Economic Development Authority of the City of Portsmouth
July 21, 2026
9:00 AM

COMMISSIONERS PRESENT:	Malcom Mitchell – Chairman Neal Barber – Vice Chairman Theresa Saunders-Smith – Treasurer Camille Cherry Heather Harkleroad Joe Harmon
ALSO PRESENT:	Brian Donahue – Secretary Charles Bauman – Assistant Secretary Jeff Miller – Deputy City Attorney Kelsey Swieringa – Assistant City Attorney Vernon Tillage – City Council Liaison Mark Hugel – City Council Liaison William Moody – City Council Liaison
ABSENT:	Ross Morgan – Commissioner Steven Carter – City Manager Stephanie Council – Finance Department Lakeitha Forest – Finance Department Alisa Winston – PRHA
GUESTS:	Sarah Santa Cruz – Bridging Virginia

Welcome & Call to Order

- The Chairman called the meeting to order at 9:00 a.m.

Roll Call

- Mr. Donahue called the roll. There was a quorum.

Minutes

- The minutes from the June 16, 2026, Regular Meeting were presented and adopted.

  ACTION: On a motion by Mr. Mitchell and seconded by Mr. Barber the Commissioners approved the minutes from June 16, 2026, Regular Meeting as presented.

  Roll Call Vote: Mr. Mitchell- yes; Mr. Barber - yes; Mrs. Saunders-Smith - yes; Mrs. Cherry - yes; Ms. Harkleroad - yes; Mr. Harmon - yes; Mr. Morgan - absent. Approved 6-0 vote.

Financials

- There was no financial report presented. The EDA's Quarterly Financial Report was last presented during its April 21, 2026, meeting.

Introductions

- Mr. Donahue introduced two new members of the Economic Development team:

  Peter Schrider- Mr. Schrider was introduced as the new Manager of Business Development. He brings experience in economic development and defense contracting and expressed enthusiasm about joining the Portsmouth team.

  Letitia Tibbs- Ms. Tibbs was introduced as the new Senior Business Development Specialist. She previously served approximately nine years with Virginia Beach Economic Development, with responsibilities involving business attraction, retention, and expansion.

  Both individuals will support business attraction and recruitment, retention, expansion, and broader business development activities.

Old Business

- **Waterfront Development** – Mr. Donahue provided an update on the Crawford Bay Waterfront Development Project. Three firms were shortlisted from the RFQ process: Hines Development, Gold Key/PHR, and Cape Fear Development. The three firms represent a mix of national/global, regional Hampton Roads, and Mid-Atlantic development experience. The firms received the RFP at the end of May and are currently preparing responses prior to the August 31, 2026 deadline. Following receipt of proposals, the evaluation and selection process will begin. Selection of a developer is targeted for the end of calendar year 2026.

- **LINC District**

  - **Property Updates** – Ms. Chop, Real Estate Development Specialist, provided an update on EDA activities in the LINC District.

    - **1028 High St., 1013 Queen St., & 1015 Queen Street** – Demolition of 1028 High Street demolition has been completed. Additional discussion included temporary use of the site and the remaining building slabs. Staff explained that portions of the slabs were retained to preserve stormwater credits for future redevelopment. Because the former buildings had different slab foundations, there are grade differences across the property. If temporary use is considered, staff will need to evaluate safety, grade differences, potential trip hazards, and appropriate placement of any temporary use.

    - **1117-1121 High St**. – Ms. Chop provided a detailed construction update on the renovation of EDA owned property at 1117 and 1121 High Street to create a leasable commercial space. Work includes roof replacement at both buildings, masonry work, interior finishing, mechanical, electrical, and HVAC work, door and hardware installation, parking lot improvements, and additional exterior lighting.

The contractor previously requested and received a four-week no-cost contract extension, moving the anticipated completion date into mid-August. Additional exterior lighting could potentially require further time depending upon material availability.

Staff presented a proposal for additional exterior lighting. The proposal includes approximately 15 new exterior light fixtures, two photocells, electrical system modifications, and architectural work associated with incorporating the lighting. The added cost is approximately $10,483 in hard cost, and $615 for architectural/electrical design work, for an estimated total of approximately $11,098. A recommendation was made to approve a change order for the additional lighting for 1117-1121 High Street up to $15,000.

<u>ACTION</u>: On a motion by Mrs. Saunders-Smith and seconded by Mr. Hamon the Commissioners voted to approve a Change Order for the additional lighting for 1117-1121 High Street in an amount up to $15,000.

Roll Call Vote: Mr. Mitchell- yes; Mr. Barber - yes; Mrs. Saunders-Smith - yes; Mrs. Cherry - yes; Ms. Harkleroad - yes; Mr. Harmon - yes; Mr. Morgan - absent. Approved 6-0 vote.

- **1220 High St.** – Ms. Chop reported that the building renovation work at the EDA's property at 1220 High St. has commenced with an anticipated completion of October 6, 2026. A special exception application for the property's existing drive-through was heard by the Board of Zoning Appeals on June 24 and approved. Staff is communicating with prospective tenants concerning lease terms and interior build-out plans.

- **934 High St.** – Ms. Chop advised that a cost estimate for structural work identified in the recently completed structural assessment report was received. The estimate includes construction costs associated with, structural repairs, roof replacement, masonry repairs, and selective demolition. The estimated cost was approximately $1.9 million. The Commissioners indicated that they did not anticipate pursuing the work at that cost and discussed the need to consider alternative strategies for the property.

- **817-833 High Street** – Ms. Chop stated that an application for a Certificate of Appropriateness was submitted to the City of Portsmouth seeking approval to demolish three EDA owned buildings at 817-825 High Street. The matter was scheduled to be heard by the Downtown Design Committee (DDC) on August 4, 2026. The Commissioners were encouraged to attend the meeting and, if permitted, speak in support of the redevelopment project.

- **Business Development Strategy –** Mr. Mitchell, Chairman, initiated a broader discussion regarding the EDA's vacant properties, particularly sites where buildings have been demolished. Mr. Mitchell also noted that vacant lots can negatively affect the appearance of High Street and emphasized the importance of making vacant properties attractive while they await redevelopment. The board discussed establishing clear expectations for redevelopment; development incentives; the EDA's ownership role; ensuring projects reflect the vision for the LINC District; actively marketing available properties; and developing more aggressive and innovative recruitment strategies.

<u>New Business</u>

- **46 Beechdale Rd.** – Ms. Swieringa, Assistant City Attorney, advised that 46 Beechdale Road, a property formerly owned by the EDA in the 1980s, contained a deed restriction when the property was conveyed to the buyer. The current owner is preparing to sell the property and a title company has identified a concern that a prior release may not have fully released the use restriction. Staff explained that an additional release would be executed to release the remaining covenants and restrictions. The action was characterized as administrative/ministerial and did not require board action.

- **FY26 Business Investment Grant Program Year-End Report** – Ms. Drake, Grant Administrator, provided a year-end summary on the EDA's Business Investment Grant programs for Fiscal Year 2026. Staff reported that the last grant year was highly productive and credited the Commissioners and the business community for referrals and support.

  The Business Development Grant Program allocates $100,000 annually. Staff reported that for 2026, 40 applications received, 32 awards made, $64,000 was distributed, and approximately 78% participants were minority and women-owned businesses. Awards are generally $2,000 per business. Recipients represented a broad range of industries, including transportation, healthcare, education, retail, and consumer goods and services.

  The Business Acceleration Grant Program allocates $50,000 annually. For 2026, 23 applications were received, 8 awards made, $42,744.31 was distributed, and approximately 78% participants were minority and women-owned businesses. Recipients included real estate, healthcare, transportation and consumer goods/services providers.

  The Real Property Investment Grant allocates $350,000 annually. Staff reported that 31 applications were received, 29 grants awarded and approximately $266,345 in awards/disbursements were made. Staff noted that the program had previously exhausted available funds after the second quarter, but increased funding has resulted in renewed application activity. The board reviewed examples of completed projects and before-and-after photographs demonstrating the impact of the program.

  Staff reported that applications were actively being received and reviewed for all three grant programs.

- **FY26 Real Property Investment Grant Extension** – Ms. Drake presented a request for an additional 90-day extension for the Amber Ashley Company project at 503 County Street. The business provides salon and personal services and is renovating the property to create suites for entrepreneurs. Project improvements include bathroom renovations, flooring, HVAC, interior build-out and painting. The original project completion date was March 25. An administrative extension previously extended the deadline through June 23. Staff requested another 90-day extension reporting that the project owner had had trouble securing a contractor meeting the project specifications and had ultimately taken on a general-contractor role, coordinating subcontractors directly. Staff was satisfied with the progress and supported the extension.

ACTION: On a motion by Mr. Barber and seconded by Mrs. Saunders-Smith the Commissioners voted to approve the requested 90-day extension.

Roll Call Vote: Mr. Mitchell- yes; Mr. Barber - yes; Mrs. Saunders-Smith - yes; Mrs. Cherry - yes; Ms. Harkleroad - yes; Mr. Harmon - yes; Mr. Morgan - absent. Approved 6-0 vote.

- **FY27 Real Property Investment Grants** – Ms. Drake presented four Real Property Investment Grant applications for consideration.

1. 610 High St. – Dave Chance Photography
Business: Photography services for commercial, residential, and healthcare clients.
Scope: Facade improvements, including stone application and a new door.
Total Project Cost: $33,725 Grant Request: $16,862.50 Grant Percentage: 50%

2. 810 Loudon Ave. – Connecting Communities
Business: Healthcare services.
Scope: Interior build-out, including flooring, bathroom upgrades, interior walls, and related repairs. The property was formerly occupied by a church. The business intends to provide day-program services for autistic children.
Total Project Cost: $123,000 Grant Request: $25,000 Grant Percentage: Approximately 20%

3. 505 Effingham St., Suite A – Partnership Development Foundation
Business: Economic development organization and co-working venue.
Scope: Approximately 8,000-square-foot expansion to create coworking space and approximately 42 offices serving low-income women and minority-owned businesses, along with open/community spaces.
Total Project Cost: $1.2 million Grant Request: $25,000 Grant Percentage: Approximately 2%

4. 2012-2048 Victory Blvd. – Washington Victory, LLC
Business: Property Management
Scope: Facade improvements, painting; and parking lot improvements serving the shopping center.
Total Project Cost: $111,660 Grant Request: $25,000 Grant Percentage: Approximately 22%.

Staff requested a motion to approve the grant applications.

ACTION: On a motion by Mrs. Saunders-Smith and seconded by Ms. Harkleroad the Commissioners voted to approve the funding for all four Real Property Investment Grant applications at the requested funding levels.

Roll Call Vote: Mr. Mitchell- yes; Mr. Barber - yes; Mrs. Saunders-Smith - yes; Mrs. Cherry - yes; Ms. Harkleroad - yes; Mr. Harmon - yes; Mr. Morgan - absent. Approved 6-0 vote.

- **Small Business Loan Program –** Sarah Santa Cruz, Director of Capital at Bridging Virginia, provided an update on the Portsmouth small business revolving loan program. Bridging Virginia is a Community Development Financial Institution (CDFI) and loan fund that provides administrative services for revolving loan programs established by municipalities. The Portsmouth program became operational in January 2026.

  Ms. Santa Cruz stated that five applications were identified as active/in progress. Staff explained that loan applications do not necessarily progress linearly because applicants may move between underwriting, financial documentation, pre-qualification, and other stages as additional information is identified. Bridging Virginia is developing metrics that will allow EDA partners to better understand applicant status and pipeline activity.

  Bridging Virginia reported that participation has been somewhat below expectations. To increase awareness, Bridging Virginia and Economic Development staff plan to increase information sessions, outreach, publicity, business referrals, and direct communication with potential borrowers. A virtual information session concerning the small business loan program is scheduled for August 11, 2026.

- **Ribbon Cuttings** – Mr. Donahue announced the grand opening of a new Dollar Tree location at 975 Hodge's Ferry Road / Portsmouth Boulevard. The grand opening is scheduled for July 24 at 9:00 a.m. Commissioners were encouraged to attend and welcome the new business to Portsmouth.

  Staff also reported on a recent ribbon cutting for Craiberly Enterprises, a manufacturer located at 3303 Airline Boulevard. The company manufactures metal ductwork for the heating and air-conditioning industry. The company has relocated from Norfolk to Portsmouth and is expanding, nearly doubling its manufacturing capacity. Staff highlighted the availability of affordable, centrally located, move-in-ready industrial space as a competitive advantage for Portsmouth.

Closed Meeting

ACTION: At 10:09 a.m. Mr. Barber, seconded by Mrs. Saunders-Smith moved to go into a closed meeting pursuant to Virginia Code Subsection 2.2-3711 A.3 for the purpose of discussing the acquisition of real property, where discussion in an open meeting would adversely affect the bargaining position and negotiating strategy of the public body specifically regarding strategic acquisitions.

Roll Call Vote: Mr. Mitchell- yes; Mr. Barber - yes; Mr. Harmon - yes; Mrs. Cherry - yes; Ms. Harkleroad - yes; Mr. Harmon - yes; Mr. Morgan - absent. Approved 6-0 vote.

Open Meeting

ACTION: At 10:46 a.m. Mr. Barber, seconded by Mrs. Saunders-Smith, moved that each Commissioner certify that, to the best of his or her 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 closed meeting just concluded.

Roll Call Vote: Mr. Mitchell- yes; Mr. Barber - yes; Mr. Harmon - yes; Mrs. Cherry - yes; Ms. Harkleroad - yes; Mr. Harmon - yes; Mr. Morgan - absent. Approved 6-0 vote.

- **53 Afton Pkwy** – City Attorney, Jeff Miller presented a resolution for the sale of EDA owned property at 53 Afton Pkwy.

RESOLUTION:

WHEREAS, Raymond D. Gumbleton, or its assigns (the "Developer") has proposed to purchase 53 Afton Parkway (Tax Parcel 0411-0210) (the "Property") for the purpose of rehabilitating the Property; and

WHEREAS, EDA intends to enter into a Purchase and Sale Agreement with Developer (the "Agreement") pursuant to which the Developer will purchase the Property for a price of $75,000.00 (the "Purchase Price"); and

WHEREAS, the conveyance of the Property to the Developer and its subsequent rehabilitation will benefit the Cradock neighborhood and increase the City's tax base;

NOW, THEREFORE, it is hereby RESOLVED that:

1. The Chair, Vice Chair, and Secretary are each authorized to execute the Agreement on behalf of EDA.

2. The Chair, Vice Chair, and Secretary and their designees are each hereby authorized to take such further actions and execute such further applications, documents and instruments (including without limitation a Deed conveying the Property and related closing documents) as may be necessary or desirable in furtherance of the conveyance and development of the Property in accordance with the Agreement, as the same may be amended from time to time; provided however, that any subsequent amendment to the Agreement altering the Purchase Price shall be subject to the prior authorization of the Board of Commissioners.

3. This Resolution shall be effective immediately upon its adoption.

Adopted this 21st day of July 2026.

ACTION: On a motion by Mr. Barber and seconded by Mrs. Saunders-Smith, the

Commissioners unanimously authorized the motion to authorize the Chair, Vice Chair, and Secretary to execute the purchase and sale agreement and related documents necessary to complete the transaction.

Roll Call Vote: Mr. Mitchell- yes; Mr. Barber - yes; Mr. Harmon - yes; Mrs. Cherry - yes; Ms. Harkleroad - yes; Mr. Harmon - yes; Mr. Morgan - absent. Approved 6-0 vote.

- **Community Justice Garden-1431 High Street –** The discussion of a proposed temporary Community Justice Garden at 1829 High Street was revisited. The Virginia Pathways to Justice organization proposed a temporary garden for the city-owned parcel.

  The concept includes raised/reusable garden beds, native pollinator plantings, educational/community elements, and portable components that can be relocated if the property is needed for future development. The organization committee has approximately $2,000 in grant funding and is seeking additional funds through fundraising.

  Because the property is city-owned, the City Manager identified several concerns that needed to be addressed before a land-use agreement could proceed. Economic Development staff will work with Virginia Pathways to justice to address outstanding items to advance the proposal. The proposal could return to the EDA in August for formal action, subject to receipt of the remaining written confirmation, City Manager review; and any required transfer of the property to the EDA by City Council.

- **Commissioners Open Discussions –** Mr. Mitchell initiated discussion on a marketing and development strategy 934 High Street. The board discussed the next steps for 934 High Street. Staff reported that the property had not been actively marketed since acquisition, although staff had contacted several property owners/developers with experience redeveloping historic properties. The Commissioners supported marketing the property in its current condition to determine the level of interest from the development community before committing additional EDA funds. Staff committed to increasing marketing and outreach efforts and keeping the board informed.

Items Submitted by Commissioners

- Mr. Harmon asked about the status of a vacant 7-Eleven property on London Boulevard. Staff reported that the property is privately owned. Staff has provided the owner's contact information to businesses that have expressed interest but has not received confirmation of active engagement from the owner.

- Mr. Harmon requested information concerning the business climate along the Frederick Boulevard/Midtown corridor. Emphasized the importance of coordinating economic development efforts with public safety efforts, particularly given the significant national retail presence in Midtown.

- Mr. Harmon reported working with Matt Boon of Swap Meet 757, a local vendor market. The organization has conducted markets in other Hampton Roads communities and plans to hold its first Portsmouth market at Festival Park on August 16, 2026. The event is expected to include approximately 4,000 attendees, 70 vendors, eight food vendors, and a diverse range of merchandise and vendors. The event was described as complementary to the existing farmers market rather than competitive with it. A second event, a night market, is planned for September 5, 2026, in the LINC District near Wall Street.

Report Backs

- None

Adjourn

- The meeting adjourned at 11:15 a.m.

Respectfully submitted,

Brian Donahue, Secretary

Malcom Mitchell, Chair