

MINUTES
ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF NORFOLK
Wednesday, February 10th, 2016
Department of Development
500 E. Main Street, Suite 1500
Norfolk, VA 23510

Present:

Directors

Michael Lee - Presiding
Kim Brown
Jaeson Dandalides
Jim McDonnell
Ursula Rhodes
Antonio L. Sisco

Counsel

George Consolvo – Kaufman & Canoles

Staff

Peter Chapman – Executive Director
Jared Chalk - Secretary-Treasurer
Dawn Ryan - Assistant Secretary-Treasurer

Advisory Committee

Christine Garczynski – Director of Finance - Advisory Committee

Guests

Chuck Rigney – Director of Development
Leslie Osborn – Sen. Bus. Development Manager
Andrew Yancey – Bus. Development Manager

Absent

Robert E. Garris, Jr. - Chairman
Jerry B. Robertson
Wayne Coleman
W. Craig Reilly

MEETING CALLED TO ORDER

A meeting of the Economic Development Authority was held on February 10th, 2016. Vice Chairman Lee called the meeting to order at 7:33 a.m.

ANNUAL AUDIT FY 14/15

Vice Chairman Lee welcomed the auditors from KPMG who were there to present the findings of the EDA's annual audit. Vice Chairman Lee suggested moving the audit presentation to first line of the agenda and the board agreed.

Mr. Chalk introduced Cheryl Xystros, Partner and Ryan Kavanaugh of KPMG to the board as our returning auditors for this audit year. Ms. Xystros presented the audit results in a presentation. (Attachment #1). There were no material weaknesses in internal control on the audited financial statement.

OLD BUSINESS

Vice Chairman Lee asked Mr. Chapman to give an update on the 108 HUD, \$19 million dollar loan program. The panel that is going to approve the application did not meet last week due to the snow storms in DC and that it will go in front of the full committee on Friday, February 12th, 2016. Mr. Chapman will keep the board updated.

Mr. Chapman proceeded to the next agenda item which is the partnership between the National Development Council to begin a \$2 million dollar Grow Norfolk fund which \$1.5 million dollars is coming from NDC and \$500,000.00 is coming from EDA in the form of CDBG funding. The Board was provided with a copy of the draft agreement for review and questions and approval will be set for the March meeting. Some of the dates in the draft copy need to be changed and Ms. Osborn was waiting on NDC to make those changes prior to final approval. These funds are different from the other three

loan programs that the EDA will be involved in. These funds will not be administered by the EDA or development office and all underwriting is done through NDC. (Attachment #2)

NEW BUSINESS

Vice Chairman Lee asked that staff address the major projects updates. Mr. Chapman started with saying that all the project that have been addressed in the Virginia-Pilot with regards to Downtown and Military Circle are all still in negotiations and nothing has been finalized. It was reported that Marathon Development Group will renovate the Bank of America Building convert to 345 apartments. Two Commercial Place is going to be renovated into Class A office space. ADP, LLC based out of Roseland, NJ is a public company that is a payroll processing company with about 2,000 new jobs that the newspaper reported as being interested in the space. Due to the confidentiality regarding both projects, nothing more than what has already been publicly disclosed was discussed.

Mr. Rigney commented that he and Mr. Chalk went to visit with the Cordish to discuss the progress of Waterside development and updates that will occur. The property is owned by NRHA and Cordish is leasing for 50 years with a few renewal options equating to about an 80 year relationship. Starr Hill Brewery is going to be an anchor tenant and Waterside is set to open spring 2017. Additional tenants will be announced in the coming months.

Mr. Rigney also discussed a development opportunity at the former JC Penney building owned by the EDA.

RESOLUTION OF GRANT FUNDS

Mr. Consolvo advised the Board of the resolution presented to the board authorizes the officer of the EDA to execute and deliver the performance agreement, the cooperation agreement and grant agreement. The EDA is the conduit for the city and state funds to the ADP, LLC project.

(Attachment #3). Ms. Rhodes stepped out of the meeting.

Upon a motion by Mr. McDonnell, seconded by Mr. Sisco, the Authority approved to adopt the Resolution between the EDA, the City and ADP, LLC. The vote was 5-0-0.

MINUTES

Upon a motion by Mr. Sisco, seconded by Ms. Brown, the Authority approved the minutes of the January 6th, 2016 board meeting. The vote was 5-0-0. After the vote Ms. Rhodes came back to the meeting.

ADJOURNMENT

Vice Chairman Lee having no further business to discuss, he adjourned the meeting at 8:50 a.m.

Approved by Mr. P. Lee

- Attachments:
1. KPMG audit presentation
 2. Draft Agreement between Grow Norfolk & NDC
 3. Resolution of Grant Funds