

Economic Development Authority of the City of Portsmouth

May18, 2021

Electronic Meeting via GoToMeeting

COMMISSIONERS PRESENT:

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

ALSO PRESENT:

Robert D. Moore - Secretary
Brian Donahue - Assistant Secretary
Jeff Miller - Deputy City Attorney
Kelsey Swieringa - Assistant City Attorney
Paul Battle - City Councilman
De'Andre Barnes – Vice-Mayor
Patti Phillips- Finance Consultant

Due to the novel coronavirus pandemic, this EDA meeting was held electronically via GoToMeeting pursuant to Ordinance No. 2020-102; each Commissioner attended the meeting electronically.

The Chairman called the meeting to order at 8:01 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 April 20, 2021 meeting were reviewed.

ACTION: On a motion by Mr. Barber and seconded by Ms. Saunders-Smith, the Commissioners approved the minutes from the April 20, 2021 meeting as presented. **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - yes; Mr. Smith - yes; Mr. Brown - yes.

Ms. Phillips reviewed the March 2021 financial statements. It was agreed that March 2021 statements would be filed for audit.

Mr. Barber and Ms. Drewry presented the Final FY2022 Budget to the board.

ACTION: On a motion by Mr. Barber and seconded by Mr. Brown, the Commissioners approved the Final FY2022 Budget as presented. **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - yes; Mr. Smith - yes; Mr. Brown - yes.

Mr. Donahue gave an update on the Local Incentive Program.

Mr. Donahue presented an extension request for 305 High St.

ACTION: On a motion by Mr. Barber and second by Ms. Smith, the commissioners approved the extension for 305 High St. **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - yes; Mr. Smith - yes; Mr. Brown - yes.

Mr. Donahue presented an extension request for 3315 High St.

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

ACTION: At 9:09 a.m. on a motion by Mr. Mitchell and second by Mr. Brown, the Authority entered a closed electronic meeting pursuant to Virginia Code subsections 2.2-3711 A.3 and 2.2-3708.2 A.3 and City Council Ordinance 2020 - 102 for the purpose of discussing the acquisition and 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 219 Pavilion Drive, 833 High Street, the Victory Entertainment District, and Strategic Acquisitions. **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - yes; Mr. Smith - yes; Mr. Brown - yes.

ACTION: At 9:33 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. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - yes; Mr. Smith - yes; Mr. Brown - yes.

ACTION: On motion by Ms. Saunders-Smith and seconded by Mr. Barber, the Board adopted the following Resolution **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - yes; Mr. Smith - yes; Mr. Brown - yes.

RESOLUTION
(833 High Street)
(Purchase and Sale Agreement)

WHEREAS, SimIS Holdings, LLC or its assigns (the “Developer”) has proposed to purchase 833 High Street (Tax Parcel 0049-0110) (the “Property”) for the purpose of construction and operation of a data center and related amenities on the Property and adjacent property (the “Development”); and

WHEREAS, EDA has negotiated a Purchase and Sale Agreement with Developer (the “Agreement”) pursuant to which the Developer will purchase the Property for a price of \$138,400 (the “Purchase Price”) and construct the Development; and

WHEREAS, the Property has been vacant and off the tax rolls for decades; and

WHEREAS, the conveyance of the Property to the Developer and the construction of the Development will provide jobs and improved technological infrastructure, will revitalize the area of High Street west of Effingham Street, and will increase the City’s tax base;

NOW, THEREFORE, it is hereby RESOLVED that:

1. The Chair, Vice Chair, and Secretary are each authorized to execute the Agreement on behalf of EDA.
2. The Chair, Vice Chair, and Secretary 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 material amendment to the Agreement shall be subject to the prior authorization of the Board of Commissioners.
3. This Resolution shall be effective immediately upon its adoption.

ACTION: On motion by Mr. Barber and seconded by Mr. Brown, the Board adopted the following Resolution **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry – yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - yes; Mr. Smith – yes; Mr. Brown - yes.

RESOLUTION
(219 Pavilion Drive)
(Purchase and Sale Agreement)

WHEREAS, Gerdau International Inc. or its assigns (the “Developer”) has proposed to purchase 219 Pavilion Drive (Tax Parcel 0049-0110) (the “Property”) for use in connection with the redevelopment of the former Massimo Zanetti facility, which is currently owned by Developer and is located on adjacent property to the south (the “Development”); and

WHEREAS, EDA has negotiated a Purchase and Sale Agreement with Developer (the “Agreement”) pursuant to which the Developer will purchase the Property for a price of \$125,00 per Net Usable Acre (the “Purchase Price”), for an estimated total price of \$493,750, and construct the Development; and

WHEREAS, because of limited access to the Property it is not suitable for standalone development, and the best use of the Property is to combine it with the Massimo property to leverage the best development possible; and

WHEREAS, the conveyance of the Property to the Developer and the construction of the Development will provide jobs and increase the City’s tax base;

NOW, THEREFORE, it is hereby RESOLVED that:

2. The Chair, Vice Chair, and Secretary are each authorized to execute the Agreement on behalf of EDA.
2. The Chair, Vice Chair, and Secretary 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 material amendment to the Agreement shall be subject to the prior authorization of the Board of Commissioners.
3. This Resolution shall be effective immediately upon its adoption.

ACTION: On motion by Ms. Smith and seconded by Ms. Drewry, the Board adopted the following Resolution **Roll Call Vote:** Mr. Barber - yes; Ms. Drewry – yes; Mr. Mitchell - yes; Ms. Saunders-Smith - yes; Ms. Smith - yes; Mr. Smith – yes; Mr. Brown - yes.

RESOLUTION
(Entertainment District/Early Access Agreement)

WHEREAS, EDA entered into a Portsmouth Entertainment District Development Agreement with Portsmouth Gaming Holdings, LLC, an affiliate of Rush Street Gaming (the “Developer”) dated May 26, 2020 (the “Development Agreement”); and

WHEREAS, under the Development Agreement the Developer is to construct a casino, hotel, and other uses to create an entertainment district (the “Development”) on certain property described therein (the “Property”); and

WHEREAS, the Developer is currently seeking zoning approvals for the Development from City Council; and

WHEREAS, prior to closing on acquisition of the Property, Developer is also required to obtain a casino gaming operator license from the Commonwealth of Virginia, which is not expected to be possible until the Fall of 2021; and

WHEREAS, prior to commencing construction of the Development, it is necessary for Developer to relocate an existing stormwater pond from one area of the Property to another; and

WHEREAS, if City Council approves Developer’s zoning applications, then Developer desires to have early access to the Property (i.e. prior to closing) for the purposes of: (1) relocating the stormwater pond; and (2) engaging in such other activities as the Board may subsequently approve; and

WHEREAS, time is of the essence in the construction of the Development;

NOW, THEREFORE, it is hereby RESOLVED that:

3. Subject to prior approval of the Developer’s zoning applications by City Council, the Chair and Vice Chair are each authorized to execute an Early Access Agreement with Developer (the “Agreement”).
4. The Agreement will provide Developer the right to relocate the stormwater pond and perform related activities. Any additional pre-closing activities by the Developer on the Property shall be subject to subsequent Board approval.

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3. The Chair, Vice Chair, and Secretary, and their designees, are each authorized to take such further action as may be necessary or desirable, including without limitation the execution of applications for permits and approvals, in furtherance of the purpose of the Agreement.
4. This Resolution shall be effective immediately upon its adoption.

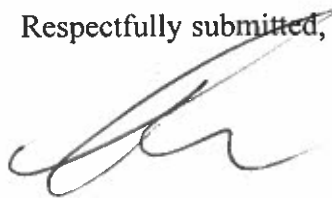
Ms. Saunders-Smith and Ms. Drewry from the Business Development Committee updated the board on their meeting with Ms. Croom on the progress and plans for the Portsmouth@Work Center.

Mr. Mitchell made suggestions for the LIP Program.

Ms. Smith request changing the time from 8 a.m. to 9 a.m.- Staff and legal will research the issue and present the options to the Board.-

The meeting adjourned at 9:58 a.m.

Respectfully submitted,



Robert D. Moore, Secretary