

**ECONOMIC DEVELOPMENT AUTHORITY
HENRICO COUNTY, VIRGINIA**

To wit:

A regular meeting of the Board of Directors of the Economic Development Authority of Henrico County, Virginia was held at 5:00 p.m. on Wednesday, June 26th, 2024 at the Henrico EDA offices at 4300 East Parham Road, Henrico, VA 23228.

DIRECTORS PRESENT

Edward S. Whitlock, III, Chair
Dennis J. Berman, Vice Chair
Sam Bagley, Secretary
Philip C. Strother, Treasurer
Robert W. Brown, Jr.
Susan W. Custer
Suresh Soundararajan

DIRECTORS ABSENT

None

DIRECTORS PARTICIPATING ELECTRONICALLY

Tyee D. Mallory
S. Floyd Mays, Jr.
Travis Pearson

OTHERS PRESENT

Eric Leabough, Director, Director of Community Revitalization
Andrew Newby, County Attorney
Ryan Murphy, Deputy County Attorney
Anthony Romanello, Executive Director
Ashley Kubat, Office Administrator

The Chair called the meeting to order at 5:00 p.m.

AUTHORIZATION OF ELECTRONIC PARTICIPATION

Mr. Whitlock announced that Travis Pearson is unable to attend the meeting in person because he is out of town for a work event. Mr. Pearson wishes to participate remotely from his lodgings in San Francisco, California. Tyee Davenport Mallory is unable to attend the meeting in person because she has prior work commitments. Ms. Mallory wishes to participate remotely from her place of employment in Richmond, Virginia. Floyd Mays is unable to attend the meeting in person because he is attending a meeting of the Board of Directors of the Virginia Association of Towing and Recovery Operators. Mr. Mays wishes to participate remotely from that meeting place in Stafford, Virginia. The Board has arranged for Mr. Pearson, Ms. Mallory, and Mr. Mays to be heard by all persons at the central meeting location, and a quorum is present at the central meeting location. Mr. Whitlock moved that the Board approve Mr. Pearson's, Ms. Mallory's, and Mr. May's electronic participation in the meeting. With a second by Mr. Bagley, the electronic participation was approved, with Ms. Custer, and Messrs. Bagley, Berman, Brown, Soundararajan, Strother, and Whitlock all voting "aye."

GLENWOOD FARMS REDEVELOPMENT AGREEMENT AND FINANCING DOCUMENTS

Mr. Romanello stated that the Board took action to approve loan terms for the redevelopment of Glenwood Farms a few months prior, and this item would be to approve the redevelopment agreement and financing instruments in order to allow the project to proceed. Mr. Romanello introduced Mr. Newby and Mr. Leabough, who would be presenting and taking questions at the end.

Mr. Newby reviewed the background of the project, saying that the Glenwood Farms is a 32-acre community built in 1948. Currently, there are a total of 294 apartment homes with monthly rents ranging from \$590 to \$1,000. The property is dilapidated and blighted and has been an issue for Henrico for years. The County is supporting a developer interested in redeveloping the property, and the current proposal includes plans to build up to 950 new units, with 555 multifamily units, including age-restricted units, and 395 townhome and condominium units. New amenities will include a pool and clubhouse, and greenspace and pocket parks.

Mr. Newby informed the Board that the developer will bring \$3 million to the project, and the EDA will provide an acquisition loan at the SOFR interest rate for \$9 million with half of those funds provided by the County and half from the EDA. The term will be for one year, contingent upon rezoning and permits. The security for the loan will include a deed of trust, an assignment of rents, and a 25% personal guaranty. There will be an additional \$2 million EDA loan (funds provided by the County) for affordable housing support for a five-year term, with optional extensions, with the security of the deed of trust. Incentives for the project include a real estate tax rebate for 15 years, for taxes paid above the current base value of the

improvements of the property, a demolition reimbursement to be paid by the EDA, through appropriations from the County, expedited reviews by the County, reimbursement of building permit fees, utility improvements by the County, and the reimbursement of water and sewer connection fees by the EDA, through appropriations from the County.

Mr. Newby stated that the developer will ensure that current residents in good standing will remain on site or move to units in the community during the redevelopment of Phase 1. These residents will also be offered the opportunity to lease new units on site when Phase 1 is complete. The County will provide rent gap coverage for three years or \$3 million, whichever comes first, in collaboration with community partners, to assist the residents in good standing with rent at the redeveloped property. Mr. Leabough added that the developer has hired a consultant to assist with the relocation of the residents. This consultant is experienced with affordable housing and comes highly recommended by the Better Housing Coalition.

Mr. Newby reviewed the project timeline, beginning in March of 2024 when the EDA approved the Memorandum of Understanding with the County and the loan term sheet. Today, staff is requesting that the EDA approve the redevelopment agreement and loan documents. Subsequently, on June 28th, 2024, the Henrico Circuit Court will review the sale of Glenwood Farms to the developer, and the County anticipates that the sale will be approved. Finally, on July 26th, 2024, the developer will close on the loan and purchase the property. Mr. Romanello recommended the redevelopment agreement and financing documents for approval.

Mr. Strother asked what part the EDA staff will have in the administration of the project. Mr. Murphy replied that the EDA will administer the incentive agreement as it does with the other active incentive agreements they maintain, as well as consult with the planning director to ensure the rezoning is proceeding. Mr. Romanello added that the incentive agreement management is not a burden for the EDA as it is mostly coordinating with the County Finance Department for payments and ensuring the metrics have been met. The EDA will meet with County partners to assist with measuring the metrics.

Mr. Berman asked if the County will be paying for the tenants' moves. Mr. Leabough answered that the developer will cover those costs, with assistance from the consultant. Mr. Berman asked if there are hours of operations for the construction site and provisions for dust and nail abatement in the proffers. Mr. Newby replied that those issues can be addressed in the proffers but that it is still very early in the rezoning process.

Mr. Pearson asked if the County or EDA has worked with SpyRock before. Mr. Newby said the EDA has a successful economic development agreement with SpyRock for Henrico Plaza. Mr. Romanello added that SpyRock was also involved in the recent PPD expansion. Mr. Bagley asked about the amount of age-restricted housing in the new development. Mr. Newby replied that approximately 1/3 of the units would be 55+. Mr. Brown asked about the plans for covering the residents' rent gap after the three years has expired. Mr. Leabough responded that the County is working with nonprofits and workforce development agencies to improve job skills, and with Virginia Housing for vouchers. Ms. Custer asked how many residents are considered to be in good standing. Mr. Newby replied that there are approximately 80-120 residents currently in good standing, and that the number could increase.

On a motion by Mr. Mays, seconded by Mr. Bagley, the Glenwood Farms redevelopment agreement and financing documents were approved in accordance with the terms of the resolution, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, Strother and Whitlock all voting "aye."

There being no further business, the meeting adjourned at 5:32 p.m.



Assistant Secretary
to the board
on behalf
of
Sam Bagley

Sam Bagley
Secretary