

Economic Development Authority of the City of Portsmouth

August 18, 2020

Electronic Meeting via GoToMeeting

COMMISSIONERS PRESENT: Neal J. Barber
Bette “Cathy “ Drewry
Kyle J. Kovachik – Treasurer
Malcom Mitchell – Vice Chairman
Theresa J. Saunders-Smith (joined at 8:03 a.m.)
Barbara B. Smith
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
Elizabeth M. Psimas – City Councilwoman

GUESTS: Jim Bento – Fairlead
Fred Pasquine – Fairlead

Due to the novel coronavirus pandemic, this EDA meeting was held electronically via GoToMeeting pursuant to Ordinance No. 2020-21; each Commissioner attended the meeting electronically.

The Chairman called the meeting to order at 8:00 a.m. The Chairman stated that the meeting was being held electronically, and identified the notices provided to the public to access the meeting.

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

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

Mr. Moore recapped the June 30, 2020 financial statements. He indicated that they will not be final until the year-end close is completed. He also indicated that the City’s CFO has indicated that the Finance Department may continue to produce the financial statements in lieu of a private CPA firm.

Mr. Moore reminded the Commissioners to complete the on-line, semi-annual Freedom of Information Act (FOIA) training. Ms. Ogelby will forward the link for the training to the Commissioners. Mr. Moore asked that the Commissioners forward copies of their completion certificates to the Economic Development office.

Mr. Moore provided information regarding the COVID-19 Business Recovery Grant Program which has been updated.

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

**RESOLUTION
(Amendment to COVID-19 Business Recovery Grant Program)**

WHEREAS, by Resolution adopted on July 21, 2020 the Board of Commissioners approved Guidelines (the “Guidelines”) for the COVID-19 Business Recovery Grant Program (the “Program”); and

WHEREAS, the purpose of the Program is to utilize CARES Act funds for grants to businesses to reimburse costs incurred because of COVID-19; and

WHEREAS, the Board of Commissioners authorized Economic Development staff to implement the Program in accordance with the Guidelines; and

WHEREAS, based on the response to the initial solicitation for grant applications, staff has recommended that the Board adopt certain changes to the Program and the Guidelines; and

WHEREAS, the changes include eliminating the match requirement for funding, increasing the maximum Basic Grant from \$5,000 to \$10,000, increasing the maximum Statement of Need Grant from \$25,000 to \$50,000, expanding the eligibility pool, and making other changes as set forth in the Amended Guidelines and Application for the Program attached hereto as Exhibit A (collectively, the “Amended Guidelines”);

NOW, THEREFORE, it is hereby RESOLVED that:

1. The Program and the Guidelines are hereby modified in accordance with the Amended Guidelines.
2. The modifications in the Amended Guidelines shall apply retroactively to applications already received.
5. This Resolution shall be effective immediately upon its adoption.

Roll Call Vote: Mr. Barber – no; Ms. Drewry – yes; Mr. Kovachik – yes; Mr. Mitchell – yes; Ms. Saunders-Smith – yes; Ms. Smith – yes; Mr. Smith – yes.

Mr. Donahue presented a FY2020 recap of the Local Incentive Grant program.

Mr. Armon Smith presented an Interior Build Out Grant application in the amount of \$25,000.00 received from SMT Enterprises, owner of property located at 305 High Street.

ACTION: On a motion by Mr. Barber and seconded by Ms. Saunders-Smith the Commissioners approved an Interior Build Out Grant application in the amount of \$25,000.00, received from SMT Enterprises, owner of property located at 305 High Street.

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

ACTION: At 8:38 a.m. on a motion by Mr. Mitchell and seconded by Mr. Barber, the Authority entered a closed electronic meeting pursuant to Virginia Code subsection 2.2-3711 A.3 and 2.2-3708.2 A.3 and City Council Ordinance 2020 - 21 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 the Entertainment District, the North Pier, and properties owned by GPDC. **Roll Call Vote:** Mr. Barber – yes; Ms. Drewry – yes; Mr. Kovachik – yes; Mr. Mitchell – yes; Ms. Saunders-Smith – yes; Ms. Smith – yes; Mr. Smith – yes.

City Councilwoman Psimas remained for the Closed Meeting. Mr. Bento and Mr. Pasquine were present for a portion of the Closed Meeting.

ACTION: At 10:26 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 Call Vote:** Mr. Barber – yes; Ms. Drewry – yes; Mr. Kovachik – yes; Mr. Mitchell – yes; Ms. Saunders-Smith – yes; Ms. Smith – yes; Mr. Smith – yes.

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

RESOLUTION
(Acquisition of GPDC Property)

WHEREAS, with the consent of the Board of Commissioners the Chairman executed a Purchase and Sale Agreement (the “Purchase Agreement”) with the Greater Portsmouth Development Corporation (“GPDC”) for the acquisition of the following property (collectively, the “Property”):

- a. 1107 High Street (Tax Parcel 0063-0030);
- b. 1117 High Street (Tax Parcel 0063-0020);

- c. 1121 High Street (Tax Parcel 0063-0010);
- d. 301 Columbia Street (Tax Parcel 0007-1020);
- e. 8 Crawford Parkway (Tax Parcel 0004-0022); and
- f. Parcel located in Crawford Bay and described as Parcel B on that certain Plat Showing Survey of Property Owned by Gordon W. Shelton, III and Katherine Z. Shelton, Portsmouth, which was acquired by GPDC by Deed dated September 12, 2003 and recorded as Instrument Number 040003418; and

WHEREAS, the consideration for acquisition of the Property under the Purchase Agreement is the assumption of the existing debt secured by the Property (or parcels thereof) in a manner such that the lender releases Certificates of Deposit owned by the Portsmouth Redevelopment and Housing Authority and the Portsmouth Partnership that are currently held as security for the debt; and

WHEREAS, the existing debt secured by the Property (or parcels thereof) consists of two loans from TowneBank (the "Lender"), the first having an estimated principal balance as of assumption by EDA in the amount of approximately \$1,022,775.25 (the "First Loan") and the second having an estimated principal balance as of assumption by EDA in the amount of approximately \$720,768.72 (the "Second Loan") (the "First Loan" and "Second Loan" are individually and collectively referred to as the "Loan"); and

WHEREAS, under the terms of the assumption, the Loan will bear interest at the Wall Street Journal Prime Rate plus 1%, with a floor of 4.50% and a ceiling of 5.00%; and

WHEREAS, the Loan will have a term of thirty-six months and payments will be interest only; and

WHEREAS, the monthly payment due under the Loan is estimated to be approximately \$6,700 per month; and

WHEREAS, certain parcels of the Property are subject to existing leases to third party tenants, which leases will be assumed by EDA at closing (the "Leases");

NOW, THEREFORE, it is hereby RESOLVED that:

1. The Purchase Agreement is hereby ratified and approved.
2. The Chair, Vice Chair and Secretary are each authorized to execute such documents and agreements as may be necessary or desirable to close on acquisition of the Property, including without limitation Settlement Statements and documents assuming the Leases.

3. The Chair, Vice Chair and Secretary are each authorized to execute such documents and agreements as may be necessary or desirable to assume the Loan, including without limitation Change in Terms Agreements, Assumption Agreements, Modifications to Credit Line Deeds of Trust, Substitutions of Trustees, Governmental Certificates, Agreements to Provide Insurance, Disbursement Requests and Authorizations, Limited Powers of Attorney, and any additional documents of any nature required to assume, and perform in accordance with the terms of, the Loan, which may include documents related to the borrowing of money, notes, grants of security, evidences of indebtedness, and agreements waiving the right to a trial by jury, provided that all such documents shall be related to the Loan and be substantially in accordance with the terms of the Loan as described in this Resolution.

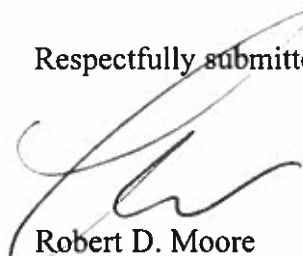
4. The Chair, Vice Chair, Secretary, Assistant Secretary, and their designees are each authorized to take such further actions as may be necessary or desirable in furtherance of complying with the Purchase Agreement, acquiring the Property, complying with the terms and conditions of the Loan, and maintaining the Property after acquisition, including without limitation obtaining insurance, providing for property maintenance and utilities, and taking actions necessary or appropriate in EDA's capacity as a landlord.

5. This Resolution shall be effective immediately upon its adoption.

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

With no other business before the Board the electronic meeting was adjourned at 10:34 a.m.

Respectfully submitted,



Robert D. Moore
Secretary