

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, March 1, 2023, at 12:00 PM, 4th floor of the Dominion Tower, 999 Waterside Drive, Suite 415 Norfolk, Virginia 23510.

DIRECTORS PRESENT:

Antonio Sisco – Chair
Jeffrey Brooke – Vice Chair
Kim Brown (arrival at 12:12 PM)
Jaeson Dandalides
Richard Ottinger
Henri Patten
George Polizos
Kelsey Host-Sarcone (arrival at 12:08 PM)
Carter Smith
Morgan Whayland

STAFF PRESENT:

Sean Washington – Executive Director and Secretary Treasurer
Dawn Ryan – Assistant Secretary-Treasurer

COUNSEL PRESENT:

Barry Hunter – Kaufman & Canoles, P.C.

GUESTS:

Shenette Felton – Department of Finance
Fred Pasquine – Fairlead / Fairwinds
Toi Hunter – Hampton Roads Alliance
Larry Pendleton – CPA PC Financial Advisors
Nihal Vasty - Department of Economic Development
Alaa Sabbagh - Department of Economic Development
Robert Sharak - Department of Economic Development
Luz Grant - Department of Economic Development

MEETING CALLED TO ORDER

Chairman Sisco called the meeting to order at 12:03 PM and thanked staff and Directors present for attending.

Chairman Sisco asked if there were any public comments. There being none, he proceeded with the business of the meeting.

MINUTES

Chairman Sisco asked the Directors to review the minutes of the February 1, 2023, meeting. There being no comments or corrections, Chairman Sisco entertained a motion to approve the minutes as presented. Director Brooke moved to approve the minutes, which was seconded by Director Ottinger, and the motion was unanimously approved. (Vote 8-0-0).

AGENDA OVERVIEW

Mr. Washington reviewed the agenda before proceeding.

DIRECTORS REPORT

Mr. Washington gave the Board an overview of the Department of Economic Development's strategy. Mr. Washington updated the Board regarding the Department of Economic Development organizational chart and informed the Board that the BRE Business Development Manager and Military Spouse Liaison are no longer with the Department. He indicated that those positions are in the process of being posted on the City's job listing webpage. Director Host-Sarcone arrived 12:08 PM.

Business Attraction will specifically focus on Princo LLC. The Development of Economic Department worked with the Governor and Norfolk State University to help Princo LLC open in Norfolk with \$23.8M in Capital Investment and 284 Jobs. Mr. Washington said that Business Attraction will have a business trip to Toronto with the Alliance from March 7th to March 9th. They will be targeting 10 companies such as bio tech, space, and light manufacturing. Director Brown arrived at 12:12 PM. Mr. Washington said that through a "marketing windshield campaign" they had discovered Magazine Jukebox (located downtown) with \$1M in capital investment and 20 new jobs. During the pandemic this company

was able to work with popular magazines and get them on a digital platform. They have been growing and have worked with popular magazines such as Better Homes and Gardens, Popular Mechanics, and People Magazine.

Mr. Washington mentioned that the portal for the Capital Access Program was opened on Monday, February 27th, and reminded the Board of the source of funding for that program. This grant cannot be used for real estate, equipment, or marketing.

Mr. Washington reported that Norfolk Works is going to be starting a more "Mobile" Community Outreach Strategy. He said they had a great conversation with TCC and are working with City Council on how to help those who cannot get downtown. Norfolk Works clientele will still have access to the services directly at the Bank Street site for the time being. Mr. Washington said the Board will be updated next month about the location website numbers.

Mr. Washington explained that the Department of Economic Development's marketing team continues to work on the Department of Economic Development website and released more videos, one of Mr. Washington providing content on how to engage more with the community.

Mr. Washington reported on the Aspire ribbon cutting that took place two weeks earlier. In 2019, the City gave 2 million dollars to purchase the building. Initially, plans were for commercial use but changed to residential use due to the relocation of the residents from the St. Paul's quadrant. A portion (\$85,000) of the grant for reimbursement of demolition cost have already been returned to the EDA. (Attachment #1)

NEW BUSINESS

Mr. Washington went over a few events that were coming up, including the Mayor's State of the City address on April 14, 2023.

Mr. Washington then introduced Ms. Jolie Spiers from the Hampton Roads Small Business Development Center ("SBDC"). Ms. Spiers presented the following information to the Board. SBDC has a team of business professionals and technical experts available to listen, advise and assist entrepreneurs.

They help small businesses and entrepreneurs in all their business stages. They are under George Mason University in Virginia and have 29 centers across the state. Each SBDC office in the state has a local host which is, in this area, the Hampton Roads Chamber of Commerce. It isn't necessary to be a member of the Chamber to be a client of SBDC. The services are for everyone, 100 percent confidential, and free of charge. Ms. Spiers reported that of the 75 businesses in Norfolk that were assisted, half were black-owned businesses and half were white-owned businesses, 24% were women-owned businesses and 21% were owned by military personnel (13% were military spouses). Frequent areas of advice for clients include business ideation and business planning, including writing a business plan. Market position, staffing, employees, business structure, funding, financials, and real estate acquisitions are all part of the process.

Ms. Spiers explained that what makes SBDC stand out is that they offer 1:1 business advising. She showed a 5-years impact summary in Norfolk. Over the five years, SBDC helped over 3200 small businesses in Hampton Roads and helped them to create almost \$51M in capital formation. In Norfolk, SBDC helped over 334 business and helped them to create almost \$11M in capital formation. Ms. Spiers ended with a request for \$38,000 in support from the EDA for the fiscal year 2024. (Attachment #2)

Mr. Washington introduced Robert Sharak to update the Board regarding Offshore Winds and Fairwinds Landing. Mr. Sharak reminded the Board of the site characteristics: 111 acres with two 10-acre piers having over 6,000 linear feet of pier frontage, deep water access, no air draft restrictions, and zoned Industrial Deepwater. Dominion Power Offshore Wind Operations & Maintenance ("Dominion Power") occupy 7.5 acres with 25,000 SF of office space and 15,000 SF of warehouse space. The Dominion Power project will create 200 jobs and approximately \$40,000,000 in capital investment.

Mr. Sharak then gave an update on the Fairlead Sites that will accommodate fabrication, assembly and related operations on 50 acres, creating 150 jobs, and \$115,000 in capital investment. Pier P is a flex-use, multi-tenant space with an 11-acre pier having 2,800 linear feet of pier frontage and 325,000 SF of warehouse space. This will create 75 jobs and a \$30,000,000 capital investment. Pier N is smaller and will be used for marine operations and open storage. It is a 10-acre pier having almost 2,800 linear feet of

pier frontage (once the warehouse is removed). This will create 50 jobs and a \$10,000,000 capital investment. For now, there are 3 grants in the application process. (Attachment #3)

Mr. Washington advised the Board that they had received a request for a loan modification for Old Virginia Ham Shop. The Loan Agreement is dated May 8, 2020, and the borrower has not made payments in some time due to financial issues. Their request is to pay \$150.00 a month for the next 36 months and a final balloon payment of \$2,521.00 in March of 2026. Upon a motion by Director Brooke and seconded by Director Brown, the Note and Loan Modification Agreement was unanimously approved with a vote 10-0-0. (Attachment #4).

Mr. Washington updated the Board regarding the Rosna theater and said the City had emailed confirmation that it will finance the entire project. The City is asking the EDA to move forward with the closing on April 14, 2023. Mr. Washington indicated the EDA has \$1M of restricted monies which are City funds remaining from the sale of the former JC Penny project. If funding cannot be obtained by the Finance Department, the EDA will be able to use these restricted funds for the purchase. Once the property is acquired, the RFP process will start and the property will be transferred to the City. The City will have a contract with a developer to handle the rehab. After Director Whayland expressed her concerns regarding the use of the restricted funds without something in writing from the City, Director Ottinger moved to approve the motion stated by counsel to the effect that the EDA proceed with the acquisition of the Rosna Theater if the City provides the funds by drawing down on its line of credit or if an appropriate City official approves, in writing, the use of the restricted funds for that purpose. The motion was by seconded by Director Brown and unanimously approved with a vote 10-0-0.

Mr. Washington updated the Board on the Military Circle Mall plans for demolition. The demolition of 4 outer ring parcels will begin in April, using SWAM demolition companies already procured by, and approved through, the City. All costs will go through City.

Mr. Hunter presented a Resolution to the Board regarding an amendment to a Bauer Compressor Bond issued by the EDA. Due to the LIBOR index being discontinued, on which the Bond interest rate is

based, the amendment is to authorize the replacement of LIBOR based on the ISDA 2020 IBOR Fallback Protocol. Upon a motion by Director Smith, and seconded by Director Sarcone, the amendment was unanimously approved. Vote 10-0-0. (Attachment #5)

After Mr. Washington posed the question of what the EDA's next steps should be with respect to Military Circle Mall, the Board briefly discussed some options. One Director raised the possibility of selling parcels to raise cash for expenses. Another Director noted that since the EDA can't raise taxes or take certain other actions, it needs to have a partner for development. One Director said the decision makers need to get together to address the issue. Selling the property back to the City was suggested as an option. It was noted that if there were to be a reset, the EDA needed to be involved from the outset. Finally, it was suggested that Council members representing the area need to be consulted to determine what they would want.

Chairman Sisco asked if there were any additional questions or concerns and there being none, the meeting was adjourned at 1:45 PM.

Approved by 

Attachments:

1. Director's Report – Presentation
2. Small Business Development Center – Presentation
3. Offshore Wind Update – Presentation
4. Loan Modification for Old VA Ham Shop
5. Bauer Compressor Bond - Resolution