

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF NORFOLK

Meeting Minutes

The City of Norfolk Economic Development Authority held its regular meeting on Wednesday, December 5th, 2018 at 7:33 A.M. in the Dominion Tower Conference Room at 999 Waterside Drive, Suite 400 Norfolk, Virginia 23510

DIRECTORS PRESENT:

Michael Lee – Chair
Antonio Sisco – Vice Chair
Kim Brown
B. Wayne Coleman
Jaeson Dandalides
Robert E. Garris, Jr.
W. Craig Reilly
Ursula Rhodes

STAFF PRESENT:

Jared Chalk – Executive Director
Sean Washington – Secretary-Treasurer
Dawn Ryan – Assistant Secretary-Treasurer

COUNSEL PRESENT:

Barry Hunter – Kaufman & Canoles

GUESTS:

Bob Sharak – Department of Development
Ihsane Mouak – Department of Development
Darielle Williams - Department of Development
Jerry Robertson – GENEDGE Alliance
Cindy Glisson – GENEDGE Alliance
Susan Perry – Office of Resilience
Patrick Lane – Froehling & Robertson, Inc.
Scott Gloff – Whiting-Turner

DIRECTORS/STAFF ABSENT:

Jeffrey Brooke
Michael Cox
Richard Ottinger
Christine Garczynski – Director of Finance

MEETING CALLED TO ORDER

Chairman Lee called the meeting to order at 7:33 a.m. and welcomed staff, guests and presenters to the meeting.

MINUTES

Chairman Lee asked the Board to review the minutes for the November 7th, 2018 meeting. Hearing no questions or adjustments, he asked for a motion to approve the minutes of November 7th, 2018. Upon a motion by Mr. Sisco and seconded by Mr. Reilly, the minutes of the November 7th, 2018 meeting were approved by a vote of 5-0-2 (Mr. Garris and Mr. Coleman abstained).

FINANCIAL UPDATE

Mr. Washington gave a brief update on the financials as of October 30, 2018, and reviewed the Authority's fiscal year 2019 operating budget.

Revenue

The Authority received \$161,170 in admin fees and \$160,900 in proceeds from the sale of a parcel of land in Central Business Park. It is estimated that the Authority will receive another \$315,479 in admin fees over the remainder of the fiscal year.

Operating Expenses

Administrative overhead expenses were \$14,834 with departmental expenses of \$18,132. Non-operating expenses totaled \$22,000. Mr. Washington reported that all expenses are in line with the approved FY19 budget.

Annual Audit Review

The Authority's financial statements are reported on the accrual basis as required by U.S. generally accepted accounting principles (GAAP). On that basis, the Authority had total operating expenses of \$3,707,197, and total operating revenues of \$8,823,186. (Ms. Brown arrived 7:37 a.m.). In addition, the Authority's current net position increased from \$1,200,805 for FY17/18 to \$11,483,464 due to the net worth of the 824 building. The current administrative fee collections are \$555,710 with \$102,084 of that amount due to other municipalities for Admin fee split. Mr. Washington reported that it was a clean audit with no qualifications and no deficiencies in procedures. Mr. Washington indicated

he would address any additional questions at the next meeting prior to approving the audit report.
(Attachment #1)

BRIEFING/NEW BUSINESS

Chairman Lee asked Mr. Chalk to introduce Mr. Jerry Robertson (former Chair and past Board member). Mr. Robertson introduced himself and his role with Genedge and then introduced his presenter, Ms. Cindy Glisson. Ms. Cindy Glisson gave the following overview of Genedge.

The Genedge alliance provides high quality consulting services to manufacturing, technology, and industrial enterprises across Virginia. Genedge also works with health care service providers. The fiduciary board of Genedge is appointed by the Governor and has 23 representatives from Higher Education, Government, Manufacturers, and citizens. Hampton Roads is 30% of their target market for product development, access to federal labs and export companies. Genedge was designed to help provide affordable high quality consulting to new and current businesses as well as to help build partnerships with the intent to attract young adults to the manufacturing industry. Many schools are choosing to have internships in manufacturing to attract new business model manufacturing as a good career choice. Genedge has multiple partnerships with other organizations like VEDP, Go Virginia and most economic development agencies to serve as a conduit for people to get the information needed for their businesses to succeed. Genedge will be opening a new office in Newport News, VA in January, 2019, with their Headquarters offices being maintained in Richmond. (Attachment #2)

Mr. Chalk introduced Dr. Susan Perry, Special Assistant to the City Manager from the Office of Resilience for the City of Norfolk. Ms. Perry presented the St. Paul's area overview to the Board. Their office is specifically concerned with the residents in the St. Paul's area because the three public housing communities in the area make up the highest concentration of poverty in the region. She discussed challenges which included flooding, crime, lack of connectivity to the rest of the city and the sense of physical, social and economic isolation to name a few. Their vision is to work in partnership with Norfolk Redevelopment and Housing Authority to revitalize all three public housing communities over the next ten years. These communities include Tidewater Gardens, Young Terrace and Calvert Square, all built in the mid – 1950's. See attached handout for more in-depth information on the vision for the people, education, and critical community improvements like job creation and home ownership. (Attachment #3)

Mr. Washington distributed an updated handout regarding the 824 Building improvements for the new Optima Health offices. Fire alarm testing has been completed and the generator has been installed. The Project is scheduled to be completed mid-December, under budget, with furniture installation and HVAC controls already in progress. There are no foreseen concerns or potential change orders. (Attachment #4)

Mr. Chalk delivered a presentation to the Board on the Harbor Park Area future development projects. These projects would assist in “uncorking the bottleneck” that is the connection of Main Street extension from St. Pauls Blvd. to Union Street for parking garage access and access to Harbor Park. The projects would include demolishing the existing one-story building adjacent to City Hall, closing Union Street to the entrance of City parking garage, and adding a left turn lane and new traffic signals on St. Pauls Blvd. at an entrance to a new parking facility on the now empty parcel located at the corner of Union Street and St. Pauls Blvd. Additional information is provided in the presentation. (Attachment #5)

Mr. Washington gave a presentation on the Small Business Grant Program which is a product of one of the five capital access products that have been in development in the City to provide additional funding sources for small businesses. (Mr. Garris left 8:40 a.m.). The Authority’s Small Business Grant Program would be vetted through the Department of Economic Development Offices with the following criteria. The grant amount would be between \$1,500 - \$10,000. The years in business can only be 0-4 years and must have no more than 25 employees. This program is designed to help new or smaller businesses with assistance when the criteria from traditional funding sources cannot be met. General eligibility criteria for who can apply are for-profit sole proprietorship, general partnerships, limited partnerships, limited liability partnerships, corporations and limited liability companies. Companies selected for the grant program must meet all the minimum conditions. The process, with a required documentation checklist, as well as selection criteria are included in the presentation materials. (Attachment #6)

CLOSED SESSION

Mr. Sisco moved to enter into a closed session regarding the acquisition and/or disposition of publicly held real property by the following motion:

“Mr. Chairman, I move that the Directors of the Economic Development Authority of the City of Norfolk convene in a closed meeting pursuant to Section 2.2-3711(A)(3) of the Code of Virginia for the

purpose of discussion and consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property where discussion in an open meeting would adversely affect the Authority's bargaining position or negotiating strategy." Seconded by Ms. Brown. Vote 7-0-0. Voting by a roll call vote to enter into closed session were: Mr. Sisco, Ms. Brown, Mr. Dandalides, Mr. Reilly, Ms. Rhodes, Mr. Coleman and Mr. Lee.

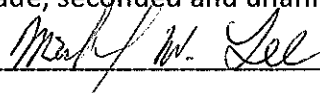
After the conclusion of the closed session, Mr. Sisco made the following motion in an open meeting:

"Mr. Chairman, I move the Directors of the Economic Development Authority of the City of Norfolk, certify that to the best of their knowledge (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and (ii) 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 meeting by the Directors of the Authority." Voting by a roll call vote to certify the matters relating to the closed session were: Mr. Sisco, Ms. Brown, Mr. Dandalides, Mr. Reilly, Ms. Rhodes, Mr. Coleman and Mr. Lee. Vote 7-0-0.

ADJOURNMENT

A motion was made, seconded and unanimously approved to adjourn the meeting at 9:18 a.m.

Approved by _____



- Attachments:
1. Fiscal Year Audit Report FY June 30, 2018 - Handout
 2. Genedge – Presentation and Handout
 3. Saint Paul's Update – Presentation
 4. 824 Building Construction Update – Handout
 5. Harbor Park Future Development - Presentation
 6. Small Business Grant Program – Presentation