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, June 3, 2026, at 12:03 PM, 999 Waterside Drive, Suite 400, Norfolk, Virginia 23510.

DIRECTORS PRESENT:
Morgan Whayland- Chair
Carter Smith- Vice Chairman
George Polizos
Jaeson Dandalides
Keith Warren
John Garrett
Richard Ottinger
Michael Hull
Henri Patten

STAFF PRESENT:
Sean Washington- Executive Director
Mike Paris- Secretary-Treasurer
Bob Sharak- Assistant Executive Director
Dawn Ryan – Assistant Secretary-Treasurer

COUNSEL PRESENT:
Barry Hunter – Kaufman & Canoles, P.C.

ABSENT:
Director Simon Scott

GUESTS:
Ron Williams- Deputy City Manager
Nikki Southall – Department of Economic Development
Delk Koolman – Department of Economic Development
Wayne Green – Department of Economic Development
Christine Barreca – Department of Economic Development
Terri-Ann Scope- Department of Economic Development
Malijah Rubin- Department of Economic Development
Allison Alcantara- Department of Finance
Larry Pendleton- Planning Commission
Brett Hull- WAVY-TV
Wyatt Young- WAVY-TV
Ashleigh Twyman- Whiting-Turner
Stephen Meyers- Syncon
Chuck McPhillips- Kaufman & Canoles, P.C.
Anita Poston – Woods Rogers

MEETING CALLED TO ORDER

Chairwoman Whayland called the meeting to order at 12:03 PM. She asked if there were any changes to the minutes from the prior meeting. A correction was noted to change the term "beyond" to reflect that the period referenced was "three years." Director Warren made a motion to approve the minutes as corrected, which motion was seconded by Director Hull and approved with Director Ottinger abstaining. (Vote 7-0-1) Chairwoman Whayland next introduced an item to elect Christine Barreca as an additional Assistant Secretary-Treasurer to support Authority operations. Director Ottinger moved for approval, which motion was seconded by Director Polizos and unanimously approved. (Vote 8-0-0)

NEW BUSINESS

Mr. Washington stated that he intended the Authority to be increasingly active in the revenue bond space. He asked Mr. Hunter to review the bond approval process, noting that an inducement resolution and public hearing were required and that City Council approval would follow because the proposed financing is tax-exempt.

At 12:08 PM, Chairwoman announced the commencement of a public hearing for the request of Next Step to Success, a Virginia nonstock corporation ("Next Step"), for the issuance by the Authority of its Revenue Bonds (the "Bonds"), in an aggregate principal amount not to exceed $25,000,000, with the proceeds of such Bonds to be loaned by the Authority to Next Step to finance (i) a portion of the cost of acquiring, designing, constructing, equipping and furnishing an approximately 10 acre campus, located at and around 6250 Newport Avenue, Norfolk, Virginia 23505, with approximately 63,000 square feet of buildings, including two buildings of 10,000 square feet each with classrooms on two stories, as well as buildings hosting an art and media center, gymnasium, auditorium and cafeteria, administrative officers, together with outdoor athletic facilities (the "Project"), (ii) costs of issuance of the Bonds, (iii) costs of capitalized interest during the construction of the Project and for a limited period thereafter, and (iv) the funding of any required reserves.

Barry W. Hunter, Esq., of Kaufman & Canoles, P.C., counsel to Next Step, briefly described the Project and noted the purpose was to provide summer and after school programs for disadvantaged youth. He then introduced Charles V. McPhillips, Chairman of Next Step. Mr. McPhillips noted that Next Step is currently operating with approximately 130 students participating in the program with an anticipated increase to 200 – 250 students in stage one of the Project and to 400 to 450 students when complete. Mr. McPhillips outlined the timing of the Project and expanded on the benefits to be derived by the participating youth. [Director Patten entered the meeting at 12:12 PM] In response to a Director's question on what impact the Project would have on the City's tax revenues, Mr. McPhillips stated that the property is currently tax exempt and that would not change with respect to the Project. He also reported that Next Step was selling approximately 5.8 acres of land it owned to a developer for a taxable project that would increase the City's tax revenues. Mr. Hunter indicated that Next Step had estimated that the Project would generate approximately $750,000 in goods and services purchased locally. Mr. McPhillips further elaborated on the indirect economic benefits that would be derived from the operation of the Project. In response to another question from a Director, Mr. McPhillips said TowneBank was the anticipated lender for the Project and that the Barry Robinson Trust would provide financial support.

Mr. Hunter explained to the Board that since his firm was representing the applicant, Anita Poston, of Woods Rogers, was in attendance and would be representing the EDA on the transaction as she had done in previous transactions. He further stated that Ms. Poston had reviewed the resolution before the EDA and her comments had been incorporated into the document.

No member of the public spoke at the public hearing in support of, or in opposition to, the plan of finance for the issuance of the Bonds and the Chairman closed the public hearing at 12:19 PM.

Mr. Washington thanked Mr. McPhillips for the investment. Director Ottinger announced he would recuse himself from the matter since his colleague was representing the Authority.

Chairwoman Whayland then requested a motion on the Resolution. Director Garrett moved for approval, which motion was seconded by Director Warren and passed with Director Ottinger abstaining. (Vote 8-0-1) (Attachment #4)

Chairwoman Whayland invited Mr. Koolman to speak on the next agenda item. Mr. Washington introduced Mr. Koolman, but then briefly addressed a prior question from Director Scott regarding the taxable status of two properties, currently in private ownership, but to be acquired by an entity wholly owned by the ODU Real Estate Foundation with proceeds from a Bond to be issued by the EDA. He reminded the Directors that the current owner of the two parcels, ODU Student Housing Owner LLC, is a private, for-profit organization, but the properties are to be sold to ODU Monarch Way Student Housing LLC, the sole owner of which is the ODU Real Estate Foundation, a tax exempt organization. Mr. Washington shared an email from the Chief Deputy Real Estate Assessor who clarified that these properties would remain taxable with the ownership change.

Mr. Koolman thanked the Board and summarized the Revolving Loan Fund program. He reviewed the program purpose—to provide below-market loans between $5,000 and $50,000—and described recent underwriting meetings.

Chairwoman Whayland asked Mr. Koolman to explain the origin of the RLF capital. Mr. Koolman stated that the funds were received by NRHA from the federal government in the mid-2000s and later transferred to the EDA, with a subsequent allocation being made to the EDA in the amount of $525,000. He emphasized that the RLF's purpose was to sustain lending in perpetuity. Mr. Koolman then presented two applications for Board consideration: a request for $50,000 by 343 Vino LLC, and a request for $50,000 by Bowden Station Group, LLC. He stated that the underwriter recommended denial of the 343 Vino application due to concerns about repayment capacity and insufficient cash flow. Director Garrett, who serves on the review committee, stated that the underwriting review identified multiple red flags.

Director Polizos asked whether the applicant could return with a smaller request and Director Warren asked about the business's debt repayment each month. Director Garrett responded that repayment concerns would persist even with a smaller request, and that their debt repayment was too much of a concern.

Director Warren asked about repayment obligations and whether additional support could be provided. Chairwoman Whayland thanked Director Garrett for his work with this difficult job. Mr. Washington added that the business had previously received a $35,000 Capital Access Program grant and a $7,500 Food Vendor Business grant from the Office of DEI. Mr. Hunter recommended that the Board record a formal vote.

Director Hull asked if they had looked into other sources of income as part of the repayment, to which Director Garrett said yes. Director Garrett said that he doesn't believe the loan would assist the business with their equity raising strategy. Mr. Koolman stated that the business could apply in a future round in a year's time.

Chairwoman Whayland entertained a motion to deny the 343 Vino application. Director Polizos moved to deny the application, which motion was seconded by Director Ottinger and unanimously approved. (Vote 8-0-0)

Mr. Koolman then presented the Bowden Station Group, LLC application. The underwriter recommended approval of $25,000, while the RLF Review Committee recommended approval of the full $50,000 due to strong repayment capacity. Recommended pre-closing conditions included updated utility documentation and a requirement that the credit card being refinanced be closed. Director Warren asked if the business could independently service the debt, and Director Garrett confirmed that they could, supported by outside income and realistic revenue projections. Mr. Ron Williams noted that the business was also pursuing a CUP at the next City Council meeting to be able to sell alcohol, which could strengthen revenue potential. Vice Chairman Smith asked how the credit card payout would be verified, and Director Garrett stated that proof of closure would be required.

Chairwoman Whayland entertained a motion to approve the Bowden Station Group application. Director Warren made a motion to approve, which motion was seconded by Director Garrett and unanimously approved. (Vote 8-0-0)

Mr. Koolman concluded by noting that risk ratings would be updated at year-end and that the RLF team intends to conduct a Fall 2026 application cycle, with applications released in September, accompanied by outreach and informational sessions. (Attachment #2)

FINANCIAL UPDATE

Chairwoman Whayland turned over the meeting to Mr. Paris for the monthly financial report. Mr. Paris reviewed operating revenues, administrative expenses, departmental operating expenses, and grant activity, including Port Host Communities and Arts Commission grants, as well as FIG grant disbursements. (Attachment #3)

Chairwoman Whayland clarified that FIG deadlines were driven by City Council and did not require EDA action. Before funds are transferred to the Authority, City Council must appropriate them. Mr. Williams noted that FIG funds would be considered by City Council the following week. Director Hull stated the deadline was June 30.

Chairwoman Whayland thanked the Board for their participation in prior FY27 budget discussions and stated that the Authority should consider how departmental operations funding aligns with business attraction and small business support priorities. She stated that the Board may benefit from more detailed categorization of business attraction, small business support, and related programmatic priorities. She also noted a potential need for additional conversations over the coming months.

Director Hull moved to approve the FY27 budget, which motion was seconded by Director Ottinger and unanimously approved. (Vote 8-0-0). Vice Chairman Smith thanked staff for improving the formatting of the budget materials.

CLOSED SESSION

Chairwoman Whayland noted the next agenda item was a closed session. Director Polizos made the following motion: "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.8 of the Code of Virginia for the purpose of consultation with the Authority's legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel." The motion was approved by a Roll Call vote: Polizos – aye; Dandalides – aye; Warren – aye; Garrett – aye; Smith – aye; Whayland – aye; Ottinger – aye; Hull - aye (Vote 8-0-0).

After reconvening in an open meeting, Mr. Polizos made 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." The Directors voted on the certification by a Roll Call Vote: Polizos – aye; Dandalides – aye; Warren – aye; Garrett – aye; Smith – aye; Whayland – aye; Ottinger – aye; Hull – aye (Vote 8-0-0).

DIRECTORS REPORT

Mr. Washington reported that June would be the final month for Military Circle Mall payables and that the EDA had been formally approved for the Virginia Business Ready Sites Program grant to support due diligence, surveys, and assessments. He noted that the PIDP grant application was submitted May 29 and that the Authority may hear results in November or December.

Director Warren asked whether demolition of Military Circle Mall would occur in the fall, and Mr. Washington confirmed that it would. Mr. Warren also asked about continued vagrancy issues, and Mr. Washington stated that additional security measures and a presence by the Sheriff's Office had been implemented.

Mr. Washington reminded the Board of the Friday, June 5th "Business Appreciation" event at the Waterside Harbor Club upper deck and that they were welcome to attend. He shared that marketing materials would be provided to showcase the Authority's sponsorship. (Attachment #4)

CLOSING

Chairwoman Whayland thanked everyone for attending. The meeting adjourned at 1:31 PM.

Approved by: Moya Whayland

Attachments:

1. Inducement Resolution
2. Revolving Loan Fund Resolutions
3. Financial Report
4. Director's Report