

A Joint Meeting of the Chesapeake and Portsmouth City Councils was called to order by Chesapeake Mayor Dalton S. Edge, on June 28, 2007 at 7:15 p.m., at the Chesapeake Conference Center, 900 Greenbrier Circle, Chesapeake, Virginia.

Mayor Edge welcomed everyone and offered opening comments on the purpose of the joint meeting – to discuss a proposed conditional use permit application by IBE-Virginia to construct and operate an ethanol production facility on the Chesapeake Deepwater Terminals property near the Chesapeake/Portsmouth city lines.

Portsmouth Vice Mayor Marlene Randall provided opening comments and welcome on behalf of the Portsmouth City Council.

ROLL CALL BY PORTSMOUTH CLERK OF COUNCIL:

Present: Mayor James W. Holley, III
Vice Mayor Marlene Randall
Council Member Stephen Heretick
Council Member William Moody
Council Member Elizabeth Psimas
Council Member Douglas Smith
Council Member Ray Smith

Present from Portsmouth Administration: City Manager James Oliver, City Attorney Tim Oksman, Deputy City Manager L. Pettis Patton, Deputy City Manager John Rowe, City Clerk Debra White, Chief of Staff John Maher, and other staff members

ROLL CALL BY CHESAPEAKE CLERK OF COUNCIL:

Present: Council Member Rebecca Adams
Council Member Bryan Collins
Mayor Dalton S. Edge
Council Member Clifton E. Hayes, Jr.
Council Member Alan P. Krasnoff
Vice Mayor Dwight M. Parker
Council Member Ella Ward

Absent: Council Member John M. de Triquet (excused)
Council Member Patricia Pritchard Willis (excused)

Present from Administration: City Manager William Harrell, City Attorney Ronald Hallman, Deputy City Manager Amar Dwarkanath, City Clerk Dolores Moore, Planning Director Brent Nielson, Economic Development Director Warren Harris, Budget Director Betty J. Meyer, Fire Chief R. Stephen Best, and other staff members.

June 28, 2007

Also Present: Mr. Sidney Harrison, CEO – International BioEnergy (IBE) - Virginia, Mr. Rick Starnes, Vice President – Industrial TurnAround Corporation (ITAC), Mr. David Johnson – ERM, Mr. Steve Waltz, Senior Advisor to Virginia Governor Timothy Kaine for Energy Issues, Mr. Mike Carruth, Marketing Manager – Virginia Economic Development Partnership (VEDP), Mr. Frank Daniel, Regional Director – Virginia DEQ, Ms. Linda Lightfoot, Permit Team Leader – Virginia DEQ, Ms. Heather Mantz, Director of Environmental Affairs – Virginia Port Authority (VPA).

Opening remarks were offered by Chesapeake City Manager William Harrell.

Mr. Steve Waltz, Senior Advisor to Governor Kaine on Energy Issues, spoke about bio-fuels and the joint meeting being held between the cities of Chesapeake and Portsmouth.

Using a PowerPoint presentation, Chesapeake Economic Development Director Warren Harris reviewed the agenda for the meeting and provided an overview of the proposed project.

Mr. Sidney Harrison, CEO of IBE-Virginia and project developer continued the PowerPoint presentation and discussed the plant facility, the location, and the project facts.

Portsmouth Mayor Holley offered a welcome to everyone present and discussed the importance of the proposed project as a regional issue. He noted that there was a cooperative opportunity for the region in the project and stated he looked forward to working with Chesapeake officials on the proposal.

Chesapeake Mayor Edge thanked Mayor Holley and the Portsmouth delegation for attending the joint meeting. He asked Chesapeake Planning Director Brent Nielson to discuss the project review process. Mr. Nielson went through the review process and turned the presentation over to Fire Chief Best to discuss the fire protection requirements.

Chief Best took everyone through a PowerPoint presentation that followed all aspects of the fire protection requirements and reviews of the application, as well as the steps being considered for implementation to provide the most effective safety and response measures possible.

Following Chief Best's presentation, Planning Director Nielson completed the overview of the Project Review Process.

Virginia Department of Environmental Quality (DEQ) Regional Director Frank Daniel provided an overview of the DEQ's review process.

Chesapeake Mayor Edge opened the floor for Council discussion deferring to Chesapeake City Council Member Cliff Hayes. Mr. Hayes commented on the proposed project and the process the conditional use permit application must go through prior to City Council's consideration of the application.

June 28, 2007

Portsmouth City Council Member Douglas Smith spoke to the issue being an opening of dialogue between the two cities on current and future projects along the Southern branch of the Elizabeth River. He noted that among the issues of concern to be resolved were real estate values in nearby neighborhoods; air quality; truck, rail and water traffic involving the project; capital and operating needs of the project; and fire protection.

Portsmouth Mayor Holley stated that because the project would be located in historic waters, and water was always an issue in Hampton Roads, it was important to open the project up for discussion by both the localities impacted and the general public.

Portsmouth Council Member Psimas suggested that both localities meet again after the site visits to other ethanol plants were completed.

Portsmouth City Manager Oliver concurred with the suggestion.

Chesapeake City Manager Harrell also agreed with the recommendation and stated he would look at some additional dates.

Portsmouth Council Members expressed concerns with plans for the plant security; impacts to property values in the Cradock neighborhood near the site; the impact to adjacent wetlands areas; the types of impacts other areas have experienced with ethanol plants; the need for more time to study the proposal and potential impacts to both localities; and the need to hold meetings with residents in Portsmouth and Chesapeake neighborhoods near the facility site.

Portsmouth Council Member Douglas Smith inquired about a possible 60-90 day delay in the project application to allow for additional study of the project, and when the recommended stipulations for the conditional use permit would be available for review. IBE-Virginia CEO Sidney Harrison stated that the company would like to have a decision on the site by the end of the current year. Chesapeake Planning Director Brent Nielson advised Council Member Smith that the stipulations for the use permit would be available for review about two weeks prior to the Chesapeake Planning Commission's hearing on the application (which was scheduled for August 8, 2007).

Portsmouth Council Member Ray Smith stated that the Cradock Civic League did not meet in July or August; however, they had called a special meeting for July 10, 2007 to hear a presentation from IBE-Virginia on the proposed ethanol facility.

Chesapeake Council Member Rebecca Adams asked Mr. Harrison if his company had meet with the Elizabeth River Project on the proposed plant. Mr. Harrison advised that he was working with the Elizabeth River Project to ensure there was minimal if any impact to the river; additionally, IBE-Virginia was working with Giant Cement, whose plant was on an adjacent parcel of land to the proposed site, to utilize their pier in order to have no impact to the wetlands area or the river.

June 28, 2007

Council Member Adams asked Mr. Harrison if he believed that the current technology would eliminate the odors from the ethanol plant; Mr. Harrison stated that he did believe the current technology would eliminate the odors.

Chesapeake Council Member Brian Collins requested additional information on possible impacts from the proposed plant to nearby neighborhoods; he also asked that information on the project and the plant be placed on the City of Chesapeake website for public access.

Mayor Edge requested that City Manager Harrell have staff provide all available information to residents via the City's website.

Portsmouth City Manager Oliver stated that he would work with Chesapeake City Manager Harrell on a possible future meeting.

Chesapeake City Manager Harrell offered Chesapeake's commitment to develop the preliminary stipulations of the conditional use permit for the ethanol plant and provide those to both cities.

Mayor Edge offered closing comments, thanking the Portsmouth delegation for attending the meeting and providing input.

ADJOURNMENT

There being no further business for consideration, the meeting was adjourned at 9:16 p.m.

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Attest:

Mayor

City Clerk