

# ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF NORFOLK

## Meeting Minutes

The City of Norfolk Economic Development Authority held its regular meeting on Wednesday, January 9th, 2019 at 7:33 A.M. in the Dominion Tower Conference Room at 999 Waterside Drive, Suite 415 Norfolk, Virginia 23510

### **DIRECTORS PRESENT:**

Michael Lee – Chair  
Antonio Sisco – Vice Chair  
Jeffrey Brooke  
Kim Brown  
B. Wayne Coleman  
Jaeson Dandalides  
Robert E. Garris, Jr.  
Richard Ottinger  
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

### **DIRECTORS/STAFF ABSENT:**

Christine Garczynski – Director of Finance

## **MEETING CALLED TO ORDER**

Chairman Lee called the meeting to order at 7:33 a.m. and welcomed staff and guest to the meeting. Chairman Lee announced that Michael Cox had resigned from the Board effective as of January 4<sup>th</sup>, 2019 due to relocation of his job with Norfolk Southern.

## **MINUTES**

Chairman Lee asked the Board to review the minutes for the December 5th, 2018 meeting. Hearing no questions or adjustments, he asked for a motion to approve the minutes of December 5th, 2018. Upon a motion by Mr. Garris and seconded by Ms. Brown, the minutes of the December 5th, 2018 meeting were approved by a vote of 8-0-0.

## **ANNUAL AUDIT**

Chairman Lee asked the Board if they had any questions or concerns about the Annual Audit. Hearing no questions or concerns, he asked for a motion to accept the Annual Audit for FY-18. Upon a motion by Mr. Reilly and seconded by Mr. Garris, the Annual Audit FY-18 was accepted by a vote of 8-0-0.

## **FINANCIAL UPDATE**

Mr. Washington gave a brief update on the financials as of December 31st, 2018, and reviewed the Authority's fiscal year 2019 operating budget, as follows:

### **Revenue**

The Authority received \$307,853.25 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 \$168,796.75 in admin fees over the remainder of the fiscal year. (Mr. Ottinger and Ms. Rhodes arrived 7:37am).

### **Operating Expenses**

For the period, administrative/overhead expenses were \$19,340.46 with departmental expenses of \$27,784.32. Non-operating expenses totaled \$27,000. Mr. Washington reported that all expenses are in line with the approved FY19 budget.

Mr. Ottinger, Ms. Rhodes and Mr. Coleman asked that copies of the financial spreadsheet(s) be distributed to the Board members at the next meeting.

## **BRIEFING/NEW BUSINESS**

Chairman Lee asked Mr. Washington to update the Board on the current status of the 824 Bldg. Mr. Washington advised the Board that as of December 7<sup>th</sup>, 2018 all construction was completed on time, \$78,000 under budget, and Optima Health took occupancy of the new space.

Mr. Chalk summarized for the Board the resolution respecting a license for CenturyLink Communications, LLC to install its fiber optics line to service Movement Mortgage (and potentially other tenants) of the 824 bldg. on Military Highway. The resolution authorized the Chairman, Vice Chairman or Executive Director to further negotiate the license agreement between the Authority and CenturyLink and to execute all documents and certificates necessary or appropriate to perform and carry the transactions authorized in the Resolution. (Attachment #1)

Chairman Lee ask for a motion to approve the Resolution between the Authority and CenturyLink. Upon a motion by Mr. Reilly and seconded by Ms. Brown, the CenturyLink Resolution was approved by a vote of 10-0-0.

Mr. Washington updated the Board on the Small Business Grant Programs discussed at the last meeting. Mr. Washington reviewed the 4 programs involved. Mr. Washington met with the Development Action Committee on January 8<sup>th</sup>, 2019 and will make a presentation to City Council in February. This presentation will only be for informational purposes as the funding for the Small Business Grant program would be using EDA funds derived from administrative bond fees. Mr. Washington anticipates an appropriation request will be made in February or March with an April roll out.

Mr. Chalk informed the Board on the different types and levels of casino gaming as well as the effect on the Norfolk area. The New Kent County Pamunkey Tribe casino would be considered Tribal gaming that is ranked in Class II or III. Class I is considered social gaming which people can do at home. Class II has one central server that all electronic bingo, regular bingo and slot machines in the facility use and Class III is Vegas style gaming which includes slots and gaming tables such as baccarat, blackjack, and poker. The economic benefits include wage growth, reduced unemployment and increase in tourism. Financial feasibility review, attorney review and economic impact as well as detailed environmental impact review and traffic studies will all need to be done and could take up to a 2 to 3-years from the time the application is submitted to the US Department of Interior. (Attachment #2)

## OLD BUSINESS

Chairman Lee asked Mr. Coleman and Mr. Garris to update the Board on the meetings they attended with Greater Norfolk Corporation (GNC) and Access. They learned there are already a few local focus groups involved in small business mentoring programs. The programs are not just for college bound students but also for non-college trade worker(s)/apprenticeships. They will gather more information to pass along at the next meeting.

Ms. Brown asked to comment on the new cranes that arrived at the VIG terminals in Portsmouth, VA this week. Ms. Brown is going to see if the Board can get a tour of the terminals and see the cranes in action. (Mr. Ottinger left 8:36am).

Chairman Lee advised the Board that on January 4<sup>th</sup>, 2019 Mr. Cox sent a letter to the City Clerk officially resigning from the Board in preparation for his employment move in May. The Board agreed to prepare a letter or resolution to acknowledge his time on the Board before he leaves the area.

The Directors were provided a resolution which Mr. Chalk advised was to authorize a request for proposal for brokerage services regarding the disposition of the 824 Building. Mr. Chalk and Mr. Washington would receive the bids and discuss. After discussion and a decision Mr. Chalk would again update the Board at its next meeting on who was chosen and move forward with the sale of the 824 Building. (Attachment #3)

Upon a motion made by Mr. Reilly and seconded by Ms. Brown, the Board unanimously approved the resolution. The vote was approved 9-0-0.

## ADJOURNMENT

A motion was made, seconded and unanimously approved to adjourn the meeting at 8:48 a.m.

Approved by 

- Attachments:
1. CenturyLink License Agreement - Resolution
  2. Casino Gaming – Presentation
  3. Resolution to accept brokerage firm