility Period tasks; and

WHEREAS, it is in the interest of all parties to extend the Feasibility Period until August 1, 2019 so that these issues can be resolved and the development can proceed;

NOW, THEREFORE, it is hereby RESOLVED that:

1. The amendment of the Agreement to extend the Feasibility Period through August 1, 2019 is hereby approved.

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2. The Chair and Vice Chair are each authorized to execute an amendment to the Agreement in accordance with the intent of this Resolution.

Roll Call Vote: Mr. Hinds – yes; Mr. Kovachik – yes; Ms. Link – absent; Mr. Mitchell – yes; Ms. Revell – absent Mr. Scott –yes; Mr. Smith – yes.

With no other business before the Board the meeting was adjourned at 8:50 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brian Donahue", written in a cursive style.

Brian Donahue
Assistant Secretary