

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF NORFOLK

Meeting Minutes

The Economic Development Authority of the City of Norfolk called, and held, a special meeting on Wednesday, June 3rd, 2020 at 12:00 P.M. on the 10th floor in City Council Chambers, 810 Union Street, Norfolk, Virginia 23510

DIRECTORS PRESENT:

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

STAFF PRESENT:

Jared Chalk – Executive Director
Sean Washington – Secretary-Treasurer
Dawn Ryan – Assistant Secretary-Treasurer (*Remote Participation*)
Robert Sharak (*Remote Participation*)

COUNSEL PRESENT:

Barry Hunter– Kaufman & Canoles

GUESTS:

Christine Garczynski – Director of Finance

ABSENT:

Ursula Rhodes - Director

MEETING CALLED TO ORDER

Chairman Lee called the meeting to order at 12:08 P.M. and thanked staff and directors for attending in the midst of the pandemic.

Chairman Lee addressed the Board concerning the current activities happening across the country and in Norfolk. He pointed out that Norfolk was handling the situation well and that the EDA Board was a diverse and unified board that could serve as an example to others. He concluded by saying we all know that Norfolk is doing its' best to prevail and teach all members of the community to act as one. In response to Chairman Lee's question on the number of operating minority businesses in Norfolk, Mr. Sharak said it was a question of whether the Commissioner of Revenue has the data. He said that he could get the data but the most current data available was from 2012 as the 2017 data was not yet out. Mr. Lee asked if, at the next meeting, he could get the numbers of minority businesses still operating in Norfolk.

BRIEFING

Mr. Hunter then gave an explanation of the requirements under FOIA, the Governor's Executive Order, the Budget Amendments and the EDA Policy for conducting meetings electronically as well the requirements and process for individual Directors to participate remotely when the EDA is meeting in person. He noted, in particular, that remote participation by a Director for personal reasons (i.e. not based on a medical condition or disability preventing attendance) is permitted only twice each calendar year. After the briefing, it was the consensus of the Board to continue to meet in person rather than move to meeting via electronic platform.

NEW BUSINESS

Mr. Washington gave an overview of the loans that had already been approved under the RLF Plan. In response to some questions, Mr. Chalk gave a short report on the business climate, particularly as it related to the hotel sector. He also indicated, in response to a question, that the estimated Budget Deficit for the City was \$20 million but it is still an unknown. (Carter Smith joined the meeting at 12:54 PM). The discussion continued with the anticipated schedule for remote workers returning to work and Mr. Chalk explained the City's furloughing of

employees. The discussion was concluded with Mr. Chalk's Real Time Business Intelligence Report (Attachment #1).

Mr. Washington then presented a resolution for approval of several loan(s) under the RLF Program. The Resolution included approval for 3 businesses that applied for the COVID-19 disaster loan assistance. The business names and the amounts applied for are as follows: Security Storage & Van of Norfolk/\$35,000; Netarus, LLC/\$35,000; and B & L Machine and Fabrication/\$35,000. Mr. Washington explained that the last company pulled their application that morning and did not want to move forward with receiving the loan. Mr. Reilly gave a synopsis of the underwriting for each loan, noting the strengths and weaknesses of each credit and the overall rationale for recommending approval. There was a discussion among the directors regarding the one company that pulled their application and the reason for withdrawal. Upon motion by Mr. Garris and seconded by Mr. Fisher, the Board approved the Resolution for the two loan requests, by a vote of 9-0-0. (Attachment #2)

Mr. Washington presented a resolution for the first round of the new Disaster Grants as a component of a previously approved Micro Grant Program. The resolution would allow grants to be made to businesses affected by COVID-19 using funds of the Micro Grant Program which remain available under the 2020 budget. Each grant will not exceed \$2,000.00. Mr. Fisher indicated he would need to vote no with respect to Provost Construction based on the revenues of the company. Mr. Brooke noted that the majority of the businesses were minority business and made compelling cases for the loans. Mr. Fisher noted that only 3 of 10 were minority businesses. After further discussion, it was agreed that Provost's application should be deferred to the next meeting. Mr. Garris moved to approve the resolution and Mr. Fisher seconded the motion if the one grant for Provost Construction was going to be tabled until the next Board meeting. It was the consensus of the Board that Provost Construction would be addressed later but to approve all others. Board approved the Resolution by a vote of 9-0-0. (Attachment #3)

Mr. Washington continued with the next agenda item, the new proposed FY-21 annual budget. After highlighting a few items for the review Mr. Washington asked the Board to table their vote on the Budget for the July meeting. Mr. Washington indicated that if anyone had any

questions in the meantime, they could send him an e-mail and he would address the issues at the July Board meeting.

OTHER BUSINESS

Mr. Sisco advised the Board of a success story with an article from ODU small business about helping Stephanie Linton and her success with the CAP grant application.

CLOSED SESSION

Mr. Dandalides 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, 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. The motion was seconded by Mr. Sisco and unanimously approved on a roll call vote. Roll call vote: Ms. Brown, Mr. Dandalides, Mr. Fisher, Mr. Brooke's, Mr. Lee, Mr. Reilly, Mr. Sisco, Mr. Ottinger and Mr. Smith all aye, with no nays. (Vote 9-0-0)

OPEN MEETING

After reconvening in an open meeting, Mr. Dandalides moved for the adoption of the following certification:

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. Lee seconded the motion and the certification was unanimously approved by a roll call vote. Roll call vote: Ms. Brown, Mr. Dandalides, Mr. Fisher, Mr. Lee, Mr. Reilly, Mr. Sisco, Mr. Ottinger, Mr. Brooke and Mr. Smith all aye, with no nays. (Vote 9-0-0).

OLD BUSINESS/BRIEFING

Ms. Brown moved to approve the minutes from the May 6th, 2020 Board meeting. Mr. Sisco seconded the motion and it was approved by a vote of 9-0-1, Mr. Garris abstained.

ADJOURNMENT

A motion was made, and unanimously approved to adjourn the meeting at 1:58 P.M.

Approved by _____

M. P. W. Lee

Attachments:

1. Business Intelligence Report
2. Resolution regarding loans(s) Under the Revolving Loan Fund Program
 - Security Storage & Van of Norfolk
 - Netarus, LLC
3. Resolution approving the Nine Economic Disaster Assistance Product