



## Legislation Text

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**File #:** 17-0206, **Version:** 1

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Resolution Authorizing an Amendment to Article III of the Articles of Incorporation of the H2O Community Development Authority Entitled "Members," to Permit Subsequent Staggered Terms and to Remove the Requirement That Petitioner Recommend Four Members

### **Purpose/Background:**

On September 28, 2005, the City Council created the H2O Community Development Authority ("CDA") pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2 of the Code of Virginia, as amended (the "Act"). The City Council adopted Articles of Incorporation for the Authority, which were filed with the State Corporation Commission as required by the Act. The Articles of Incorporation set forth the manner in which CDA board members are appointed and the length of board members' terms, but the initial Articles of Incorporation failed to address subsequent terms and the City Code limits terms of appointed members to no more than two (2) full terms. Since the terms are not staggered, the term of the entire board of the CDA expires June 30, 2017.

Additionally, the initial Articles of Incorporation provide that four members of the CDA board shall be recommended by the Hampton Redevelopment and Housing Authority ("HRHA") and Sandler at Coliseum Central, L.L.C. ("Sandler"), collectively the "petitioner" under the Ordinance. At the time of the creation of the CDA the HRHA was the landowner and Sandler was a contract purchaser. Neither the HRHA nor Sandler currently owns real estate within the CDA district.

By resolution dated May 15, 2017, attached hereto, the CDA board recommended to the City Council that it enact amendments to the CDA's Articles of Incorporation to permit subsequent staggered terms for the board members and remove the requirement that four board members be recommended by HRHA and Sandler. The Act permits amendments to the Articles of Incorporation of the CDA by following the procedure prescribed for the creation of an authority under the Act which requires a public hearing that has been advertised pursuant to the Act.

The H2O CDA, the attorneys for the CDA and City staff recommend approval of the resolution.

### **Discussion:**

See Purpose/Background above.

**Impact:**

None.

**Recommendation:**

Conduct a public hearing and adopt the Resolution.

WHEREAS, by Ordinance adopted on September 28, 2005 (the “Ordinance”), the City Council of the City of Hampton, Virginia (the “City Council”) created the H2O Community Development Authority (“the Authority,” also referred to as “the Corporation”) pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2 of the Code of Virginia, as amended (“the Act”);

WHEREAS, the City Council adopted Articles of Incorporation for the Authority, which were filed with the State Corporation Commission as required by the Act;

WHEREAS, the Articles of Incorporation set forth the manner in which Authority board members are appointed and the length of board members’ terms;

WHEREAS, the initial Articles of Incorporation failed to address subsequent terms;

WHEREAS, the initial Articles of Incorporation provide that four members of the Authority board shall be recommended by the Hampton Redevelopment and Housing Authority (“HRHA”) and Sandler at Coliseum Central, L.L.C. (“Sandler”), collectively the “petitioner” under the Ordinance;

WHEREAS, neither HRHA nor Sandler currently owns real estate within the Authority district;

WHEREAS, by resolution dated May 15, 2017, the Authority board recommended to the City Council that it enact amendments to the Authority’s Articles of Incorporation to permit subsequent staggered terms for the board members and remove the requirement that four board members be recommended by HRHA and Sandler;

WHEREAS, the Act permits amendments to the Articles of Incorporation of the Authority by

following the procedure prescribed for the creation of an authority under the Act; and

WHEREAS, the City Council desires to amend the Authority's Articles of Incorporation as recommended by the Authority board.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Hampton, Virginia, as follows:

1. Article III of the Corporation's Articles of Incorporation shall be amended by deleting in its entirety the fifth sentence of the first paragraph of such Article, which states "Four members of the CDA board shall be recommended by the petitioner who petitioned the City Council for creation of the CDA;"

2. Article III of the Corporation's Articles of Incorporation shall be amended by adding the following new paragraph at the end of Article III, as follows:

"The initial CDA Board members including the alternate member shall have initial terms that will commence on September 28, 2005 and expire on June 30, 2009. CDA Board members appointed on and after June 2017, excluding any alternate member, shall be appointed initially for terms of one, two, three and four years; one member being appointed for a one-year term, one member being appointed for a two-year term, one member being appointed for a three-year term, and two members being appointed for four-year terms.. Any subsequently appointed CDA board member shall serve four-year terms. Any subsequently appointed alternate member shall have the same term as the member for whom such alternative member serves as an alternate;"

3. The City Manager is authorized to execute and deliver all documents necessary to the State Corporation Commission or others to effectuate this amendment.