



# City of Petersburg

## Economic Development Authority Meeting

### Regular Meeting Agenda

July 21, 2022

5:30pm

Petersburg Public Library  
201 W. Washington Street  
Petersburg, VA 23803

1. Call to order – Mr. Samuel Rhue, Chairman
2. Roll call of Board Members
3. Determination of the Presence of a Quorum
4. Moment of Silence
5. Reports/responses to previous public information period
6. Approval of the Minutes- May 19, 2022
7. Financial Report- Mr. Richard, Taylor Secretary /Treasurer
8. Report from the Chairman- Mr. Samuel Rhue
9. New Business –
  - a. Brightpoint Community College Pharmaceutical Manufacturing Program- Dr. Cornelia Kavungo-Johnson, Program Director
  - b. Lease of Roper Site- Brian Moore, Director of Economic Development
  - c. Legislative Update - Brian Moore, Director of Economic Development
10. Old Business –
  - a. 2655 Stedman Drive- Brian Moore, Director of Economic Development
    - i. Rezoning
    - ii. Correct Name in GIS – Change from IDA to EDA
    - iii. Title Search

b. Economic Development Report – Brian Moore, Director of Economic Development

11. Business or reports from the Vice Chairman or other members of the EDA Board

12. Public Comments Period

13. Announcements -

a. Next meeting date – August 18, 2022

14. Adjournment



# City of Petersburg

## Economic Development Authority Meeting

### Regular Meeting Minutes

May 19, 2022

5:30pm

Petersburg Public Library  
201 W. Washington Street  
Petersburg, VA 23803

1. Call to order – Mr. Samuel Rhue, Chairman
2. Roll call of Board Members- Motion: Mr. Rhue moved, second by Mr. Taylor to approve Joel Erb to participate in the Board meeting via Zoom due to health concerns. Upon vote by those present, the motion was unanimously carried.

#### **Present**

Mr. Samuel Rhue  
Mr. Mike Packer  
Mr. Richard Taylor  
Mr. Joel Erb  
Dr. Ahkinyala Abdullah  
Dr. Lafayette Jefferson

#### **Not Present**

Mr. Winston Sanders

3. Determination of the Presence of a Quorum
4. Moment of Silence
5. Reports/responses to previous public information period  
None
6. Approval of the Minutes- April 21, 2022-

Mr. Rhue moved that the meeting minutes be adopted with the necessary corrections.

7. Financial Report- Mr. Richard, Taylor Secretary /Treasurer-

Mr. Taylor reported that there is currently \$93,084.45 in the account. The total for the checking account is \$13,075.68 and the Money Market is \$80,008.77. There was a check written to the attorney in the amount of \$2,850.00 and a check to the Virginia Gateway for their Annual Dinner.

**Motion:** Dr. Abdullah moved, second by Mr. Packer to approve the financial report. **Upon vote by those present, the motion was unanimously carried.**

8. Report from the Chairman- Mr. Samuel Rhue

Mr. Rhue reported that the EDA attended the VGR Annual Dinner. He asked Ms. Boone to reach out to Keith Boswell to obtain a copy of the program for the EDA Board Members.

9. New Business –

a. (added to agenda during Board Meeting) Rotary Club- Mr. Taylor, EDA Board Member

Mr. Taylor requested that the EDA serve as a pass through for funding for the Rotary Club to assist with the fundraising for the Gateway Park being developed. Mr. Taylor stated that some companies will only donate to 501C-3 and the Rotary is a 501C-4. Mr. Hefty advised that he will research this and let the EDA know if this is lawful.

b. Enterprise Zone Amendments- Brian Moore, Director of Economic Development-

Cynthia Boone, Project Manager presented on behalf of Mr. Moore. She provided an overview of the proposed Enterprise Zone Amendment. She explained how staff intended to remove the residential properties. In doing so, it will free up approximately 367 acres for the inclusion of industrial and commercial sites to be added. She advised that Economic Development had held an information session with those citizens that would be impacted. A public hearing is scheduled for June 21. Ms. Boone expressed the application will also include the amendments to the incentives which include the removal of façade improvements and architectural improvements grants due to the lack of funding. It was suggested to research how Richmond is able to capitalize their fund.

c. 2655 Stedman Drive- Brian Moore, Director of Economic Development

i. Rezoning –

Cynthia Boone, Project Manager presented on behalf of Mr. Moore. She discussed the need to rezone the property in order to make it more marketable to industrial and commercial companies. Mr. Taylor asked the acreage of the property. Ms. Boone stated it is 21.939 acres. Mr. Erb asked if there is currently any interest in the site. Ms. Boone advised not at this current time. Mr. Packer stated that this site sits near a mobile home park and the EDA would be reluctant to change the zoning to light industrial because of its proximity to residential houses. Mr. Packer further stated that the EDA should

rezone it to MXD-3 which will allow commercial or industrial sites to have to submit a Special Use Permit and that will allow the EDA and City to control what's coming on the property.

Dr. Abdullah asked for clarification on the different zoning and purposes of the zoning in the City. Mr. Packer explained that the zoning dictates what can be developed in that area of the City. He further explained that when the EDA purchased the property that it was with the hopes that it could be an extension of Fort Lee.

Motion: Mr. Taylor, second by Mr. Packer to approve staff to submit a rezoning application for 2655 Stedman Drive for MXD-3. Upon vote by those present, the motion was unanimously carried.

ii. Correct Name in GIS – Change from IDA to EDA

Ms. Boone stated that currently the EDA is showing as the IDA in the GIS system. Staff have filed the paperwork with the Clerk of Circuit Court to correct their name and have it changed in the City's GIS System.

10. Old Business –

a. Hotel Petersburg Performance Agreement- Brian Moore, Director of Economic Development

Ms. Boone provided an overview of the performance agreement between the EDA and Hotel Petersburg. She stated that the agreement was that the EDA will lend the project \$2 Million Dollars. However, it will not receive it all at once. They would receive \$1.4 million now and the other will be placed in reserved for the developer with proof of the need to borrow the remaining \$600,000.

Mr. Hefty stated that part of the performance agreement between the EDA and Hotel Petersburg is that the developer would make a \$16M investment with the creation of 50 full time jobs. The Developer will secure a construction loan and there is a gap between the construction loan and the historic tax credits in the amount of \$2.6M. Mr. Hefty provided a correction to Ms. Boone previous statement concerning the timeline of the money being lent to the project. The EDA has agreed to lend the entire \$2.6 million, which includes \$600,000 IRF Loan, all at one time. This will be lent at an interest rate of 2.5% payable over 10 years. 50% of the Meals and Lodging taxes will assist in the repayment of the loan. This loan will be secured by a credit debt services and second by a personal guarantee. There will also be a 3<sup>rd</sup> Deed of Trust on the property, which will eventually be a 2<sup>nd</sup> Deed of Trust for the EDA once the Historical Tax Credits are paid.

Dr. Jefferson asked for clarification on the previous request by the EDA for 30% of the workforce be from Petersburg. Mr. Erb stated that most hotels hire a management company to oversee the hiring at hotels. Dr. Abdullah stated that this requirement was made known to the developer at the beginning the importance of hiring form Petersburg. Mr. Packer stated that this performance agreement was presented to the board last fall with the

same language in it. Nothing has changed concerning the workforce requirement. If we change it now, it will have to go back before the City Council. Mr. Packer further stated that if we go back and change the job requirements it could possibly be a deal breaker. He stated that the EDA needs to decide if they wish to be strict or allow the developer to have flexibility. Dr. Jefferson stated that these are the same things he seen people like Dr. Cuthbert's do at the General Assembly to go against de-segregation to keep people like his father and grandfather from bidding on construction jobs. Dr. Jefferson stated that we have to ensure our citizens have the right to work.

Ms. Boone stated that we need to remember that this is a historic hotel and that Dr. Cuthbert advised that it may be difficult to hire people in the City with the specialized skillset needed to restore some of the historic façade and architects of the hotel.

Mr. Rhue stated is there a motion. **Motion:** Mr. Taylor moved, second by Mr. Packer to approve that the Performance Agreement should be signed by the chairman of the EDA.

Mr. Rhue- Yes

Mr. Packer- Yes

Mr. Taylor- Yes

Mr. Erb- Yes

Dr. Abdullah – abstain

Dr. Jefferson – No

Motion passed

Dr. Abdullah recommended that the EDA partner with other workforce entities to ensure projects target the needs of the citizens of Petersburg. She stated that projects need to be inclusive and not exclusive. She further stated be in a better position to state to developers that show interest in Petersburg that they must hire citizens from Petersburg. Dr. Abdullah stated that the developer only interested in getting money from the City to fund his project for his family. Mr. Taylor stated how Petersburg doesn't have trained workforce. Dr. Jefferson stated that his father and grandfather was contractors and they know many developers. He further stated that white developers have difficulty training, but black developers are successful. Mr. Taylor asked did Dr. Jefferson father and grandfather live in Petersburg. Dr. Jefferson replied no. Mr. Erb stated that he agrees with what Dr. Jefferson and Dr. Abdullah has stated. He stated that as a Community Black Grant Community we have money that his allocated to the City to encourage educating citizens and other things. He stated that we need to connect with those organizations to get state and federal funds to address workforce. Mr. Rhue stated that we need to get training in the community. He wishes to invite John Tyler to come and speak to the board about their Pharma certification program. Mr. Packer stated the EDA will ensure that the developer meet the minimum job requirements to show their good faith efforts as outlined in the performance agreement.

b. Revolving Loan Fund Updates- Brian Moore, Director of Economic Development

Ms. Boone stated that Mr. Moore would like to discuss with the EDA how they wish to proceed with the remaining \$250,000 that will be left in the fund. He wants them to think about doing small/micro loans to businesses.

Mr. Packer asked about the funds being disbursed to the EDA bank account. Ms. Boone stated that there was a budget line established for the account. Mr. Hefty stated that he will research if it is legal for the City to disburse the funds to business owners on behalf of the EDA from the budget line. Mr. Packer stated how we should invite LISC back to discuss their process to make small loans.

c. Economic Development Report – Brian Moore, Director of Economic Development

Ms. Boone stated that the City is planning a Business Appreciation Celebration on May 25. The budget is \$2600. Staff is requesting the EDA assist in sponsoring the event. Mr. Packer stated that the EDA find out about the event about two weeks ago. Mr. Packer asked who was on the committee that picked the recipients. Ms. Boone stated that it was Mr. Rhue, Mr. Moore, Mr. Brandt (Chamber) and herself. Mr. Taylor stated that the EDA should have representatives on the committee. He further stated that Artist Lofts should not be a recipient due because the developer does not give to charities and there are issues at the property.

Mr. Packer asked was there a motion for the EDA to sponsor the Business Appreciation Celebration. There was no motion made.

Ms. Packer asked about the leasing of Pocahontas Island and that we should make sure that there is a kick out clause in the agreement if the EDA finds a tenant.

11. Business or reports from the Vice Chairman or other members of the EDA Board

None

12. Public Comments Period

None

13. Announcements -

a. Next meeting date – June 16, 2022

14. Adjournment