

MINUTES
ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF NORFOLK
Wednesday, August 3rd, 2016
Department of Development
500 E. Main Street, Suite 1500
Norfolk, VA 23510

Present:

Directors

Robert E. Garris, Jr. - Presiding
Michael Lee
Jeffrey Brooke
Kim Brown
Michael Cox
Jaeson Dandalides
Richard Ottinger
W. Craig Reilly
Ursula Rhodes
Antonio Sisco

Counsel

George Consolvo – Kaufman & Canoles

Advisory Committee

Christine Garczynski – Director of Finance

Staff

Peter Chapman – Executive Director
Chuck Rigney – Assistant Executive Director
Andrew Yancey - Secretary-Treasurer
Dawn Ryan - Assistant Secretary-Treasurer

Guests

Anita Poston – Vandeventer Black LLP
Jeff Martin – Norfolk Academy
Jared Chalk – Dept. of Development
Sandra Choi – Dept. of Development
Leslie Osborn – Dept. of Development
Eric Hartley – Virginian Pilot

Absent

Wayne Coleman - Director

MEETING CALLED TO ORDER

A regular meeting of the Economic Development Authority of the City of Norfolk was held on August 3rd, 2016. Chairman Garris called the meeting to order at 7:30 a.m. Chairman Garris welcomed the guests present.

NORFOLK ACADEMY – REFUNDING

Chairman Garris introduced Mr. Jeff Martin representing Norfolk Academy and Anita Poston from Vandeventer Black LLP representing the EDA. Ms. Poston asked if the Board had any questions about the refunding of Norfolk Academy Bond of \$32,000,000.00 for capital improvements to the school's campus located in Norfolk which the Authority approved in principle at the June meeting. Ms. Poston advised the Board that the refunding will take place at the end of the month and the payment schedule will be billed yearly in arrears every September for the time from August to August. (Attachment #1).

Upon a motion by Mr. Reilly, seconded by Mr. Lee, the Board unanimously approved the refunding of the Norfolk Academy Bond for \$32,000,000.00. The vote was 8-0-0.

Mr. Ottinger arrived at 7:34 am. Mr. Sisco arrived at 7:35 am.

GRANT AGREEMENTS

Chairman Garris asked Mr. Chapman to share the information for three grants listed on the agenda and after each one if any Directors had questions they could ask at that time and after each is addressed and the discussion closed he would call for the individual votes.

Mr. Rigney explained to the Board the following: all three grants were being paid through Cigarette Tax funds for economic growth, expansion and retention as stated in the approved grant agreements; the O'Conner Brewery grant would be for business expansion in the amount of \$78,000.00 (Attachment #2); another grant of \$56,000.00 is for the expansion and retention of the 5-Points Market

project and this grant will help fund improvements and a grant writing consultant's fee (Attachment #3); and the final grant is for the Maplewood LLC project, a mixed use Church Street project having 13 units and 6,000 sq. ft. of space, and the grant will fund build out requirements for tenants. Ms. Rhodes requested a further breakdown of the property description. (Attachment #4).

With no further discussion from the Board, the Chairman asked for motions to be made on the grant agreements discussed.

Upon a motion by Ms. Rhodes, seconded by Mr. Lee, the Board unanimously approved that the Chairman or Vice Chairman of the Authority execute and deliver the grant document for the benefit of O'Conner Brewing Company, Inc., such document to be in substantially the form presented at the meeting, with such changes as may be approved by counsel. Vote 10-0-0.

Upon a motion by Ms. Rhodes, seconded by Ms. Brown, the Board unanimously approved that the Chairman or Vice Chairman of the Authority execute and deliver the grant document for the benefit of Five Points Partnerships, Inc., such document to be in substantially the form presented at this meeting, with such changes as may be approved by counsel. Vote 10-0-0.

Upon a motion by Ms. Rhodes, seconded by Ms. Brown, the Board unanimously approved that the Chairman or Vice Chairman of the Authority execute and deliver the grant document for the benefit of Maplewoods, LLC, such document to be in substantially the form presented at this meeting, with such changes as may be approved by counsel. Vote 10-0-0.

Mr. Rigney updated the Board on the request to move forward with a cooperation agreement with the City for a revenue sharing performance based grant to IKEA for 15 years in the amount not to exceed \$5 million dollars over that time. Ms. Rhodes asked when the revenue sharing would begin, and Mr. Rigney replied that it would begin after the facility is open a year, and that it is based on the tax revenue generated over the fifteen year time frame. Mr. Rigney further replied that the grant is strictly based on

revenue performance and the term of grant commences when the certificate of occupancy is turned in to the City, the payment is generated and based on tax dollars collected, and IKEA is set to open in 2018. (Attachment #5).

Upon a motion by Ms. Rhodes, seconded by Mr. Sisco, the Board unanimously agreed that the Authority execute and deliver the grant documents for the benefit of IKEA property, such documents to be in substantially the form presented at this meeting, with such changes as may be approved by counsel. Vote 10-0-0.

NEW BUSINESS

Chairman Garris presented four resolutions of past members and staff recognizing their service to the EDA Board and proposed that if approved these resolutions will be formally presented to the past members in a luncheon in their honor. (Attachments #6).

Upon a motion by Mr. Lee, seconded by Ms. Rhodes, the Board approved the resolution for former Chairman and Director Jerry Roberson. The vote was 10-0-0.

Upon a motion by Mr. Lee, seconded by Ms. Brown, the Board approved the resolution for Jim McDonnell. The vote was 10-0-0.

Upon a motion by Mr. Lee, seconded by Ms. Rhodes, the Board approved the resolution for former Director Adrian Latta. The vote was 10-0-0.

Upon a motion by Mr. Lee, seconded by Ms. Rhodes, the Board approved the resolution for former Secretary-Treasurer Jared Chalk. The vote was 10-0-0.

OTHER BUSINESS

Chairman Garris recalled that at the July meeting Track Patch requested a 2 for 1 matching grant for up to \$5,000.00 and that a vote was deferred to this meeting. There was no further discussion or questions.

Upon a motion by Ms. Rhodes, seconded by Ms. Brown, the Board unanimously approved such \$5,000.00 grant. The vote was 10-0-0.

Chairman Garris asked that Mr. Chapman and Ms. Choi update the Board on the ExporTech scholarship funding request. Mr. Chapman noted that this was the second year the EDA has helped to support the funding of three companies that have successfully completed the ExproTech program and that the funding is \$1,250.00 for each of the three companies that successfully completed the training for a total of \$3,750.00.

Upon a motion by Mr. Lee, seconded by Mr. Reilly, the Board unanimously approved the funding of \$3,750.00 to the three companies that completed the program. The vote was 10-0-0.

Mr. Chapman was asked to address the Board on the request for the EDA to approve a cooperation agreement to administer the Section 108 loan program. Mr. Chapman noted that this is in reference to the \$19 million dollar investment program. Mr. Chapman further noted that agreement with the City is required to implement the program.

Chairman Garris noted that September is the annual meeting when the Board elects officers. There was discussion regarding the nomination process and it was decided that at the September meeting nominations would be made from the floor. This vote will be tabled until the September meeting and placement of officer will be discussed then.

Mr. Lee asked for an update on the 880 Building and Mr. Rigney explained that Mr. Yancey meets weekly with the construction timeline. He also advised the Board that demolition and construction are all on track for the May 2017 Movement Mortgage occupancy date. There are still interested prospects for the empty space within the rest of the building and those prospects are actively working with staff closely.

The Main hotel conference center project was also discussed. Chairman Garris commented that

Ms. Brown advised him that the Port Authority's fiscal year just ended and that it processed close to 220,000, 20 ft. containers with a 2.6% growth for the year and that there is a \$350 million dollar expansion that has been announced. Chairman Garris noted that the Port is vital to the community and its economy; and it is second in the County in volume to Savannah, GA. Ms. Brown commented that the Port is steadily dredging every day and has already received large ships from the Panama Canal and that the Port has the deepest channel on the East Coast.

MINUTES

Chairman Garris asked the Board if there are any questions or adjustments that need to be made to the draft minutes. Hearing none, the July meeting minutes were considered accurate and complete and he asked for a motion to approve those minutes.

Upon a motion by Ms. Brown, seconded by Mr. Lee, the Board approved the minutes of the July 6th, 2016 meeting. The vote was 10-0-0.

ADJOURNMENT

A motion was made, seconded and approved to adjourn the meeting at 8:30 a.m.

Approved by Robert E. Sami, Jr.

- Attachments:
1. Norfolk Academy Refunding Bond
 2. O'Conner Brewery Grant Agreement
 3. 5-Points Community Farmers Market Grant Agreement
 4. Maplewood, LLC Grant Agreement
 5. IKEA Cooperation Agreement
 6. Approved Resolutions for Past Directors and Staff