

Economic Development Authority of the City of Portsmouth

November 15, 2016

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

The Chairman called the meeting to order at 8:05 a.m.

COMMISSIONERS PRESENT:

Dean A. Thomasson – Chairman
Junius L. Thompson – Vice Chairman
Andrew D. Baillie – Treasurer
Anthony W. Hinds
Miriam J. Jiggetts
Aaron J. Kelley
Lisa Lucas-Burke (arrived at 8:09 a.m.)

ALSO PRESENT:

Mallory C. Butler – Secretary
Solomon Ashby – City Attorney
Jeffrey S. Miller – Assistant City Attorney
Paige Cherry – City Councilman
Elizabeth Psimas – Vice Mayor
Dr. L. Pettis Patton – City Manager
Alice Kelly – CFO
Debbie MacLeod – Finance Department
Stephanie France – Assistant Secretary
Bob Baldwin – Planning Director
Robert Moore – Business Development Manager
Vincent Jones – Deputy City Manager

GUESTS:

Neil Amin – Shamin Hotels
Brian Swets – Planning Department

The minutes from the October 18, 2016 meeting were reviewed. Ms. Jiggetts requested that on page two, paragraph three, the last sentence be changed to say “Ms. Jiggetts expressed her opinion . . . “

ACTION: On a motion by Mr. Kelley and seconded by Mr. Thompson, the Commissioners approved the minutes from the October 18, 2016, meeting with the requested change from Ms. Jiggetts. **Roll Call Vote:** Mr. Baillie – yes; Mr. Hinds – yes; Ms. Jiggetts – yes; Mr. Kelley – yes; Ms. Lucas-Burke – absent; Mr. Thomasson – yes; Mr. Thompson – yes.

Ms. MacLeod reviewed the unaudited October 2016 Financial Statements.

Ms. Butler reported that Staff met with TowneBank representatives after the October meeting and authorized converting one of the EDA's accounts from non-interest bearing to interest bearing. Ms. Jiggetts asked why the Treasurer, Mr. Baillie, was not included in the meeting. Ms. Kelly responded that it was an oversight on staff's part and that the Treasurer would be included in similar meetings in the future. Mr. Baillie stated that he was comfortable with the changes that were made to the account.

ACTION: On a motion by Mr. Kelley and seconded by Mr. Baillie, the Commissioners received the unaudited financial statements for October 2016 as presented. **Roll Call Vote:** Mr. Baillie – yes; Mr. Hinds – yes; Ms. Jiggetts – yes; Mr. Kelley – yes; Ms. Lucas-Burke – yes; Mr. Thomasson – yes; Mr. Thompson – yes.

Mr. Thomasson congratulated Ms. Lucas-Burke on her election to the Portsmouth City Council, she will be sworn in in January 2017. The Board also congratulated Vice Mayor Psimas on her re-election to Council.

Ms. Butler introduced Mr. Neil Amin of Shamin Hotels from of Richmond, Virginia. She reminded the Commissioners that Shamin Hotels has a contract to purchase the Renaissance Hotel.

Mr. Amin provided an extensive overview of the company, including that it seeks to hold the hotels it acquires long-term, emphasizing the importance of employee quality of life, and seeking to create destination restaurants and other facilities in its hotels. He spoke about his own personal background and involvement in the community, and said that he intends to be a good community partner for Portsmouth. He stated that after Shamin Hotels acquires the Renaissance it will spend several million dollars to upgrade the hotel. He also answered many questions from the Commissioners and Staff.

ACTION: On a motion by Ms. Lucas-Burke and seconded by Mr. Baillie, the Commissioners approved the following resolution as presented. **Roll Call Vote:** Mr. Baillie – yes; Mr. Hinds – yes; Ms. Jiggetts – yes; Mr. Kelley – yes; Ms. Lucas-Burke – yes; Mr. Thomasson – yes; Mr. Thompson – yes.

WHEREAS, the Economic Development Authority of the City of Portsmouth, Virginia holds certain rights and interests regarding the Portsmouth Renaissance Hotel (the hotel and the associated conference center and garage are collectively referred to herein as the "Hotel"), including as lessor under that certain Hotel Lease Agreement dated as of May 24, 1999 (the "Hotel Lease") and that certain Conference Center Lease Agreement dated as of May 24, 1999 (the "Conference Center Lease"), Grantor under that certain Parking Maintenance and Operating Agreement dated as of May 24, 1999 (the "Garage Maintenance Agreement"), and Owner under that certain Parking Garage Operating Agreement dated as of May 24, 1999 (the "Garage Operating Agreement"); and

WHEREAS, the lessee under the Hotel Lease and the Conference Center Lease and the Grantee under the Garage Maintenance Agreement is Portsmouth Hotel Associates, LLC, which is currently owned in principal part and controlled by PIM Highland and Holding LLC and Ashford Hospitality Limited Partnership and/or their affiliates, and Remington Lodging & Hospitality, LLC, an additional affiliate, is the Operator under the Garage Operating Agreement (collectively; PIM, Ashford, Remington, and their affiliates are referred to as "Owner"); and

WHEREAS, the Hotel is operated by Owner as a Marriott Renaissance franchise (the "Flag"); and

WHEREAS, the above-referenced documents and agreements, including as amended, and all other documents and agreements related to the Hotel are referred to as the "Documents"; and

WHEREAS, Owner desires to convey all of its interest in the Hotel and the Documents to an entity or entities owned or controlled by Shamin Hotels, Neil Amin and/or their principals or affiliates, including without limitation 425 Water, LLC ("Purchaser"); and

WHEREAS, Purchaser has an existing portfolio of hotels and an existing presence in Virginia and has represented that it intends to maintain the Marriott Renaissance Flag;

NOW, THEREFORE, it is hereby RESOLVED that:

1. Subject to the conditions that Owner will convey all of its interests in the Hotel and the Documents to Purchaser at closing on the conveyance and that Purchaser will continue to operate the Hotel under the Flag, the Economic Development Authority of the City of Portsmouth, Virginia hereby consents to conveyance of Owner's interests in the Hotel and the Documents to Purchaser, whether directly or through conveyance of ownership of Portsmouth Hotel Associates, LLC.
2. The Board of Commissioners hereby authorizes the Chair and Vice Chair of the Economic Development Authority of the City of Portsmouth, Virginia to execute such consents or other documents or agreements as are necessary or desirable to confirm EDA consent and approval under the Documents for the conveyance of all interests of Owner in the Hotel and the Documents to the Purchaser.

3. The Chair, Vice Chair, and Secretary of the EDA and their designees are each hereby authorized to take such further actions as are necessary or desirable to effectuate the intent of this Resolution.
4. This Resolution shall be effective immediately upon its adoption.

Ms. Butler provided information regarding a Travel Reimbursement Request from Mr. Thompson in the amount of \$1,585.28 for an IEDC class he attended in Chapel Hill, North Carolina.

ACTION: On a motion by Mr. Baillie and seconded by Ms. Lucas-Burke, the Commissioners approved the Travel Reimbursement Request from Mr. Thompson in the amount of \$1,585.28. **Roll Call Vote:** Mr. Baillie – yes; Mr. Hinds – yes; Ms. Jiggetts – no; Mr. Kelley – yes; Ms. Lucas-Burke – yes; Mr. Thomasson – yes; Mr. Thompson – abstained as he is requesting the reimbursement.

Ms. Jiggetts and Mr. Hinds, as the ad hoc committee, each provided information concerning the Training & Travel Policy and Procedures, which was included in the meeting packets.

ACTION: On a motion by Mr. Hinds and seconded by Mr. Thompson, the Commissioners approved the Training & Travel Policy and Procedures as presented. **Roll Call Vote:** Mr. Baillie – yes; Mr. Hinds – yes; Ms. Jiggetts – yes; Mr. Kelley – yes; Ms. Lucas-Burke – yes; Mr. Thomasson – yes; Mr. Thompson – yes.

Mr. Swets provided an overview of the process that is in place to allow public input for the update to the City’s Comprehensive Plan, “Build One Portsmouth.” The first public meeting was held on November 10, 2016. The Planning Department anticipates that the finale Plan will be completed in early 2018.

ACTION: at 9:34 a.m., on a motion by Mr. Thomasson and seconded by Mr. Hinds, the Authority entered into a Closed Meeting, whereas, the Virginia Freedom of Information Act authorizes the Board of Commissioners to hold closed meetings for certain purposes set forth in Paragraph 2.2-3711(A) of the Code of Virginia of 1950, as amended; and whereas, in compliance with the requirements of the Code the topics to be discussed are set forth below, and the sub-paragraphs of Paragraph 2.2-3711(A) authorizing discussion of the topics in closed session are set forth in parentheses after each topic; now, therefore, be it resolved that the Board of Commissioners shall meet in Closed Meeting 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 EDA would be adversely affected, and consulting with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel (The Commons at Portsmouth Center); and for the purpose of consultation with legal counsel pertaining to actual or probable litigation, where such consultation in open meeting would adversely affect the negotiating or litigating posture of the City, specifically regarding the Economic

Development Authority vs. Victory Crossing Developers II, LLC CL16-1977 (6 and 7). **Roll Call Vote:** Mr. Baillie – yes; Mr. Hinds – yes; Ms. Jiggetts – yes; Mr. Kelley – yes; Ms. Lucas-Burke – yes; Mr. Thomasson – yes; Mr. Thompson – yes.

ACTION: At 9:52 a.m., on a motion by Mr. Thomasson and seconded by Mr. Hinds, the Authority approved a resolution directing the Virginia Freedom of Information Act certification required by Section 2.2-3712.D of the 1950 Code of Virginia, as amended, be included in the Authority's minutes of this meeting. Whereas, the Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and whereas, Section 2.2-3712.D of the Code of Virginia requires a certification by the Commissioners of the Authority that such closed meeting was conducted in conformity with the Act. Now, therefore, be it hereby resolved that the following certification shall be included in the Authority's minutes of this meeting along with any statement regarding any alleged departure in accordance with Section 2.2-3712.D of the 1950 Code of Virginia, as amended: Each Commissioner, unless her/his prior contrary statement is in the minutes of this meeting, hereby certifies that to the best of her/his 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 closed meeting was convened were heard, discussed or considered in the closed meeting by the Commissioners. **Roll Call Vote:** Mr. Baillie – yes; Mr. Hinds – yes; Ms. Jiggetts – yes; Mr. Kelley – yes; Ms. Lucas-Burke – yes; Mr. Thomasson – yes; Mr. Thompson – yes.

With no other business before the Board the meeting was adjourned at 9:55 a.m.

Respectfully submitted,



Stephanie S. France
Assistant Secretary