

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF NORFOLK

Meeting Minutes

The Economic Development Authority of the City of Norfolk held its regular meeting on Wednesday, January 15th, 2020 at 7:33 A.M. in the EDA's Conference Room at 999 Waterside Drive, Suite 2430, Norfolk, Virginia 23510

DIRECTORS PRESENT:

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

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

ABSENT:

W. Craig Reilly - Director
Ursula Rhodes - Director
Carter Smith - Director

MEETING CALLED TO ORDER

Chairman Lee called the meeting to order at 7:33 A.M. and welcomed staff and guests to the meeting.

NEW BUSINESS/BRIEFING

Mr. Chalk provided an overview of the agenda and then started with the first agenda item.

Mr. Chalk addressed the resolution authorizing the purchase of Site P, Military Circle, located outside the mall. This resolution would allow Mr. Chalk to execute and deliver a purchase agreement with Kavva Hotels, LLC for a purchase price of \$2.4 million. Site P contains 1.2963 acres and an approximately 200-unit motel. After some discussion, the Board agreed to table the vote until later in the meeting.

Mr. Chalk continued with a discussion of the resolution authorizing the negotiation and execution of a letter of intent and/or purchase agreement with respect to the potential sale of 935 Denison Avenue in the Central Business Park Development. The Denison Avenue property will be sold at its fair market value of \$300,000.00 and the purchaser will construct a medical office building thereon to be used for therapy for autistic children. The LOI calls for a due diligence period of 90 days with closing expected 30 days thereafter. Upon motion by Mr. Garris, and seconded by Ms. Brown, the Board approved the resolution regarding the sale of the 935 Denison Avenue Property. Vote was 8-0. (Attachment #1).

Mr. Chalk continued with an update on 720 Church Street. The EDA was advised that the Save-A-Lot grocery store filed for bankruptcy and would be closing some stores in the area, the 720 Church Street location being one of them. Therefore, it is anticipated that the EDA should terminate the contract to purchase this site.

Mr. Washington asked the Board to review the Cap Micro Grant resolution presented to them for Smartmouth Brewing Company for the façade improvements of their expansion of their current building. This micro grant is in line with the overall program budget. Upon motion by Mr. Garris, and seconded by Mr. Fisher, the Board approved the grant agreement for \$10,000.00. Vote was 8-0. (Attachment #2).

Mr. Washington asked the Board to approve the EDA's Annual Audit FY19 that was presented in the December 5th, 2019 meeting. Having no questions or concerns from the Directors, the Chairman asked for a motion. Upon motion by Mr. Brooke, and seconded by Mr. Fisher, the Board approved the Annual Audit FY19. Vote was 8-0. (Attachment #3).

FINANCIAL UPDATE

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

Revenue

The EDA received \$27,330.19 in November of which \$27,309.83 were admin fees and \$20.36 was interest from operating accounts.

The EDA received \$706.71 in December of which \$687.50 were admin fees and \$19.21 was interest from operating accounts.

This brought the EDA to \$127,022.43 in revenues year to date.

Operating Expenses

For the period, administrative/overhead expenses combined were \$26,172.60, with departmental expenses for November of \$26,781.29 and December \$34,874.44. Non-operating expenses totaled \$17,696.57. (Attachment #4).

MINUTES

Chairman Lee asked the Board to review both the minutes for the regular meeting held on December 4, 2019 and minutes for the special meeting held on December 20, 2019. Hearing no questions or adjustments, he asked for a motion to approve the minutes of December 4, 2019. Upon motion by Mr. Sisco, and seconded by Ms. Brown, the minutes of the December 4, 2019 meeting were approved by a vote of 7-0-1. Mr. Dandalides abstained. The Chairman then asked for a motion to approve the minutes of December 20, 2019 special meeting. Upon motion by Mr. Sisco, and seconded by Mr. Fisher, the minutes of the December 20, 2019 special meeting were approved by a vote of 6-0-2. Mr. Brooke and Mr. Garris both abstained.

CLOSED SESSION

Mr. Garris made the following motion to convene in a closed meeting:

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, and the disposition of publicly held real property, in each case, with respect to the property located in the Military Highway area of the City, where discussion in an open meeting would adversely affect the Authority's bargaining position or

negotiating strategy. Roll call vote: Mr. Brooke, Ms. Brown, Mr. Dandalides, Mr. Fisher, Mr. Garris, Mr. Lee, Mr. Ottinger, and Mr. Sisco all aye, with no nays. (Vote 8-0-0)

OPEN MEETING

After reconvening in an open meeting, Mr. Garris made the following motion:

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. Mr. Brooke seconded the motion. Roll call vote: Mr. Brooke, Ms. Brown, Mr. Dandalides, Mr. Fisher, Mr. Garris, Mr. Lee, Mr. Ottinger, and Mr. Sisco all aye, with no nays. (Vote 8-0-0)

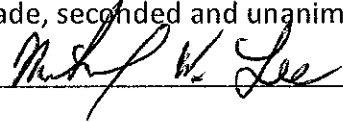
OLD BUSINESS/BRIEFING

Mr. Chalk addressed the resolution for the purchase of Site P, Military Circle, located outside the mall which resolution had been tabled earlier in the meeting. The resolution (i) authorized the purchase of Site P from Kavya Hotels, LLC for the purchase price of \$2.4 million, (ii) approved the Purchase and Sale Agreement presented to the Directors, and (iii) ratified execution of the Purchase and Sale Agreement by the Executive Director. Upon motion by Mr. Dandalides, and seconded by Mr. Ottinger, the Board approved the resolution respecting acquisition of Site P, Military Circle, Norfolk, VA. Vote was 8-0. (Attachment #5).

ADJOURNMENT

A motion was made, seconded and unanimously approved to adjourn the meeting at 8:36 A.M.

Approved by _____



Attachments:

1. Resolution - Approved 935 Denison Avenue potential sale
2. CAP Micro Grant Resolution - Smartmouth Brewing Co., LLC
3. Approved Annual Audit FY19
4. Financial Update - November and December
5. Resolution - Approved Purchase Agreement Site P., Kavya Hotels, LLC