

# 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, February 5th, 2020 at 7:36 A.M. on the 4<sup>th</sup> floor of 999 Waterside Drive, Suite 400, Norfolk, Virginia 23510

### **DIRECTORS PRESENT:**

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

### **STAFF PRESENT:**

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

### **COUNSEL PRESENT:**

Barry Hunter– Kaufman & Canoles

### **GUESTS:**

Dan Shelton – Whiting-Turner  
Jennel Baltazar – Whiting-Turner  
Dr. Katerina Oskarsson - RISE  
Dr. Paul A. Robinson – RISE  
Robert Sharak – City of Norfolk Economic Development

### **ABSENT:**

Jeffrey Brooke - Director  
W. Craig Reilly - Director  
Ursula Rhodes - Director

## **MEETING CALLED TO ORDER**

Chairman Lee called the meeting to order at 7:36 A.M. and welcomed staff and guests to the meeting.

## **NEW BUSINESS/BRIEFING**

Mr. Chalk provided an overview of the agenda.

Mr. Chalk introduced Dr. Katerina Oskarsson and Dr. Paul Robinson from the RISE Center (“RISE”). Dr. Oskarsson made a presentation to the Board about Sea level rise. She indicated that RISE is located in the Gather space in the BB&T building on Main Street. RISE is a state and federally funded organization that assists companies with permitting and licensing. RISE also rents warehouse space for businesses to have a space to work on their product. Dr. Oskarsson mentioned helping 757 Accelerate and 757 Angels. A total of 51 applications have been submitted and of those applicants about half are from this region. Three main RISE resources are the Innovation Fund, the Accelerator, and the Hub & Testbed, all of which are in the Downtown Norfolk location. (Attachment #1)

Mr. Chalk continued with a brief introduction of Bob Sharak from the City’s Development office. Mr. Sharak is a Senior Business Development Manager whose focus is on business intelligence and attracting business and industry to the area, which is dependent, among other activities, on insuring the availability of real estate/incubator facilities, access to finance, and a supply of talent. His goals are to diversify and increase the City's net business base and continue to build economic resiliency. (Mr. Garris left the meeting at 8:23am). Mr. Sharak said that basic industries bring wealth to the City, and regional clusters feed off each other, work together, and act as a supply chain. Clustering creates a competitive advantage when attracting firms from outside the region. (Mr. Garris returned to the meeting at 8:27am). (Attachment #2)

Mr. Chalk asked to table the discussion on citywide major projects to keep on schedule. He proceeded to the next agenda item informing the Board that the 88,000 sq. ft. Human Services Building located in the Wards Corner area of the City is now on a year to year lease. The State pays 90% of rent to landlords of non-City owned buildings. The City has another 20,000 sq. ft. Human Services building in downtown and the thought is to combine the operations into one location, keeping in mind that public transportation stops are integral to finding the right location.

Mr. Chalk announced that the City’s Bond Rating had been upgraded to AAA. Regarding the new HRBT Project, Mr. Chalk indicated that HRBT and the City Council should recognize the height limit on vehicles which are West bound. In response to a question about Costco, Mr. Chalk informed the Board that Costco is

expanding by an additional 13,000 sq. ft. and is currently going through the zoning approval and permitting process.

Mr. Washington was asked to brief the Board on the Site P. resolution relating to the former Double Tree Hotel. The resolution approves a loan commitment letter from TowneBank to provide financing for the acquisition of the site. The purchase price of the hotel is \$2.4 million and the loan will be for \$1.8 million, with 2 years of interest only payments at a per annum floating rate of one-month LIBOR plus 2.50%. This equates to about a \$4,500.00 in monthly payments. Upon a motion by Mr. Dandalides, and seconded by Mr. Ottinger, the resolution to approve the financing for the acquisition of Site P was approved by a vote of 8-0-0.

## **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 \$108,745.35 in January all of which were admin fees and \$0.00 was interest from operating accounts. This brought the EDA to \$235,767.78 in revenues year to date.

### **Operating Expenses**

For the period, administrative/overhead expenses combined were \$40.00, with departmental expenses for January of \$11,665.48. Non-operating expenses totaled \$6,783.11. (Attachment #3).

## **MINUTES**

Chairman Lee asked the Board to review the minutes for the regular meeting held on January 15<sup>th</sup>, 2020. Hearing no questions or adjustments, he asked for a motion to approve the minutes of the January 15<sup>th</sup>, 2020 meeting. Upon motion by Ms. Brown, and seconded by Mr. Ottinger, the minutes of the January 15<sup>th</sup>, 2020 meeting were approved by a vote of 7-0-1. Mr. Smith abstained.

## **CLOSED SESSION**

Mr. Sisco 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: Ms. Brown, Mr. Dandalides, Mr. Fisher, Mr. Garris, Mr. Lee, Mr. Ottinger, Mr. Sisco and Mr. Smith all aye, with no nays. (Vote 8-0-0)

## **OPEN MEETING**

After reconvening in an open meeting, Mr. Sisco 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: Ms. Brown, Mr. Dandalides, Mr. Fisher, Mr. Garris, Mr. Lee, Mr. Ottinger, Mr. Sisco and Mr. Smith all aye, with no nays. (Vote 8-0-0)

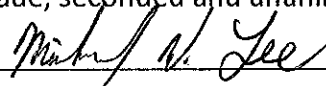
## **OLD BUSINESS/BRIEFING**

The Board was presented with a resolution approving the Purchase and Sale Agreement with respect to the sale of the 824 Bldg. at Military Circle. Chairman entertained a motion to approve the resolution. Upon motion by Ms. Brown, and seconded by Mr. Ottinger, the Board approved the resolution by a vote of 7-0-1. Mr. Garris Abstained. (Attachment #4).

Ms. Brown addressed the Board informing them of the 800-foot Wind Turbines coming to Portsmouth Marine Terminal (PMT). Ms. Brown advised that the cranes at the terminal are in dire need of fixing and should be taken care of before the new shipping line comes to PMT. On the shipping line side, the Coronavirus is killing the industry for workers' hours because, with no ships to fill, the hours are very limited.

## **ADJOURNMENT**

A motion was made, seconded and unanimously approved to adjourn the meeting at 9:12 A.M.

Approved by 

Attachments:

1. RISE \$2 Million Resilience Challenge - Presentation
2. Business Intelligence and Attraction - Presentation
3. Financial Update – January 2020
4. Resolution – Authorizing the sale of 824 Building