

# ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF NORFOLK

## Meeting Minutes

The Economic Development Authority of the City of Norfolk called, and held, its regular monthly meeting on Wednesday, February 3rd, 2021 at 12:00 P.M. on the 11th floor in the City Council Chambers, 810 Union Street, Norfolk, Virginia 23510.

Due to the Governor's declared state of emergency regarding COVID-19, the public was also granted electronic access to the meeting via WebEx through a link on the Authority's Website.

### **DIRECTORS PRESENT:**

Antonio Sisco – Chair  
Jeffrey Brooke – Vice Chair  
Kim Brown  
Jaeson Dandalides  
Linwood Fisher  
Robert E. Garris, Jr.  
Michael Lee  
Richard Ottinger  
Kelsey Sarcone (Remote - from her Office, T. Parker Host, at 150 W. Main Street, Suite 1600, Norfolk, VA)  
Carter Smith

### **STAFF PRESENT:**

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

### **COUNSEL PRESENT:**

Barry Hunter – Kaufman & Canoles, P.C.

### **GUESTS:**

Robert Sharak - Dept. of Economic Development (*Remote Participation*)

### **ABSENT:**

Ursula Rhodes

## **MEETING CALLED TO ORDER**

Chairman Sisco called the meeting to order at 12:15 P.M. and thanked staff and directors for attending at the new location. He then asked Mr. Chalk to review the agenda.

## **AGENDA OVERVIEW**

Mr. Chalk provided an overview of the agenda.

## **NEW BUSINESS / UPDATES**

Mr. Chalk updated the Board on the Berkley Shopping Center Resolution. The shopping center opened in 2006 and has been vacant since 2018. It is currently owned by the Wheeler Real Estate Investment Trust. Berkley Supermarket, LLC is owned by Michael and Jacqueline Palmer along with a few other family members. The proposed store will have grocery and produce sections as well as seafood, bakery, and meat departments. The family would also like to have a 3,000 sq. ft. coffee shop and cafeteria style restaurant with menus to include southern, seafood, and vegan options. The timeline for opening is about 6 months after acquisition and the acquisition financing would be provided by TowneBank. City assistance was requested for the Grocery Store component of the project. The terms are as follows: a forgivable loan in the amount of \$400,000 where loan payments will not be made until store is open to the public. The Loan would be amortized at an interest rate of 0% over a 5-year period and each loan payment would be forgiven if the Borrower has complied with the terms of the loan, including the operating covenant and quality standard. Tenant will be required to operate the Supermarket continuously for a period of not less than five years. After discussion regarding the principals' experience in operating grocery stores and restaurants, and the nature of the proposed operation, the Board asked Mr. Chalk to send the Board some additional documents for support so that they can make a sound decision on such a large forgivable loan. The Vice Chairman Mr. Brooke asked that Mr. Chalk provide the information and the Board would consider a vote at the next meeting in March. (Attachment #1)

## **EDA AUDIT**

Mr. Washington presented at the last EDA meeting the FY-20 Financial Audit to the Board for their review. Mr. Washington reported no directors had any additional questions or comments on the Audit. Chairman Sisco asked for a motion to approve the FY-20 Financial Audit as presented at the January 2021 meeting.

Upon a motion by Mr. Brooke and seconded by Mr. Lee, the FY-20 Financial Audit was approved by a vote of 10-0-0.

## **FINANCIAL UPDATE**

Mr. Washington gave a brief update on the financials as of the second quarter of the fiscal year, as follows:

### **Revenue**

The EDA received \$185.06 in December, all of which was interest from operating accounts. This brought the EDA revenues, year to date, to \$163,316.24.

### **Operating Expenses**

For the period, administrative/overhead expenses combined were \$10,798.82, with departmental expenses for June of \$1,708.33. Non-operating expenses totaled \$30,000.00. (Attachment #2).

Mr. Washington reminded the Board that the Capital Access Program (CAP) was back up and running this month. After recapping this round of applications, Wyse Guys LLC, Intuitive Arts Life, and Unity Lab Studio, LLC were selected for \$5,000 Micro Grants. Two companies listed on Exhibit A of the Resolution presented for approval, were removed because of potential CDBG funding. The two potential grant recipients could be considered in March.

Upon a motion by Mr. Fisher, seconded by Ms. Brown the Resolution approving \$5,000 Micro Grants for the three companies named in the above paragraph was approved unanimously. (Approved #3)

## **MAJOR PROJECTS UPDATE**

Mr. Chalk updated the Board on MacArthur Mall. The mall is one of seven properties owned by Taubman prior to its sale to Starwood in 2014. The land on which the mall is located is ground leased from NRHA. The mall defaulted on its debt in November 2019. In July, 2020, S&P Global Ratings downgraded the entire Starwood commercial mortgage-backed security to speculative grade after a reappraisal of the four malls backing the debt. This valuation was 66% lower than when the bonds were issued. (Attachment #4)

**PUBLIC MEETING COMMENT** Mr. Chalk announced that members of the public who were attending via WebEx could now ask questions or make comments. Mr. Chalk reported no comments were made at that time.

## **CLOSED SESSION**

Mr. Brooke 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 of Section 2.2-3711.A.5 of the Code of Virginia for the purpose of discussion concerning a prospective business or industry where no previous announcement has been made of the business' or industry's interest in locating its facilities in Norfolk. The motion was seconded

by Mr. Garris and unanimously approved on a roll call vote. Roll call vote: Ms. Brown, Mr. Brooke, Mr. Dandalides, Mr. Fisher, Mr. Garris, Mr. Lee, Mr. Ottinger, Mr. Sisco, Ms. Sarcone and Mr. Smith all aye, with no nays. (Vote 10-0-0)

#### **OPEN MEETING**

After reconvening in an open meeting, Mr. Garris 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. Garris seconded the motion, and the certification was unanimously approved by a roll call vote. Roll call vote: Ms. Brown, Mr. Brooke, Mr. Dandalides, Mr. Fisher, Mr. Garris, Mr. Lee, Mr. Ottinger, Mr. Sisco, Ms. Sarcone and Mr. Smith all aye, with no nays. (Vote 10-0-0)

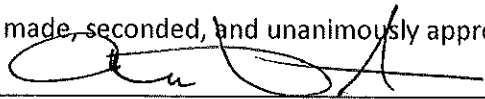
#### **OLD BUSINESS/BRIEFING**

The Chairman entertained a motion for approval of the minutes of the January 13<sup>th</sup>, 2021 Board meeting. Mr. Garris moved to approve the minutes; Ms. Brown seconded the motion. With Mr. Smith abstaining, the Minutes were approved by a vote of 9-0-1.

#### **ADJOURNMENT**

A motion was made, seconded, and unanimously approved to adjourn the meeting at 1:19 P.M.

Approved by \_\_\_\_\_



Attachments:

1. Berkley Shopping Center Resolution
2. Financial Update spreadsheet
3. CAP Resolution
4. Mac Arthur Mall Update presentation