

**Economic Development Authority of the City of Portsmouth
April 18, 2023
9:00 AM**

COMMISSIONERS PRESENT: Malcom Mitchell – Chairman
Neal J. Barber -Vice Chairman (Arrived at 9:16)
Anthony Brown
Cathy Drewry – Treasurer
Theresa J. Saunders-Smith
LaToya Boone
Barbara Smith (Arrived at 9:11)

ALSO PRESENT: Brian Donahue – Secretary
Jeff Miller – Deputy City Attorney
Kelsey Swieringa – Assistant City Attorney
William Moody – City Council Liaison
Kyera Pope – Finance
Jocelyn Adumuah – Director of Planning
Mark Hugel – City Councilman
Steve Edwards – Deputy City Assessor

GUESTS: Michael Massey, MJM, PC
Alvin Keels, A4 Development

ABSENT: Mimi Terry – Interim City Manager
Alisa Winston – PRHA
Vernon Tillage – City Council Liaison

Welcome & Call to Order

- The Chairman called the meeting to order at 9:06 a.m.

Roll Call

- Mr. Donahue called the roll. There was a quorum.
- Mr. Donahue introduced recently hired staff member Nahla Saleh who will serve as the Economic Development Department’s Manager of Workforce Development. Ms. Saleh will oversee the Portsmouth@Work program.

Minutes

- The minutes from the March 21, 2023, Regular Meeting were presented and adopted.
ACTION: On a motion by Ms. Saunders-Smith and seconded by Ms. Drewry, the Commissioners approved the minutes from March 21, 2023, Regular Meeting as presented.
Roll Call Vote: Mr. Barber - absent; Ms. Drewry - yes; Mr. Mitchell - yes; Mrs. Saunders-Smith - yes; Mrs. Smith – absent; Ms. Boone – yes; Mr. Brown - yes. Approved 5-0 vote

Quarterly Financial Report

- The Quarterly Financial Report as of March 31, 2023 was presented by Ms. Pope of the Finance Department. The EDA's current total cash, receivables, land, liabilities, and net position was reviewed. Mr. Mitchell questioned if the lease for the Renaissance hotel is currently coming in as expected. Ms. Pope responded that rent payments were received. There were no further questions presented by the Commissioners.

Old Business

- **FY22 Business Investment Grant Program Update:** Mr. Donahue advised the Commissioners that the remaining FY22 Business Investment Grant awards have been closed out. There is one remaining grant to pay out which is for Privilege Premiere Restaurant. Mr. Mitchell questioned if the business has a targeted opening date. Mr. Donahue informed the Commissioners that and opening date has not been established but is planned for the summer. Economic Development staff is assisting with coordinating a Ribbon Cutting. As soon as a date is finalized the Commissioners will be informed so they can attend.
- **FY24 Budget:** Ms. Drewry and Ms. Saunders-Smith presented the EDA's proposed FY2024 operating budget. Ms. Drewry advised the Commissioners that the proposed budget reflects comments and input from the budget committee. Ms. Drewry identified notable budget items to include revenues from the sale of EDA owned land. Ms. Drewry informed the Commissioners that the lease income for the Renaissance hotel is now being reflected as lease income and rental investment income based on the direction of the auditor. Ms. Drewry noted that the Training and Travel cost has been increased from \$12,000 to \$20,000. The Budget Committee has also included \$1 million in funding for improvements to EDA property. Councilman Moody inquired about how the \$3 million in funding for Land Acquisition was derived. Mr. Donahue advised that the amount was determined based on the current real estate tax assessment or list price for specific properties. Ms. Saunders-Smith advised the Commissioners that funds have been included again in the Business Development Grant line and that the incentive grant program guidelines were being reviewed for modifications. Mr. Mitchell asked if there were funds allocated for marketing workforce development and job promotion for trades. Mr. Donahue informed that the budget includes funds under that Business Development line or Workforce Development line to assist with promotion of programs and marketing needs. Pending any further revisions, the FY24 Budget will be finalized for adoption at the EDA May meeting.

New Business

- **FY23 Business Investment Grant Program Update:** Mr. Donahue presented an update on the FY23 Business Investment Grant program. The program is in the final quarterly funding round of the fiscal year which Mrs. Tracy is overseeing. There are currently four applications under review. The program will run throughout the entire month of April. Mr. Donahue advised that there is typically an increase in grant applications towards the end of the month. Ms. Drewry inquired if there were any Real Property Investment Grants under development. Mrs. Tracy responded that there are applicants working to complete their applications during the current round. Mr. Mitchell questioned how do we go about telling the story of successful businesses in Portsmouth. Mr. Donahue informed the

Commissioners that we have been in discussions with the City’s marketing and communications department to launch a Why Portsmouth campaign, which these programs will be apart of; to highlight successful businesses in Portsmouth. Councilman Moody suggested revisiting a past Business Ambassadors program that consisted of successful businesses in Portsmouth, who could invite perspective business to a meet and greet function, to interact.

- **42 Afton Pkwy:** Mr. Donahue informed the Commissioners that there is a purchase agreement for the acquisition of the former Cradock movie theater property at 42 Afton Pkwy. in the amount of \$40,000 that will need to be assigned from the Cradock Community Development Corporation to the EDA.

ACTION: On a motion by Mr. Barber and seconded by Ms. Smith, the Commissioners adopted the following resolution authorizing the acquisition of property at 42 Afton Pkwy.

Roll Call Vote: Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Mrs. Saunders-Smith - yes, Mrs. Smith – yes; Ms. Boone – yes; Mr. Brown - yes. Approved 7-0 vote

**RESOLUTION
(42 Afton Parkway)**

WHEREAS, Cradock Community Development Corporation (“CCDC”) has entered into a contract with Monticello Realty LLC (the “Purchase Contract”) to acquire 42 Afton Parkway (Tax Parcel 0405-0012) (the “Property”); and

WHEREAS, the purchase price under the Purchase Contract is Forty Thousand and 00/100 Dollars (\$40,000) (the “Purchase Price”); and

WHEREAS, CCDC has offered to assign the Purchase Contract to EDA; and

WHEREAS, EDA desires to accept assignment of the Purchase Contract and acquire the Property for the Purchase Price;

NOW, THEREFORE, it is hereby RESOLVED that:

1. The Board hereby authorizes acceptance of assignment of the Purchase Contract at such time as the Chair, Vice Chair, and Secretary may deem appropriate, and closing on acquisition of the Property.
2. The Chair and Vice Chair are each authorized to execute any documents required to give effect to the assignment and to close on acquisition of the Property.
3. The Chair, Vice Chair, Secretary, and Assistant Secretary, and their designees, are each authorized to take such further actions as are necessary or desirable in their sole discretion in furtherance of the purposes of this Resolution.
4. This Resolution shall be effective immediately upon its adoption.

- **700 Crawford St.:** Mr. Donahue provided an update on the disposition of property at 700 Crawford St. which is under contract with the Breeden Cos. for the development of Harbor Vista – Phase II. A real estate closing is planned for May. The item is included in the agenda to be discussed during the Closed Meeting.

- **City Council Retreat:** Councilman Moody provided an overview of the City Council's recent Retreat. Public Safety was on the agenda, which included a couple of new technology programs that will be used to combat criminal activity in our city. Councilman Moody advised that the opportunity was provided for Council to get together in a format to have a conversation to move ahead with the development of our city. Discussion was presented regarding the former Holiday Inn site to having it marketed for development. There was also conversation about the development of the former Willet Hall site as a Public Safety facility for the Police and Fire Departments.

Closed Meeting

ACTION: At 10:06 a.m. on a motion by Mr. Barber and seconded by Ms. Smith, the EDA moved to go into a closed meeting pursuant to Virginia Code Subsection 2.2-3711 A.3 for the purpose of discussing the acquisition or disposition of real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically regarding strategic acquisitions and the disposition of 1021 and 1107 High Street and 700 Crawford Street, and pursuant to Subsection 2.2-3711 A.6 for the purpose of discussing or considering the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected, specifically regarding contractual relationships with regional and trade groups.

Roll Call Vote: Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Mrs. Saunders-Smith - yes; Mrs. Smith - yes; Ms. Boone - yes; Mr. Brown - yes. Approved 7-0 vote

Open Meeting

ACTION: At 11:54 a.m. on a motion by Mr. Barber, seconded by Mr. Brown, the EDA 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. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Mrs. Saunders-Smith - yes; Mrs. Smith - yes; Ms. Boone - yes; Mr. Brown - yes. Approved 7-0 vote

ACTION: On a motion by Mr. Barber and seconded by Mr. Brown, the EDA moved to accept the Harbor Vista - Phase II Minority Participation Plan.

Roll Call Vote: Mr. Barber - yes; Ms. Drewry - yes; Mr. Mitchell - yes; Mrs. Saunders-Smith - yes; Mrs. Smith - yes; Ms. Boone - yes; Mr. Brown - yes. Approved 7-0 vote

Items submitted by Commissioners

There were no items submitted by Commissioners.

Report Backs

- Mr. Donahue provided the EDA with a conceptual rendering of property at 1020 High St. within the city's Innovation District. There was discussion on making changes in the appearance and beautification of the location. The space could be activated for public use, which may include a green space with outdoor seating to provide a welcoming environment. Mr. Mitchell inquired

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about the possibility of a “Makers Space”. Mr. Donahue provided more insight on makers spaces which provide a small-scale space for manufacturers and businesses to operate out of. Mr. Mitchell asked about the timeline for this project. Mr. Donahue informed the EDA that we could begin working with consultants on the planning and design process. Mr. Donahue advised the EDA that there will also be a need for improvements to the EDA’s property at 1117-1121 High St. The EDA will need to obtain a proposal from an architecture firm for consideration in order to move forward. Ms. Drewry asked if there could be signage to inform the public of what is coming in the Innovation District to promote excitement. Mr. Donahue spoke on opportunities for public and murals in the Innovation District. Ms. Saunders-Smith suggested that the EDA could possibly work with the Art Commission.

Adjourn

The meeting adjourned at 12:13 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Brian Donahue". The signature is written in a cursive, flowing style.

Brian Donahue, Secretary

Malcom Mitchell, Chair