

**Economic Development Authority of the City of Portsmouth**

**November 17, 2020**

**Electronic Meeting via GoToMeeting**

**COMMISSIONERS PRESENT:**

Neal J. Barber  
Kyle J. Kovachik – Treasurer  
Malcom Mitchell – Vice Chairman  
Theresa J. Saunders-Smith  
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  
LaVoris Pace – Interim City Manager  
Elizabeth M. Psimas – City Councilwoman  
Patti Phillips- Finance Consultant

**ABSENT:**

Bette “Cathy “ Drewry

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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 8:04a.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 October 20, 2020 meeting were reviewed.

**ACTION:** On a motion by Mrs. Saunders-Smith and seconded by Mr. Barber, the Commissioners approved the minutes from the October 20, 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 – yes; Mr. Smith – yes.

Ms. Phillips reviewed the September 2020 financial statements. It was agreed that September 2020 statements would be filed for audit.

Mr. Moore provided an update concerning the results from the Portsmouth Economic Development Survey.

Mr. Moore gave an update on the Hampton Roads Community Health Center project. Mr. Miller anticipates closing on the property possibly November 19, 2020.

Mr. Moore gave an update for the Rivers Casino Portsmouth project. As a result of the election vote this project was passed and will be moving forward.

Mr. Moore reminded the board of upcoming December 15<sup>th</sup> meeting.

Mr. Moore reminded the board to sign in for the required FOIA training and send notification of completion to Ms. Sheppard who will forward to Ms. White.

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

Mr. Smith presented an Interior Build Out Grant Application in the amount of \$7247.01 received from Bailey's Bayou Food Truck, for property located at 509 Court Street.

**ACTION:** On a motion by Mr. Barber and second by Mr. Mitchell the commissioners approved Interior Build Out Grant Application in the amount of \$7247.01 received from Bailey's Bayou Food Truck, for property located at 509 Court 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. Smith presented an Interior Build Out Grant Application in the amount of \$25,000.00 received from Helping Hands for Heroes Adult Day Center, for property located at 3315 High Street.

**ACTION:** On a motion by Ms. Saunders-Smith and second by Mr. Barber the commissioners approved Interior Build Out Grant Application in the amount of \$25,000.00 received from Helping Hands for Heroes Adult Day Center, for property located at 3315 High 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. Smith presented a Façade Improvement Grant Application in the amount of \$25,000.00 received from Helping Hands for Heroes Adult Day Center, for property located at 3315 High Street.

**ACTION:** On a motion by Mr. Barber and second by Ms. Smith the commissioners approved Interior Façade Improvement Application in the amount of \$25,000.00 received from Helping Hands for Heroes Adult Day Center, for property located at 3315 High 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 reminded the board a copy of the October Retreat Report was sent to them.

**ACTION:** At 9:07 a.m. on a motion by Mr. Mitchell and second by Mr. Kovachik, 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 0 Harbor Center Court (commonly known as the North Pier), 8 Crawford Parkway, 409 McLean Street, 2520, 2610 and 2614 Turnpike Road, and office space at 200 High 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.

City Councilwoman Psimas remained for the Closed Meeting.

**ACTION:** At 10:01 a.m., on a motion by Mr. Mitchell- and seconded by Ms. Smith, 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 – absent; 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 Mr. Mitchell, the Commissioners approved the following resolution:

**RESOLUTION  
(North Pier/Fairlead Cooperation Agreement)**

WHEREAS, by Resolution adopted on September 15, 2020, the Board of Commissioners authorized execution of a Purchase and Sale Agreement (the “Purchase Agreement”) with Waterfront Acquisition, LLC, a wholly owned subsidiary of Fairlead Integrated, (the “Developer”) for the development of a facility for the fabrication, preservation, outfitting and temporary storage of sections of aircraft carriers and submarines (the “Development”) at 0 Harbor Center Court (Tax Parcel 0003-0010), commonly known as the North Pier (the “Property”); and

WHEREAS, the sale price under the Purchase Agreement \$500,000 (the “Purchase Price”), which is substantially above Developer’s initial offer; and

WHEREAS, the EDA was originally deeded the Property by the City, and the deed of conveyance contains a restriction that the City must approve any conveyance of the Property by EDA for development; and

WHEREAS, the Development is in the vicinity of the Atlantic Union Bank Pavilion (the “Pavilion”); and

WHEREAS, the City has made a substantial investment in the Pavilion and it is necessary to ensure that the Pavilion is protected from any adverse impacts from the Development; and

WHEREAS, the Purchase Agreement will require Developer to provide screening and façade designs that protect the view from the Pavilion, and to agree to covenants that limit operations during performances at the Pavilion; and

WHEREAS, it is further desirable to have funding available to provide any improvements to the Pavilion itself that may be necessary or desirable to maximize protection from any adverse impacts from the Development; and

WHEREAS, City staff has estimated that the sum of \$250,000 will be sufficient to perform any such improvements; and

WHEREAS, because Developer agreed to the increased Purchase Price of \$500,000 and will need to perform substantial site work to make the North Pier Property usable, Developer has advised that it is unable to fund the additional \$250,000 as part of the Development; and

WHEREAS, both the completion of the Development, which will provide significant tax revenues and employment opportunities for Portsmouth and its residents, and the protection of the Pavilion, which is a unique entertainment option and an important driver of economic activity in the downtown area, are important goals of the EDA; and

WHEREAS, the EDA is therefore willing to set aside not to exceed \$250,000 of the Purchase Price for the benefit of the City to fund improvements to the Pavilion deemed necessary or desirable as a result of the Development;

NOW, THEREFORE, it is hereby RESOLVED that:

1. The Chair and Vice Chair are each authorized to enter into a Cooperation Agreement with the City under which: (a) the City will authorize conveyance of the Property for the Development; and (b) EDA will reserve not to exceed \$250,000 of the Purchase Price for improvements to the Pavilion deemed necessary or desirable as a result of the Development; and

2. The Chair, Vice Chair, Secretary and their designees are each hereby authorized to take such actions as are necessary or desirable in furtherance of the purposes of this Resolution; and

3. This Resolution shall take effect 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.

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

**RESOLUTION**  
**(2520, 2610, 2614 Turnpike Road)**  
**(Ratifying Modification of Purchase Price)**

WHEREAS, by Resolution adopted on May 19, 2020 the EDA authorized conveyance of three properties deeded to the City of Portsmouth by VDOT after completion of the Turnpike Road Widening Project (2520, 2610 and 2614 Turnpike Road) to Gary Muhammad or his assign (the “Developer”) for a total purchase price of \$71,590 (the “Original Purchase Price”); and

WHEREAS, the Original Purchase Price was based on an amount of \$20,000 for the smaller parcels (2610 and 2614 Turnpike Road) collectively and \$51,590 for the larger parcel (2520 Turnpike Road); and

WHEREAS, survey work completed to dedicate right of way prior to closing revealed that VDOT subjected 2520 Turnpike Road to several utility easements, which have reduced the amount of buildable space on the parcel from three lots to two and caused additional site planning issues; and

WHEREAS, Developer accordingly requested that the purchase price for 2520 Turnpike Road be reduced to \$34,352, for a total purchase price for all three properties of \$54,352 (the “Modified Purchase Price”); and

WHEREAS, the Developer’s request is reasonable given the reduction in buildable lots and other impacts caused by the easements; and

WHEREAS, conveyance of the Property to the Developer provides new housing stock and benefits the City and its residents financially by returning the Property to the tax rolls and saving the City costs for mowing and other maintenance;

NOW, THEREFORE, it is hereby RESOLVED that:

1. The Modified Purchase Price is hereby ratified and approved; and
2. The execution by the Chairman of an Addendum to the Sale Agreement modifying the Purchase Price accordingly is ratified and approved; and
3. This Resolution shall be effective as of the date of 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.

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

**RESOLUTION  
(200 High Street)  
(Lease of Space)**

WHEREAS, 3,200 leasable square feet of space has become available across the hall from the present Economic Development Department office at 200 High Street (the "Leasable Space"); and

WHEREAS, expanding into the Leasable Space would provide the Economic Development Department with the opportunity to expand and improve its provision of services, with a particular emphasis on workforce development activities; and

WHEREAS, the City Manager has consented to execute a lease in the name of the City of Portsmouth for the Leasable Space, on the condition that the Economic Development Authority agrees to pay the rent for the Leasable Space; and

WHEREAS, the Leasable Space can be rented for a four year term (the "Term") with a rent payment of \$40,320 for year one that increases 3% per annum, for a total of \$168,685 over the Term (the "Rent"); and

WHEREAS, workforce development is a priority of the EDA Board of Commissioners, and the expansion of the Economic Development Department into the Leasable Space will further the purposes of the EDA;

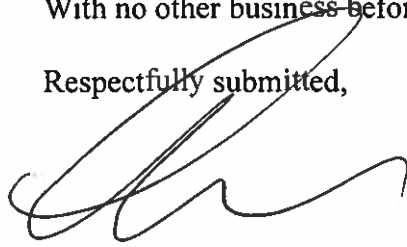
NOW, THEREFORE, it is hereby RESOLVED that:

1. The EDA commits to pay Rent for the Leasable Space in the amount of \$168,685 over the Term; and
2. The EDA appropriates \$20,160 for the purpose of paying the Rent for the period from January 1, 2021 through June 30, 2021; and
3. This Resolution shall be effective as of the date of 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.

With no other business before the Board the electronic meeting was adjourned at 10:06 a.m.

Respectfully submitted,



Robert D. Moore  
Secretary