

The Portsmouth Port and Industrial Commission

January 24, 2017

6th Floor Conference Room, City Hall
801 Crawford Street, Portsmouth VA

COMMISSIONERS PRESENT:

Vaughnchette D. Rudisill – Vice Chairman
George E. Watkins – Treasurer
James E. Bento
Guy ‘Rob’ Maguire
James E. Toups
Guy T. Wallace

ALSO PRESENT:

Mallory C. Butler – Secretary
Solomon H. Ashby – City Attorney
Jeffrey S. Miller – Asst. City Attorney
Alice Kelly – CFO
Debbie MacLeod – Finance Department
Robert D. Moore – Assistant Secretary
Sarah McCoy – VPA
James Wright – City Engineer
Stephanie S. France – Economic Development

ABSENT:

Edward A. Barham – Chairman

GUESTS:

Krista N. Edoff – Cherry Bekaert

At 8:02 a.m. Ms. Rudisill called the meeting to order.

The minutes from the October 25, 2016 meeting were reviewed.

ACTION: On a motion by Mr. Wallace and seconded by Mr. Bento, the Commissioners approved the minutes from the October 25, 2016 meeting as presented. **Roll Call Vote:** Mr. Barham – absent; Mr. Bento – yes; Mr. Maguire – yes; Ms. Rudisill – yes; Mr. Toups – yes; Mr. Wallace – yes; Mr. Watkins – yes.

Ms. Rudisill asked for any questions concerning the October 2016 financial statements; none were raised.

ACTION: On a motion by Mr. Wallace and seconded by Mr. Bento, the Commissioners accepted the unaudited financial statements for October 2016 as presented. **Roll Call Vote:** Mr. Barham – absent; Mr. Bento – yes; Mr. Maguire – yes; Ms. Rudisill – yes; Mr. Toups – yes; Mr. Wallace – yes; Mr. Watkins – yes.

Ms. Rudisill asked for any questions concerning the November 2016 financial statements; none were raised.

ACTION: On a motion by Mr. Bento and seconded by Mr. Wallace, the Commissioners accepted the unaudited financial statements for November 2016 as presented. **Roll Call Vote:** Mr. Barham – absent; Mr. Bento – yes; Mr. Maguire – yes; Ms. Rudisill – yes; Mr. Toups – yes; Mr. Wallace – yes; Mr. Watkins – yes.

Ms. Rudisill asked for any questions concerning the December 2016 financial statements; none were raised.

ACTION: On a motion by Mr. Toups and seconded by Mr. Maguire, the Commissioners accepted the unaudited financial statements for December 2016 as presented. **Roll Call Vote:** Mr. Barham – absent; Mr. Bento – yes; Mr. Maguire – yes; Ms. Rudisill – yes; Mr. Toups – yes; Mr. Wallace – yes; Mr. Watkins – yes.

Mr. Watkins reviewed a proposed amendment to the FY2017 budget in the amount of \$35,000.00, which will be used for wetlands delineation on the recently purchased property located at 3930 Burtons Point Road.

ACTION: On a motion by Mr. Toups and seconded by Mr. Wallace, the Commissioners approved a \$35,000.00 amendment to the FY2017 budget, which will be utilized for wetlands delineation of the 3930 Burtons Point Road property. **Roll Call Vote:** Mr. Barham – absent; Mr. Bento – yes; Mr. Maguire – yes; Ms. Rudisill – yes; Mr. Toups – yes; Mr. Wallace – yes; Mr. Watkins – yes.

Ms. Edoff from Cherry Bekaert presented the June 30, 2016 audit report.

ACTION: On a motion by Mr. Watkins and seconded by Mr. Wallace, the Commissioners approved the June 30, 2016 audit report as presented by Cherry Bekaert. **Roll Call Vote:** Mr. Barham – absent; Mr. Bento – yes; Mr. Maguire – yes; Ms. Rudisill – yes; Mr. Toups – yes; Mr. Wallace – yes; Mr. Watkins – yes.

Mr. Ashby presented an overview regarding the Virginia International Gateway's 50-year lease to the Virginia Port Authority, and the impact it will have upon the City of Portsmouth.

ACTION: On a motion by Mr. Toups and seconded by Mr. Wallace, the Commissioners approved the following resolution. **Roll Call Vote:** Mr. Barham – absent; Mr. Bento – yes; Mr. Maguire – yes; Ms. Rudisill – yes; Mr. Toups – yes; Mr. Wallace – yes; Mr. Watkins – yes.

WHEREAS, in September 2016 the Virginia Port Authority and Virginia International Gateway, Inc. executed an amended and restated lease to govern the expansion of the VIG terminal in Portsmouth; and

WHEREAS, the lease provides for the transfer of a substantial amount of personal property and equipment from VIG to the Virginia Port Authority; and

WHEREAS, the transfer of ownership makes the personal property and equipment exempt from taxation and reduces the Portsmouth tax base; and

WHEREAS, Portsmouth is already fiscally stressed because it is an older urban area with relatively few developable sites and a significant inventory of tax exempt property; and

WHEREAS, Portsmouth's infrastructure is negatively impacted by the use of its roads and facilities for Port-related activities, and the City does not receive offsetting benefits from the development of Port-related businesses and industries because of its lack of developable land; and

WHEREAS, the Portsmouth City Council has expressed grave concern about the impact of the amended and restated lease and the Port expansion on the City's fiscal health; and

WHEREAS, members of the Portsmouth legislative delegation have proposed several bills in the 2017 Virginia General Assembly to provide fair compensation to the City for the Port's expansion; and

WHEREAS, the bills include HJ 580 and HJ 648, which call for an updated study of the impact of state-owned ports on host cities, and HB 1624 and SB 1013, which call for the creation of an Economic Development Incentive Fund to assist host cities in offsetting the negative economic impacts of port facilities; and

WHEREAS, the Portsmouth Port and Industrial Commission supports the growth and success of the Port of Virginia, but such growth must be coupled with fair and equitable treatment of Portsmouth and the other host localities that disproportionately bear the negative impacts of expansion;

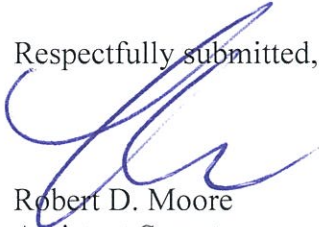
NOW, THEREFORE, it is hereby RESOLVED that the Board of Commissioners of the Portsmouth Port and Industrial Commission expresses its full and unqualified support for the efforts of the Portsmouth City Council and the Portsmouth legislative delegation to compensate Portsmouth fairly for the negative impacts caused by the expansion of VIG and other port facilities, whether through adoption by the Virginia General Assembly of the bills already proposed, or through the adoption of any other measures which the City may hereafter propose or support. Adopted this 24th day of January 2017.

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Ms. Butler reminded the Commissioners about the Hampton Roads Economic Development Alliance's Annual Meeting on Thursday, January 26th beginning at 3:00 p.m. at the Renaissance Portsmouth Hotel.

The meeting adjourned at 8:59 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'R. Moore', is written over the text 'Respectfully submitted,'.

Robert D. Moore
Assistant Secretary