

**ECONOMIC DEVELOPMENT AUTHORITY
of the
CITY OF HAMPTON, VIRGINIA**

Minutes – Regular Meeting

May 19, 2020 – 8:45 a.m.

Veteran’s Conference Room & Electronically

CALL
TO ORDER

Chair Ferebee called the meeting to order at 8:45 a.m.

DIRECTORS
PRESENT

Richard M. Bagley, Jr., Carlton M. Campbell, Sr., Michelle T. Ferebee, Laura Sandford, James A. “Pete” Peterson, L. Scott Seymour and George E. Wallace. Also present was Secretary/Treasurer Charles E. Rigney, Sr.

Ms. Sandford stated for the record that she was participating electronically from her home in Hampton because she is in the high risk group associated with COVID-19.

STAFF
PRESENT

Mary Bunting, Brian DeProfio, Cheran Ivery, Patricia Melochick, Bonnie Brown, Terry O’Neill, Steven Lynch, Susan Borland, Daniel Girouard, Michael Yaskowsky and Teresa Hudgins

GUEST
PRESENT

Mayor Donnie Tuck

ELECTRONIC
PARTICIPATION

A motion was made by Mr. Peterson and seconded by Mr. Campbell to approve the electronic participation of Laura Sandford. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

AGENDA
AMENDMENT

Chair Ferebee stated as a point of clarification, the item under New Business that was to discuss the suspension of the regularly scheduled meetings due to the COVID pandemic was a matter for last month’s EDA meeting that was cancelled. Since then, and based on new guidelines allowing for a return to more regularly scheduled meetings, she would like the Board to consider a motion to delete that item from today’s agenda. A motion was made by Mr. Bagley and seconded by Mr. Campbell to remove said item from the Agenda. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

Chair Ferebee asked for a motion to hear matters numbered 7, 8 and the remainder of 9, after matter number 5 and before entering into Closed Session, in consideration of the public that may be in attendance. A motion was made by Mr. Seymour and seconded by Mr. Bagley to approve the change to the agenda order. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

MINUTES

Chair Ferebee stated the Minutes from the February 18, 2020 Regular Meeting were distributed. A motion was made by Mr. Campbell and seconded by Mr. Wallace to approve the Minutes as presented. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

Chair Ferebee stated the Minutes from the February 28, 2020 Special Meeting were distributed. A motion was made by Mr. Peterson and seconded by Mr. Wallace to approve the Minutes as presented. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

Chair Ferebee stated the Minutes from the April 9, 2020 Special Meeting were distributed. A motion was made by Mr. Peterson and seconded by Mr. Wallace to approve the Minutes as presented. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

LOAN & GRANT REVIEW COMMITTEE

Chair Ferebee reported the Loan & Grant Review Committee met on March 5, 2020. There were no questions or comments on the Active Loan Status Reports dated February 24, 2020, March 25, 2020 or April 20, 2020. There were no questions or comments on the Old Point Trust & Financial Services Statement of Account dated March 1, 2020 through March 31, 2020 or the Local Government Investment Pool Investor Statement dated March 1, 2020 through March 31, 2020. There were no questions or comments on the EDA Loan/Grant Program Fund Balance Sheet as of April 30, 2020.

The Committee considered a Hampton Revolving Loan & Grant Fund Façade Improvement Grant application from The Virginia School of Hair Design for improvements to the property located at 4107 W. Mercury Boulevard in the amount of \$10,000. Improvements will include painting, installation of a new awning and fence upgrades. The Committee is recommending the grant for approval as presented with conditions recommended by staff. Since this is a motion coming from the Committee, no second is required. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

ECONOMIC
DEVELOPMENT
REPORT

Mr. Rigney stated the updated Status Report on EDA Actions was included in the package. Other items of interest:

- A summary on the COVID-19 Small Business Assistance Program will be given later in the meeting.
- City Manager and staff have launched the restaurant outdoor dining initiative along Queens Way in Downtown and Mellen Street in Phoebus. The application process will be expedited and there will be no charge for the permit.

Mr. Wallace asked the City Manager if she had any comments. Ms. Bunting said she has seen positive feedback on social media; however, there have been a few complaints from retail businesses regarding easy access for their customers. Ms. Bunting assured them the sidewalks will remain clear.

Ms. Sandford stated she owned a retail business in Phoebus on Mellen Street. She suggested a meeting be held with the businesses before anything permanent is decided. Ms. Bunting agreed and apologized if the retail businesses were not contacted in advance regarding the road closure.

RESOLUTION
KB RIVERDALE

Ms. Melochick presented a Resolution to approve the Fourth Amendment to the Economic Development Incentive Grant Performance Agreement between the Economic Development Authority of the City of Hampton, Virginia and KB Riverdale, LLC to clarify the intent of the Agreement in that Kroger was likely the anchor tenant at Riverpointe when the Agreement was executed. A motion was made by Mr. Bagley and seconded by Mr. Seymour to approve the Resolution as presented. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

NEW BUSINESS

Ms. Melochick updated the Board on the acquisition of the Nicks Auto property. Since the EDA entered into the Agreement of Sale it was determined that this property should have been purchased by the City. Mr. Peterson asked why the change of ownership. Ms. Bunting said the funds were already in the City's budget and this is more consistent with previous transactions. A motion was made by Mr. Bagley and seconded by Mr. Wallace to ratify the Agreement of Sale dated February 26, 2020 by and between Rosemary S. Tibbitt and the Economic Development Authority of the City of Hampton, Virginia and the Assignment of Agreement of Sale by and between the Economic Development Authority of the City of Hampton, Virginia and the City of Hampton. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

Ms. Melochick updated the Board on the acquisition of the building located at 1 S. Mallory Street (Phoebus branch library). The library will remain on the first floor with the second floor commercial space available for lease. The purchase terms and conditions are the same as those approved by the Board in December. A motion was made by Mr. Seymour and seconded by Mr. Campbell to authorize the Chair or Vice Chair to execute a Cooperation Agreement with the City of Hampton and all other documents necessary and related to the EDA's pending acquisition of 1 S. Mallory Street, subject to the approval of the Chair or Vice Chair and the EDA's legal counsel. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

Ms. Melochick stated she reviewed the Consent Agreement for Right-of-Way Encroachment dated February 26, 2020 with Dominion Energy Virginia for transmission lines at Magruder Boulevard and Commander Shepard Boulevard but was not in a position of power to have the \$1,000 fee waived. The document was executed by Mr. Seymour. A motion was made by Mr. Seymour and seconded by Mr. Campbell to ratify the Agreement. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

Chair Ferebee said the next item on the Agenda for consideration is a motion to authorize the Secretary, in consultation with the Economic Development staff and the City's Community Development

Department, to be responsible for all duties and make all decisions that would otherwise be made by the Authority Advisory Committee or the Board with respect to any project design approval in accordance with any performance, development or other agreements and covenants applicable to any active projects, without further action of the Board, and that this delegation of authority shall become effective immediately and shall expire upon the termination of the City Manager's declaration of State of Emergency. Ms. Melochick added Q Design is available as a resource but the Committee is not mandated to utilize its services. Mr. Campbell asked when the declaration would be lifted. Ms. Melochick said there is no specified time; however, the City will comply with the Governor's orders. Mr. Seymour added Mr. Girouard is extremely diligent at holding to design quality and guidelines. A motion was made by Ms. Sandford and seconded by Mr. Campbell to approve the motion as read. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

Mr. Lynch advised the Board that the owner of the Holiday Inn Express contacted him regarding temporarily using the Quality Inn parking lot for hotel guests due to lost parking related to the construction project at I-64 and Mercury Boulevard which is expected to last through August 31st. The City/EDA will not be responsible for vehicles and Risk Management will ensure the proper coverage is in place when an agreement is executed. A motion was made by Mr. Bagley and seconded by Mr. Campbell to authorize the Chair or Vice Chair to execute a right of entry/temporary use agreement with Peninsula Hospitality, LLC for the Quality Inn parking lot to be used for parking by guests of the Holiday Inn Express, subject to those terms and conditions recommended by staff and approved by legal counsel. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Wallace, Seymour and Ferebee

Nays: None

Mr. Rigney asked Mr. Lynch to update the Board on the COVID-19 Small Business Assistance Program which has been successful in assisting small businesses impacted by COVID-19. Mr. Lynch reported 154 applications have been received, 59 applications have been approved (43 received \$10,000 with an overall average of \$8,475), 95 applications were declined for various reasons, \$433,725 has been disbursed and staff is waiting on the final agreements which will deplete the funds set aside for this program. Mr. Campbell asked which account funded the \$500,000 for this program. Ms.

Hudgins said the funds were drawn from the Local Government Incentive Pool account. Mr. Seymour added he and Mr. Peterson served on the Committee with staff to review the applications which was a very thorough process. Chair Ferebee thanked everyone for their efforts regarding this initiative.

Mr. Rigney reported Mr. Girouard has been working with Systems East, an existing business in Langley Research & Development Park, which is now expanding by 10,000 square feet. Mr. Girouard was prepared to present the design plans for Board review and approval; however, Chair Ferebee said in light of the action just taken, the matter can be deferred to staff. Mr. Campbell, as Chair of the Authority Advisory Committee, was in agreement to delegate design approval to staff. The other Board members agreed.

CLOSED
MEETING

Chair Ferebee stated a Closed Meeting will now be held pursuant to (1) Virginia Code §2.2-3711.A.3 for discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, in Hampton Roads Center North, Langley Research & Development Park, Phoebus and Downtown, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority, (2) Virginia Code §2.2-3711.A.6 for discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially the financial interest of the Authority would be adversely affected and (3) Virginia Code §2.2-3711.A.8 for consultation with legal counsel employed or retained by the Authority regarding specific legal matters pertaining to an existing Lease Agreement and a loan collection matter. A motion was made by Mr. Bagley and seconded by Mr. Campbell to go into the Closed Meeting. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Seymour, Wallace and Ferebee

Nays: None

CERTIFICATION
OF CLOSED
MEETING

Chair Ferebee stated it was now appropriate to take a roll call vote and that to the best of our knowledge (i) only public business matters lawfully exempted from open meeting requirements under this chapter, 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. Any member who believes there was a departure from the requirements of subdivisions (i) and (ii) shall so state prior to the roll call vote, indicating the substance of the departure that, in his/her judgment has taken place. Such statements shall be recorded in the Minutes. Chair Ferebee asked for any statements. There were none. A motion was made by Mr. Campbell and seconded by Mr. Bagley to

conclude the Closed Meeting and return to the Meeting. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Seymour, Wallace and Ferebee

Nays: None

A motion was made by Mr. Bagley and seconded by Mr. Campbell to enter into the transaction with the Virginia Tech Foundation as contemplated by the attached agreement to facilitate the development of a new AREC facility, as well as enhanced Downtown waterfront amenities and to authorize the Chair or Vice Chair to execute the agreement, in substantially the form attached, subject to only those changes approved by the Chair or Vice Chair and the EDA's legal counsel, as well as all other documents necessary to and related to the transaction including, but not limited to the deed, the plat, the ground lease and cooperation agreement with the City. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Seymour, Wallace and Ferebee

Nays: None

A motion was made by Mr. Campbell and seconded by Mr. Bagley to agree to sell or otherwise transfer a portion of property owned by the EDA, and adjacent to 104 Research Drive to Magruder Landing Development Company, LLC to allow for the expansion of parking and stormwater support facilities anticipated to be needed for expanded business and development, subject to the terms and conditions as may be approved by the Transaction Committee and EDA legal counsel; authorize the Chair or Vice Chair to execute any resulting agreement for transfer and other documents necessary and related to the transaction, once approved by the Committee and the EDA's legal counsel. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Seymour, Wallace and Ferebee

Nays: None

A motion was made by Mr. Wallace and seconded by Mr. Seymour to delegate authority to the Loan Review and Grant Committee to determine whether or not to release certain real property located in Portsmouth and held as collateral for a loan between the EDA and Unique Imaging; authorize the Chair or Vice Chair to execute any Committee approved release or other documents necessary to fulfill the determination of the Committee. A roll call vote was taken which resulted as follows:

Ayes: Bagley, Campbell, Peterson, Sandford, Seymour, Wallace
and Ferebee

Nays: None

Chair Ferebee thanked the City Manager, EDA staff and legal team
for keeping the EDA business flowing during the COVID-19
pandemic.

ADJOURNMENT

There being no further business, the meeting was adjourned at
10:50 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "Charles H. Rigney, Sr.", written over a faint, illegible stamp or background.

Charles H. Rigney, Sr.
Secretary/Treasurer

CER/tbh