

# Economic Development Authority of the City of Portsmouth

December 20, 2016

6<sup>th</sup> 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  
Anthony W. Hinds  
Miriam J. Jiggetts  
Aaron J. Kelley  
Lisa Lucas-Burke

**ALSO PRESENT:**

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

**ABSENT:**

Andrew D. Baillie – Treasurer

**GUESTS:**

Krista N. Edoff – Cherry Bekaert

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The minutes from the November 15, 2016 meeting were reviewed.

**ACTION:** On a motion by Mr. Hinds and seconded by Ms. Lucas-Burke, the Commissioners approved the minutes from the November 15, 2016. **Roll Call Vote:** Mr. Baillie – absent; Mr. Hinds – yes; Ms. Jiggetts – yes; Mr. Kelley – yes; Ms. Lucas-Burke – yes; Mr. Thomasson – yes; Mr. Thompson – yes.

Ms. MacLeod reviewed the unaudited November 2016 Financial Statements. Ms. Jiggetts pointed out an error in the Local Incentive Program (LIP) Grants total of \$85,000.00, which should be \$60,000.00. Ms. Butler reported that with the help of the Procurement Department, the grounds maintenance contract will be put out for bid early in 2017. Mr. Hinds asked about the timeline for payment of the LIP Grants. Ms. France and Ms. Butler explained that time between Board approval of a grant and payment to the grantee is longer than the construction period authorized by the grant because it takes time after Board approval for the grantee to finalize plans with the contractor and obtain all permits necessary

to start construction. Ms. France explained that after a grant is approved by the Board, the grantee has 90 days to complete the Grant Agreement requirements, then 90 days to execute the project (unless they receive an extension), and then they have 30 days to submit paid receipts to staff. It is up to the applicant to provide all receipts and proof of payment before payment is made by EDA, and on occasion the applicant is slow in submitting the required documentation. Vice Mayor Psimas interjected that the business can do it faster, though, if they get their stuff done quicker. Mr. Thomasson concluded the discussion by saying EDA can convene the committee if necessary.

**ACTION:** On a motion by Mr. Kelley and seconded by Ms. Lucas-Burke, the Commissioners received the unaudited financial statements for November 2016 with the correction to the LIP Grants total from \$85,000.00 to \$60,000. **Roll Call Vote:** Mr. Baillie – absent; Mr. Hinds – yes; Ms. Jiggetts – yes; Mr. Kelley – yes; Ms. Lucas-Burke – yes; Mr. Thomasson – yes; Mr. Thompson – yes.

Ms. Edoff from Cherry Bekaert presented the June 30, 2016 audit report. Ms. Jiggetts expressed her opinion that the report should have included a reference to the potentiality of the claw-back of the Commons at Portsmouth Center (Victory Village) property because it is a significant event, even though the financial impact is currently unknown. Vice Mayor Psimas mentioned that the city council audit does not reference this event.

**ACTION:** On a motion by Mr. Kelley and seconded by Ms. Lucas-Burke, the Commissioners approved the June 30, 2016 audit report from Cherry Bekaert, noting Ms. Jiggetts concerns about the Commons at Portsmouth Center property. **Roll Call Vote:** Mr. Baillie – absent; Mr. Hinds – yes; Ms. Jiggetts – no; Mr. Kelley – yes; Ms. Lucas-Burke – yes; Mr. Thomasson – yes; Mr. Thompson – yes.

Ms. Butler reported on the Renaissance Hotel Parking Garage Operating Agreement. Ms. Butler reminded the EDA that the city entered into the Agreement in 2001 through the EDA, who owns the garage, as a public/private partnership. The public contribution was to provide parking for the hotel and conference center. The situation before EDA now is that the commissioners have expressed that the EDA really isn't in the garage business. EDA was pleased to serve as the conduit for the deal, but it is more appropriate for another city entity versed in garage management and maintenance to take on the role. Staff has had discussions with Shamin Hotels, the pending buyer of the hotel, about how to structure parking garage operations in the future. Shamin indicated that it has not structured its financing or its Marriott franchise to include owning or leasing the garage, so it is not in position to fundamentally alter the existing parking agreement. However, it has no objection to the city and Parking Authority (rather than EDA) taking on greater responsibilities regarding the oversight of parking operations. Therefore, an amended parking agreement will be executed at Shamin's closing on the hotel. The amended agreement will designate the city engineer as the contact for garage operations, and will provide EDA the right to assign its interest in the garage to the city and/or Parking Authority. Going forward, staff will work with the Engineering Department and City Manager's Office to determine the best way for the EDA to assign the garage to the city or the Parking Authority.

**ACTION:** On a motion by Ms. Lucas-Burke and seconded by Mr. Thompson, the Commissioners approved the following resolution as presented. **Roll Call Vote:** Mr. Baillie – absent; 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 and Remington Lodging & Hospitality (on behalf of Ashford Hospitality) are parties to that certain Parking Garage Operating Agreement dated as of May 24, 1999 (as amended, the “Existing Agreement”) for the management of the Renaissance Parking Garage (the “Garage”); and

WHEREAS, Shamin Hotels, by and through 425 Water, LLC or another affiliated entity (collectively, “Shamin Hotels”), intends to acquire the Renaissance Hotel & Conference Center from the existing owner; and

WHEREAS, by Resolution adopted on November 15, 2016 the Board consented to the acquisition of the Renaissance by Shamin; and

WHEREAS, the Existing Agreement for management of the Garage expires on December 20, 2016 and it is necessary to extend the expiration date to allow time for Shamin Hotels to close on acquisition; and

WHEREAS, it is further necessary to enter into an Amended & Restated Parking Garage Operating Agreement (“Amended & Restated Agreement”) with Shamin Hotels for the management of the Garage, to be effective from and after Shamin Hotels’ acquisition of the Renaissance; and

WHEREAS, the Amended & Restated Agreement will provide for oversight of Garage operations by the Engineering Department and for the right of assignment to the Portsmouth Parking Authority and/or the City of Portsmouth.

NOW, THEREFORE, it is hereby RESOLVED that:

1. The extension of the term of the Existing Agreement through April 30, 2017 is hereby authorized and approved and the Chair is authorized to execute such documents as are necessary to effectuate the extension of the term.
2. The Chair is authorized to execute an Amended & Restated Agreement with Shamin Hotels for management of the Garage, effective as of Shamin Hotels’ closing on its acquisition of the Renaissance.
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. The Chair, Vice Chair, and Secretary of the EDA and their designees are each hereby authorized and directed to work with the Portsmouth Parking Authority and the City to establish a plan for the conveyance of the Garage, by deed, lease or agreement, as may be determined appropriate, in order to transfer financial and oversight rights and responsibilities for the Garage to the Portsmouth Parking Authority and/or the City.
5. This Resolution shall be effective immediately upon its adoption.

Mr. Hinds requested that staff provide a briefing on the legal structure of ownership of the Renaissance at some point in the next several months.

The Commissioners presented a holiday gift to the Economic Development staff members.

Vice Mayor Psimas encouraged the board members to seek out residents to make application to fill the empty seat vacated by Ms. Lucas-Burke.

Dr. Patton invited the board members to the swearing in ceremony of the new Mayor and City Council members on December 30, 2016 at 6:30 p.m. which will be held at the I.C. Norcom High School.

With no other business before the Board the meeting was adjourned at 9:09 a.m.

Respectfully submitted,



Stephanie S. France  
Assistant Secretary