



HANDSHAKE BY GUNTHER STILLING - CITY CENTER



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MESSAGE FROM THE CHAIR

On behalf of the Board of Directors, I bring you greetings and a heartfelt THANK YOU for another outstanding year!

In Newport News, “Great Things Are Happening” in the game of economic development. As I begin my second chairmanship, I feel like a seasoned player backed by a strong bench of All-Stars. The Development team kept our schedules full with a number of groundbreaking and ribbon-cutting ceremonies throughout 2018. Some of our biggest accomplishments were with heavyweights like Huntington Ingalls, Ferguson, Muhlbauer, Liebherr, Huntington Ingalls Industries Mechanical, Fairlead Boatworks, Holiday Inn and Piggly Wiggly. These successes were not simply a short-lived winning streak or a stroke of luck. They were the result of years of thoughtfully-developed strategy, teamwork and a well-executed game plan to drive capital investment and job creation.

Let’s not forget about emerging small businesses and aspiring entrepreneurs. We stepped up to the plate to provide extra emphasis on coaching and recruiting through our small business outreach initiatives. We designed our “Office Hours” and Google Livestream workshop series to engage and educate businesses on the City’s programs and resources. We re-launched our business start-up website, YesNewportNews.com. We also hosted the ever-popular Start Peninsula entrepreneurial pitch competition, with the largest opening night audience since the event’s inception!

Empowerment and enrichment are critical elements necessary to support sustainability throughout the City. We remain steadfast in our commitment to making sound investments of time and talent in order to develop productive citizens and thriving businesses with the City’s Choice Neighborhoods Initiative in the Southeast Community. We’re excited for the young people in the community, and eagerly anticipate the creation of opportunities to start businesses and explore STEM careers through partnerships with Old Dominion University, Hampton Roads Community Action Program, Goodwill and Newport News Shipbuilding, as well as the establishment of co-working space in the lower Jefferson Avenue corridor. We’re equally encouraged by our redevelopment efforts in the northern end of the City, and we look forward to working with citizens on the Denbigh-Warwick Area Plan.

2018 was a great season for Newport News with many victories, and we anticipate many more to come in 2019. We’re primed and ready to let the games begin!

Sincerely,



Alonzo R. Bell, Jr., CCIM / 2019 Chair / EDA/IDA



Technologia BRIGADAS

EXPANDING THE PLAYING FIELD

It's one thing to be a leader in your industry. It's another thing to invest in that leadership position so that you can become even stronger and more visionary. Newport News is honored to be home to ambitious companies who strive for progress and evolution, companies that have recently committed hundreds of millions of dollars to increase their presence in our City and, in turn, their impact on the world.

EXPANDING OPERATIONS AND FACILITIES WITH LIEBHERR

Liebherr Mining Equipment Company, in the southern Copeland Industrial Park, manufactures the world's largest mining trucks, each selling at a seven-figure price. Liebherr recently completed a \$31 million expansion of its mining division, including significant improvements to the surrounding Park infrastructure.

Following that expansion, Liebherr USA announced plans to invest \$45 million in the 28 acres adjacent to its current manufacturing facility. The project includes the construction of three new buildings, totaling 251,000 square feet, for Liebherr USA, Co. – the umbrella for eight divisions positioned across the United States. The expansion will house the headquarters and

administrative building, a production and workshop facility, and a warehouse and distribution building. Construction began in July 2018 and will be completed by the summer of 2020.

Liebherr continues to invest comprehensively in its Newport News facility. The company completed a major overhaul of the loading dock area located at the end of its primary warehousing facility, adjacent to Chestnut Avenue. The loading dock project allows for more efficient offloading product flow. And it's not just Liebherr that benefits from the investment – the project included landscaping and beautification efforts along Chestnut Avenue for all to enjoy.

ADDING POWER TO HUNTINGTON INGALLS INDUSTRIES MECHANICAL

Huntington Ingalls Industries Mechanical (HII Mechanical) completed a \$20 million expansion at its Oakland Industrial Park headquarters in May 2018. The expansion allowed creation of 120 new jobs and added approximately 52,000 square feet to the

existing 66,000-square-foot facility – effectively doubling the company's presence. With its strengthened team, new machinery, and larger complex, HII Mechanical has established itself as a leading supplier to the nuclear power facility industry.

"This expansion underlines our commitment and further strengthens our position in North America to deliver sustainable long-term growth and to offer exceptional and consistent experience to customers across the United States."

Torben Reher
Managing Director
Liebherr USA Co.



TOURING NEWPORT NEWS SHIPBUILDING'S INTEGRATED DIGITAL SHIPBUILDING MOBILE EXPERIENCE (MX) TRAILER



Newport News
is home to
17
international
companies.

GOING ON OFFENSE FOR THE DEFENSE INDUSTRY: HUNTINGTON INGALLS

Huntington Ingalls Industries is the State's largest private employer with nearly 24,000 workers at its Newport News Shipbuilding division (Shipyards) and other affiliated companies in the City. The Shipyards continues to make major investments to upgrade its existing facilities, and when paired with its investments in human capital, Huntington Ingalls typically puts tens of millions of dollars into the Newport News economy annually.

Shipbuilding and repair have remained exceptionally strong in 2018. Huntington Ingalls-Newport News Shipbuilding continues to build the next generation of Ford-class aircraft carriers, and they will work jointly with Connecticut-based Electric Boat to build a new fleet of Columbia-class ballistic missile submarines for the Navy to replace the aging Ohio-class subs. To support this effort, the Shipyards will invest more than \$750 million in its facility and create 1,000 new jobs by 2025. Governor Ralph Northam visited the Shipyards in June 2018 to announce the partnership, raise awareness and promote hiring opportunities. The Company anticipates its workforce will reach 25,000 in the next few years.

As part of the facility improvements, the Shipyards will modernize its Foundry facility, which dates back to 1856. The Foundry improvements are anticipated to cost over \$43 million and will allow the Shipyards to meet new, higher component standards established by the Navy for submarines and aircraft carriers.

In addition to improvements at the Foundry, the Shipyards will also expand its Joint Manufacturing and Assembly Facility, located on the North Yard of the Shipyards. The new manufacturing facility will be used for the Columbia-class Submarine Program, as well as to promote efficiencies in the Shipyards's other programs.

This major advanced shipbuilding project will receive assistance from the City, through its Defense Production Zone Program, from the Commonwealth of Virginia and the U.S. Navy. The Shipyards's significant capital investment and job creation will produce immeasurable benefits to Newport News and Virginia, and this impressive project solidifies the Shipyards's successful future in Newport News.



“I don’t believe there’s ever been a time like we’re getting ready to experience in the next 10, 20, 30 years.”

Jerry Miller / Owner / Fairlead Boatworks

REINVIGORATING THE OLDEST TENANT OF SEAFOOD INDUSTRIAL PARK

Fairlead Boatworks is undergoing a major \$5 million expansion at its space in Seafood Industrial Park. Established in 1958 as Davis Boat Works, Fairlead is the marine services division of Fairlead Integrated and is also the oldest tenant and largest employer in the park.

The expansion creates 25 new jobs across a full range of ship repair and manufacturing trades. In March 2018, Fairlead held a community job fair to fill a variety of these positions with residents of the neighborhood. Fairlead will receive funding and support for employee training through the Virginia Jobs Investment Program to maintain its position as a leader in the industry.



GROUNDBREAKING AT FAIRLEAD BOATWORKS



CELEBRATING MUHLBAUER'S 51,000-SQUARE-FOOT EXPANSION

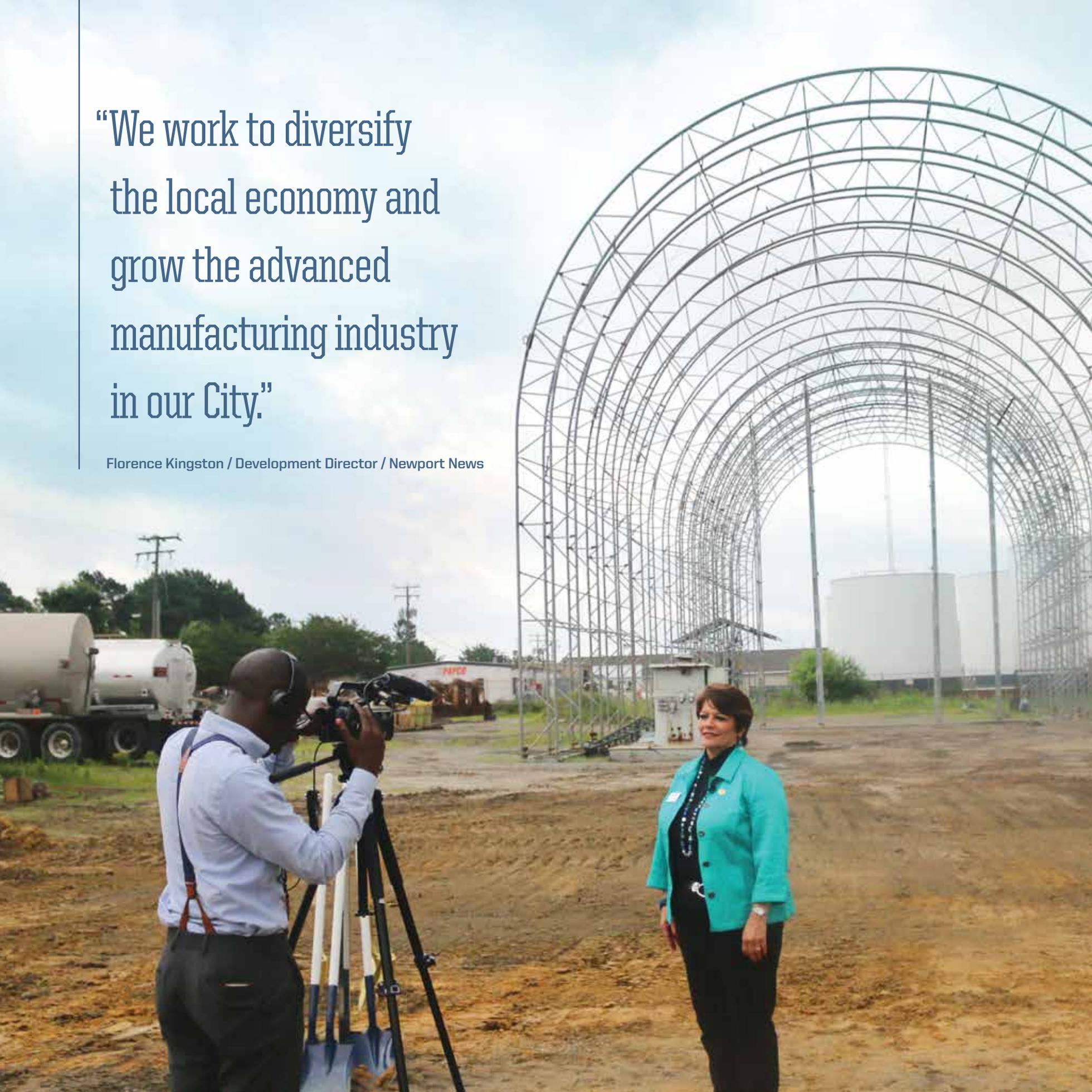
GETTING SMARTER WITH MUHLBAUER

In February 2018, Muhlbauer International held a ribbon cutting to celebrate its 51,200-square-foot expansion at Oakland Industrial Park. Muhlbauer is a technology producer that specializes in innovative, one-stop solutions, including the smart card, ePassport, other card-related security documents and the solar backend industry.

The Oakland Industrial Park location serves as a base for its North American business activities and currently occupies a 33,115-square-foot office/assembly facility with 31 employees. The expansion includes a showroom and assembly addition. The project represents a \$12 million investment and adds 15-20 additional jobs as Muhlbauer strengthens its commitment to Newport News.

“We work to diversify
the local economy and
grow the advanced
manufacturing industry
in our City.”

Florence Kingston / Development Director / Newport News





Quality Control

REIMAGINING THE GAME BOARD

This year has brought exceptional opportunities for growth and transformation to our City. We are blurring the lines between work and play. We are redefining what public and assisted housing can look like. And we are dreaming big about developing an entirely new community that caters to our City's vibrant and engaged residents. It's this openness to progress and reinvention that defines Newport News.

UNVEILING A HUB OF INNOVATION AND GLOBAL RESEARCH

Jefferson Lab held a dedication ceremony in May 2018 to showcase its \$400 million federally funded upgrade, which doubled the power of the existing facility. Jefferson Lab is a world-class national laboratory specializing in particle physics and attracts over 1,600 international users annually. In the 30+ years it has called Newport News home, the Lab has secured over \$3.2 billion in federal funding while making groundbreaking discoveries in nuclear physics and contributing significantly to the local economy.

The upgraded facility comes as the Lab begins pre-development of an Electron Ion Collider (EIC) in preparation to compete for a high-priority, next-generation Department of Energy multi-phase, multi-billion-dollar science initiative.

Adjacent to Jefferson Lab is the \$450 million, mixed-use Tech Center Research Park, whose development is well underway. The Research Park itself anchors the development and provides immediate opportunities for collaboration between Jefferson Lab scientists and the private sector. Tech Center includes housing, retail and commercial uses. This mixed-use concept has already proven successful, attracting skilled workers to Newport News and benefiting

both the researchers at Jefferson Lab and the companies occupying the corporate research center.

Once fully completed, Tech Center Research Park will contain approximately 850,000 square feet of office and lab space, spread across 10 buildings, with an estimated 5,500 employees.

The first phase of development, The Marketplace at Tech Center, was completed in 2016 after a \$160 million investment. It includes a wide array of quality retail offerings and the high-end Venture Apartments, whose 285 units are already fully leased. Next on the list is Building One @ Tech Center, the first research office building. A groundbreaking was held in August 2017, and construction should be completed by Spring of 2019.

As Newport News continues to grow, the activity at Jefferson Lab and Tech Center provides yet another opportunity to further diversify the economy and create a lively research and development presence, both within the City and Hampton Roads. In doing so, we show the world that ours is a City that accelerates innovation and entrepreneurship, within an inspired, thoughtful approach to work, life and community.

"We have ideas out there and now we have a place for them to land and grow."

Jeff Johnson
Director
Tech Center Research Park

Coastal Seafood

Sea-to-table company making a splash in East Coast oyster industry

801 Jefferson Avenue

Coastal Seafood is the Seafood Industrial Park's newest seafood tenant. Started by childhood friends, Kevin and James Heyman and Mike Casey, the spot is now abuzz with 18 employees processing daily oyster catches and shipping them out to restaurants and markets.

Tagtime Tactical Laser Tag

New gaming destination that feels like walking into your favorite video game

14346 Warwick Boulevard, Suite 420

Tagtime Tactical Laser Tag is a family-owned and operated business, started by an Air Force veteran, that offers immersive and exciting team-based games with realistic combat situations. They also have a mobile laser tag that will come to your home or special event.

tagtimelasertag.com

Be Bare Inc.

Boutique hair removal salon, specializing in waxing

2501 Marshall Avenue

Be Bare Incorporated specializes in painless hair removal for women and skin care during and after. Their personalized setting creates a relaxing and comfortable atmosphere for clients, and its customer-first, appointments-only approach ensures there's no rush and no wait.

bebarewax.com



TRANSFORMING OUR CITY WITH CHOICE NEIGHBORHOODS

In 2018, the City of Newport News and the Newport News Redevelopment and Housing Authority applied for a \$30 million Choice Neighborhoods Initiative (CNI) Implementation Grant to transform the Marshall-Ridley public housing complex and surrounding area into a more vibrant community.

The Implementation Grant will be used to advance the elements identified in the Transformation Plan for the Marshall-Ridley Choice Neighborhood, which was developed with the support of a \$500,000 Planning Grant secured by the City in 2016 from the U.S. Department of Housing and Urban Development. Both the development and implementation of the plan rely heavily upon bringing together all partners and community members to create community engagement in an open and transparent planning process – the cornerstone of CNI.

While HUD provides these competitive grants to build both public and assisted housing into mixed-income communities,

CNI goes beyond simple housing revitalization efforts. CNI features a holistic approach to community development and revitalization focusing on the pillars of housing, people and neighborhood. In addition to improving the public housing, both the Transformation Plan and the Implementation Grant application emphasize the importance of service delivery and capacity building for Marshall-Ridley residents, and making impactful improvements to the physical neighborhood.

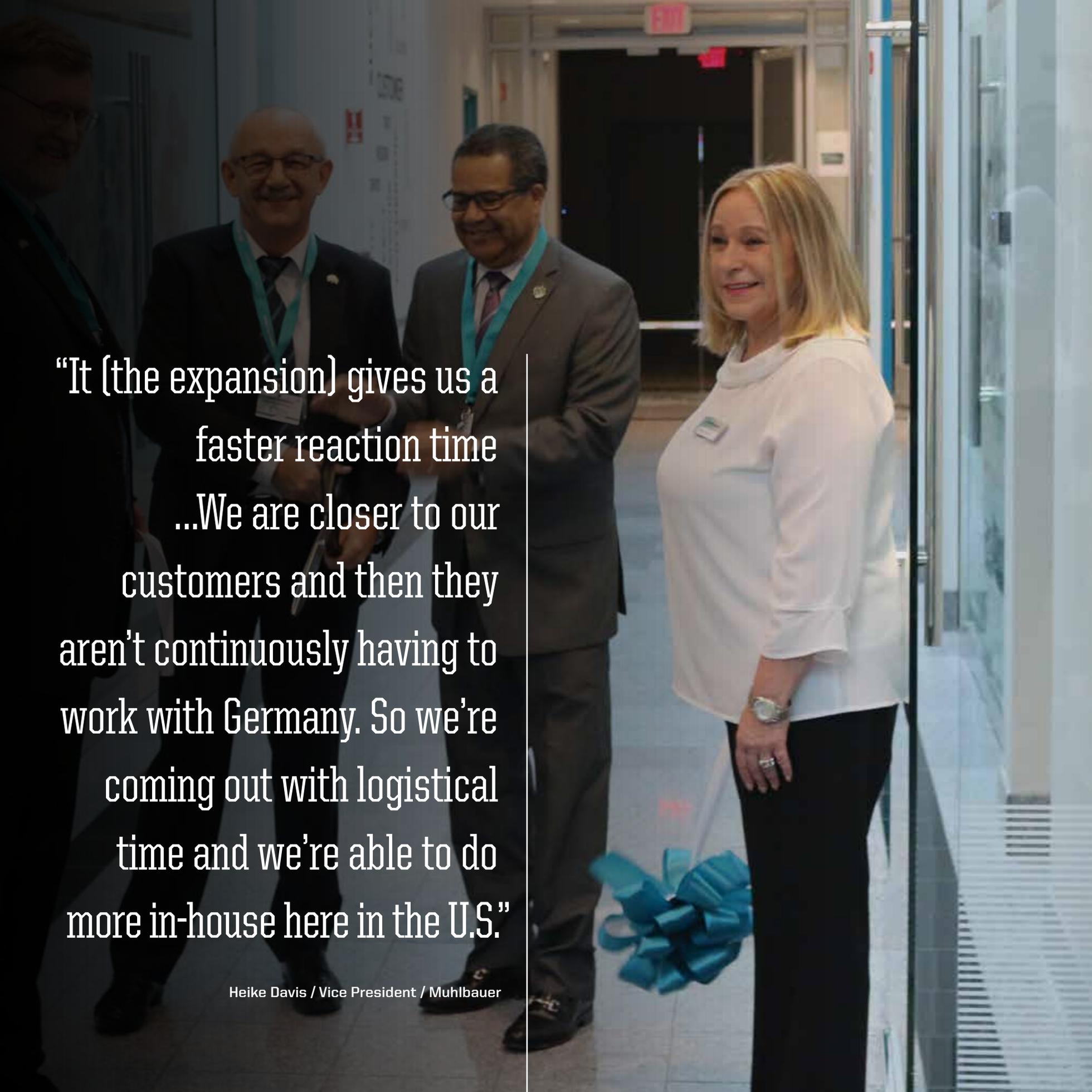
Applications for both the Implementation and Planning Grants were a joint endeavor between the City of Newport News, the Newport News Redevelopment and Housing Authority, and the EDA. With strong teamwork from local leaders, residents, and a vast array of other stakeholders, the City will use the grants to transform the Marshall-Ridley Choice Neighborhood into a neighborhood of opportunity.

STARTING NEW COMMUNITY AT ENDVIEW

In the fall of 2018, the EDA issued a Request for Qualifications for a highly experienced design/development/build team to plan, design, build and market a premier, predominantly residential community at its 285-acre Endview tract located at 350 Yorktown Road in northern Newport News, Virginia.

Thanks to all that our City has to offer, we have become a destination for executives, professionals and entrepreneurs.

In Endview, the City and the EDA see an opportunity to develop a distinctive, high-quality, vibrant residential neighborhood. The City and EDA believe this is an excellent opportunity to add unique character to one of the last remaining large-scale residential sites in the City while also building a strong community.



“It (the expansion) gives us a
faster reaction time
...We are closer to our
customers and then they
aren’t continuously having to
work with Germany. So we’re
coming out with logistical
time and we’re able to do
more in-house here in the U.S.”

Heike Davis / Vice President / Muhlbauer



FERGUSON

FERGUSON

TAKING NEW TURNS

When it comes to successful grand openings, Newport News has a proven track record. So it comes as no surprise that established companies choose to open their doors here, and that companies with deep roots choose to break new ground right here in our City when they embark on new ventures.

FERGUSON BUILDS ITS NEWPORT NEWS PRESENCE

In June 2018, after calling Newport News home for 47 years, Ferguson Enterprises, Inc. (FEI) held a groundbreaking ceremony for its new campus in City Center at Oyster Point. The eight-story, 260,000-square-foot campus will house 1,600 employees working in Marketing and Communications,

National Sales, eBusiness, Human Resources, Information Technology, Security and other corporate functions. As part of the expansion, Ferguson will invest \$83 million and create 350 new jobs, firmly establishing themselves as an anchor of our community.

"[Our new headquarters] really symbolizes the steady evolution of our culture. It'll be a modern workplace that represents an innovative Ferguson."

Kevin Murphy
Ferguson / CEO

A HOSPITABLE WELCOME FOR HOLIDAY INN

As our City grows, we attract visitors and business travelers from across the globe. To welcome them in style, the Holiday Inn Newport News-City Center opened its doors in May 2018. Guests can enjoy well-appointed rooms and suites, deluxe amenities,

conference areas and meeting spaces, thanks to an investment of over \$14 million by LTD Hospitality Group. The result is an inviting, modern, design-forward hotel that serves as a showcase for the City.



“Brooks Crossing is a powerful example of community stakeholders coming together to make a meaningful impact on the Southeast Community by creating employment and fostering economic prosperity.”

Louis S. Haddad / CEO / Armada Hoffler



PIGGLY WIGGLY IN BROOKS CROSSING



PIGGLY WIGGLY FINDS ITSELF “DOWN HOME, DOWN THE STREET” IN NEWPORT NEWS

Community members and City officials gathered in June 2018 to celebrate the Grand Opening of the very first Piggly Wiggly in Newport News. While the chain operates in 530 communities across 17 states, its roots are southern. Founded in Memphis, Tennessee, in 1916, the company issues franchises to entrepreneurs like Bert Harrell of Harrell

& Harrell, Inc. Harrell has owned a Norfolk Piggly Wiggly since 2013, and he was eager to bring the store, known for its variety of meat, prepared foods and customer service, to our City. In addition to creating jobs, the store provides a BayPort Credit Union branch and a community room that is open to the public.

NEWPORT NEWS SHIPBUILDING GOES FULL-STEAM AHEAD IN BROOKS CROSSING

Big things are happening at Brooks Crossing. The mixed-use project will bring together manufacturing, technology, innovation, non-profits, education and more in one 105,000-square-foot building. Huntington Ingalls Incorporated signed on as the anchor tenant of the new building, where it plans to house its engineering and design personnel. There will also be collaboration space for innovation and new ventures, including STEM

education, workforce development, and entrepreneurial initiatives. The building is expected to house the Brooks Crossing Digital Shipbuilding Innovation and Fabrication Learning Lab, which is a partnership with Old Dominion University and Newport News Shipbuilding, and the Brooks Crossing Innovation and Opportunity Center. A spring 2019 opening is anticipated.

“We are very appreciative of our citizens, community partners and stakeholders who demonstrate their support. As a community, we are committed to transformational initiatives that are contributing to growth and economic vitality throughout our City.”

Cynthia Rohlf
City Manager
City of Newport News



Date *November 4, 2018*
\$5,000.00
Dollars
EKIE
and 00/100




Date *November 4, 2018*
\$5,000.00
Dollars
SENIOR RUNS
Five Thousand and 00/100
For Start Peninsula



Date *November 4, 2018*

\$5,000.00
Dollars
SAFFETY NAILER
Five Thousand and 00/100
+ Peninsula



100
THOUSAND
DOLLARS

WELCOMING NEW PLAYERS

The saying goes, “If you can make it in New York, you can make it anywhere.” But our City takes a more welcoming, supportive stance. We believe that you can make it anywhere, but we can help you make it better than you ever imagined in Newport News. That’s why departments and partners across our City go to great lengths to provide resources, expertise and encouragement to the visionaries who aspire to launch and build businesses in our community.

COMING TOGETHER TO JUMPSTART THE PENINSULA

Entrepreneurs and business leaders met in Newport News on November 2 for an unforgettable weekend of entrepreneurship, networking and strategizing during Start Peninsula. The goal of Start Peninsula is to stimulate entrepreneurial growth while connecting early stage businesses to opportunities and resources.

Start Peninsula is a prime example of regional collaboration, including both public and private sector participants.

This year’s event was hosted by the City of Newport News and both 757 Angels and 757 Accelerate played an active role.

The highlight of the event was the pitch competition, which began on Friday with 30 pitches and a keynote by serial entrepreneur and author, Jason Calacanis. Following a 90-second pitch, 10 early stage businesses were selected to move on in the competition.

On Sunday, winners were selected after completing a five-minute pitch presentation and five-minute question-and-answer session with the judges. The 2018 Start Peninsula winners are:

Nuekie, an innovative health and beauty company that makes products for people of color.

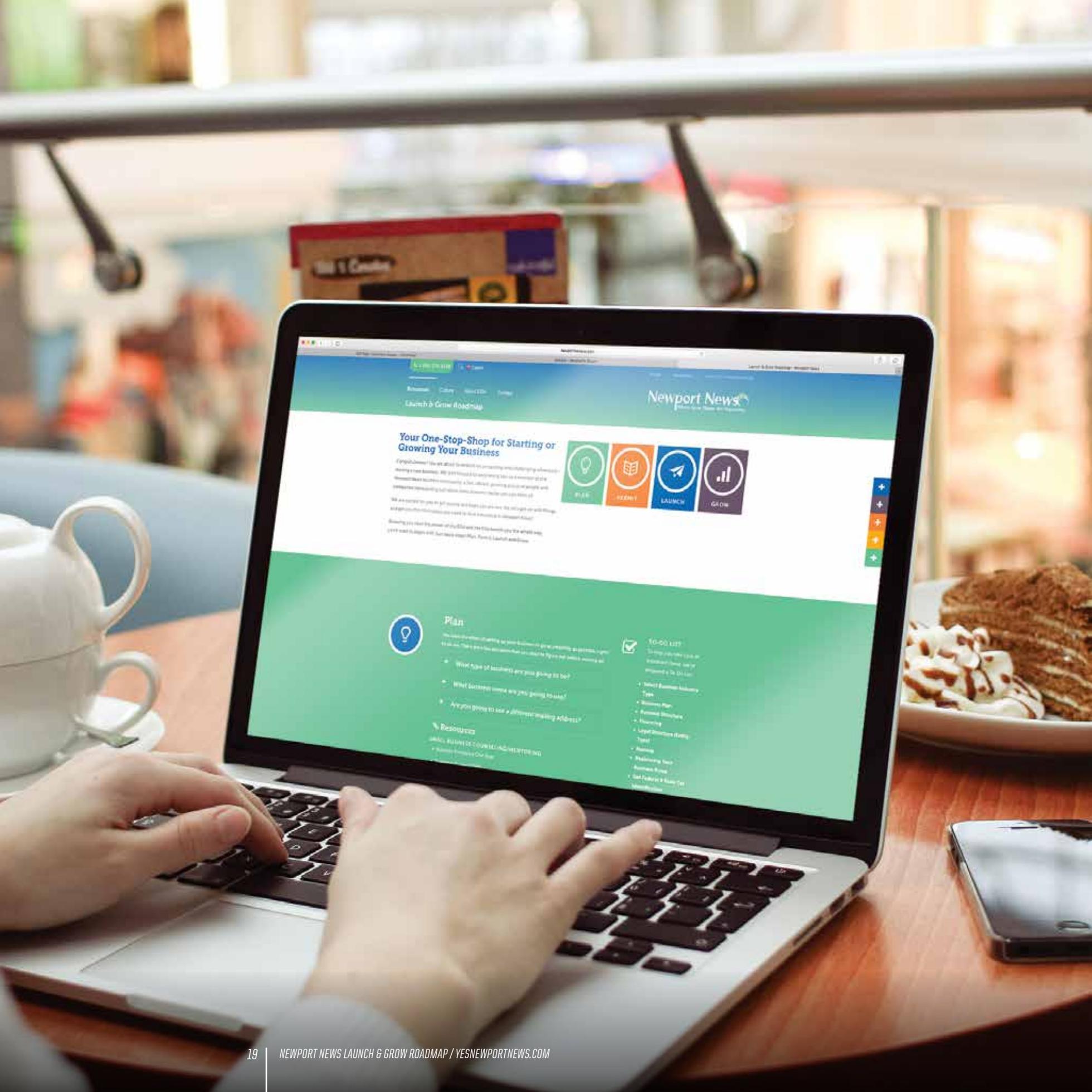
Safety Nailer, a patented tool that makes hand nailing easier, protects your fingers and reduces nail buckling.

Senior Runs, a company that helps senior citizens and their caregivers keep their lives “Movin’ Forward” through community-based transportation support.

Each winner receives \$5,000 to jump start their business growth and has free access to local resources, including one-year Chamber of Commerce memberships.



Newport News ranked in the top
10%
of Most Diverse Places to Live in VA.



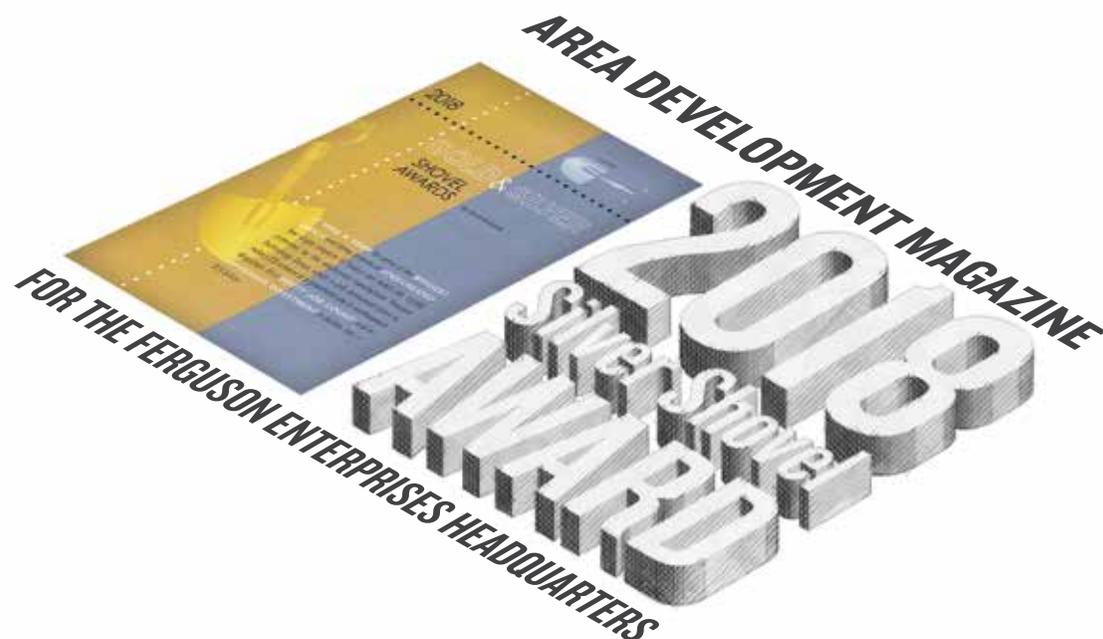
SURROUNDING SMALL BUSINESSES WITH SUPPORT

Small businesses and aspiring entrepreneurs find unparalleled support and resources from the Newport News Economic Development Authority (EDA). In 2018, the EDA hosted workshops and created web-based tools to help educate and empower the people striving to launch and build businesses in our City.

The “Office Hours” workshop series ran from March to November and brought together members of the Department of Development and other civic and business partners to discuss a wide variety of helpful topics, such as taxes and credit. The program was so successful, it is expected to continue in 2019.

Google is a powerful tool for small business, and EDA staff orchestrated two Google Livestream concurrent workshops at three locations across the City. The webinars, held in May and October, introduced guests to all of Google’s small business marketing resources and ways they could help build both name recognition and sales.

To complement the workshops, the EDA announced the launch of YesNewportNews.com, its redesigned entrepreneurial portal. The site walks users through the entire process of planning, permitting, launching and growing a business, as well as offering connections to resource partners. It’s a one-stop-shop for entrepreneurs looking to call Newport News home.



GIVING
SMALL BUSINESS
A BIG FUTURE

2 Google Livestream
Workshops Hosted

Locations: **3**

Guests: **26**

9 “Office Hours”
Workshops Facilitated

Guests: **90**

111 Façade Improvement
Grant Projects

Awarded: **\$2.49 Million**

*As of fiscal year ending
June 30, 2018*



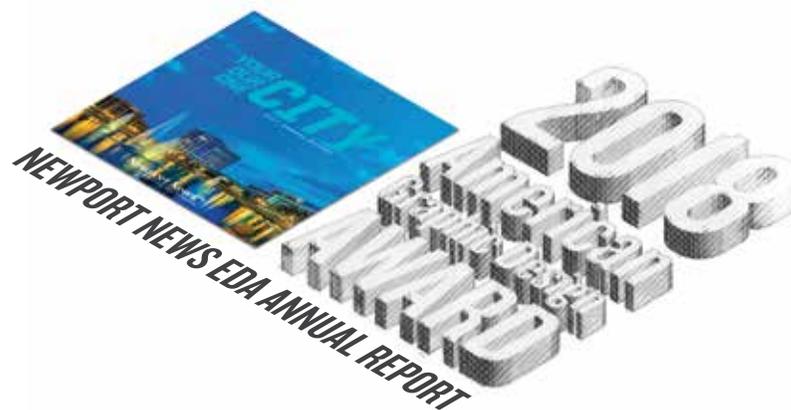
APPRECIATING NEW PIECES

Whether it's a centuries-old masterwork or a larger-than-life mural, a jazz solo achingly played or a pirouette perfectly spun, the fine arts thrive in our City. We know that art is an integral part of the experiences that shape the innovation and quality of life that Newport News is known for today. And as our City grows and transforms, we are firmly committed to doing so in a way that invites our community to both experience culture and make its own mark on it.

CULTIVATING THE ARTS AND CULTURE OF THE CITY

The Peninsula Fine Arts Center celebrated its 56th anniversary in 2018. Located in the heart of the City's "Cultural Corridor" that extends from Oyster Point to Christopher Newport University, Peninsula Fine Arts Center boasts several major art exhibitions each year in its world-class facility. Additionally, it offers studio art classes and arts education for all ages – something that its founders (artists and supporters from across Hampton Roads) would be especially proud of as the Center spreads appreciation for and love of art.

This focus on the arts physically extends throughout the City. The Southeast Community has enjoyed its own renaissance of arts and culture in recent years, as beautiful murals have been painted to honor Newport News natives, like Ella Fitzgerald, Pearl Bailey, civil rights attorney W. Hale Thompson and civic leaders Jessie Rattley, Ella Spratley, Calvin Hopson, James "Poo" Johnson and George Austin, who made their own indelible marks on culture.



Vegan Cooking Today

The Peninsula's first vegan-only restaurant

12638 Jefferson Avenue, Suite 15

At Vegan Cooking Today, no animal products are used, but that doesn't limit the options! The menu boasts over 280 items in a wide array of styles, and their cooking classes and food truck are helping encourage people to "Just Try It." vegancookingtoday.us

HIP Innovative Studio Boutique

Vibrant shop with selfless mission

141 Walt Whitman Avenue

HIP is a boutique filled with handcrafted gifts and accessories from all over the world, as well as custom jewelry made by owner Anna Hubbard. To build community, HIP offers workshops including fiber art, jewelry making, floral design, chalk paint, metals and weaving, and holds monthly markets to benefit local nonprofits. hip757.com

Dr. Vinyl

Mobile upholstery and furniture repair business serving Hampton Roads and beyond

729 Industrial Park Drive

Dr. Vinyl offers a wide range of upholstery and repair services for everything from booths in restaurants to headliners in cars to vinyl siding on homes. Dr. Vinyl also supports local organizations and faith-based outreach missions. mydrvinyl.com



BOARD OF DIRECTORS

C. Gary Minter

2018 Chair - Member of the Board since 2010

Mr. Minter is President of POMOCO Lincoln Mercury and Vice President of POMOCO Auto Group, which has locations on the Peninsula and in Smithfield.

Cassandra P. Greene

2018 Vice Chair - Member of the Board since 2013

Mrs. Greene is a retired senior finance and communications executive, formerly of Sara Lee Corporation and the U.S. Small Business Administration, and serves on several non-profit boards on the Peninsula.

Mary C. Aldrich

Member of the Board since 2017

Ms. Aldrich is Chief Operating Officer of PBMares, LLP, a leading accounting and business consulting firm serving U.S. and international clients, with offices in the Mid-Atlantic.

Alonzo R. Bell, Jr., CCIM

Member of the Board since 2017

Mr. Bell is the founder and principal broker of Randolph Real Estate Services Company, LLC, and has nearly 30 years of experience in commercial real estate brokerage.

Jonathan P. Skinner

Member of the Board since 2017

Mr. Skinner is Vice President of Acquisitions and Development at Harrison and Lear, Inc., a diversified real estate company operating in Hampton Roads for over 60 years. During his career, Mr. Skinner has managed land development projects in VA, NC and SC through entitlement, acquisition and development.

Jennifer Smith-Brown

Member of the Board since 2015

Mrs. Smith-Brown is a Franchise Owner/Operator of three McDonald's restaurants, and Managing Partner of J. Smith Enterprises, a family-owned firm responsible for the corporate operations of restaurant franchise businesses.

Jeffrey C. Verhoef

Member of the Board since 2017

Mr. Verhoef serves in a leadership role with PIVOT Physical Therapy, Inc., an out-patient physical therapy practice dedicated to the active work, play, and daily living needs of people throughout the Mid-Atlantic region.

Cynthia D. Rohlf - *City Manager*
(ex officio)

Florence G. Kingston - *Secretary/Treasurer*
(ex officio)

Cherry Lee Croushore - *Assistant Secretary*

Kearston M. Milburn - *Recording Secretary*

Raymond H. Suttle, Jr., Esquire - *Legal Counsel*

Conway H. Sheild, III, Esquire - *Legal Counsel*

Ralph M. Goldstein, Esquire - *Legal Counsel*

MISSION

The core mission of the Economic Development Authority of the City of Newport News, Virginia (EDA), and the Industrial Development Authority of the City of Newport News, Virginia (IDA) (collectively "EDA/IDA" and/or "the Authority"), is to grow and diversify the tax and employment base of the City.



Cynthia D. Rohlf
City Manager



Florence G. Kingston
Director of Development
Secretary/Treasurer EDA/IDA



STAFF SUPPORT TO EDA/IDA

Cynthia D. Rohlf
City Manager

Florence G. Kingston
Director of Development
(Also EDA/IDA Secretary/Treasurer)

Carol U. Meredith
Assistant Director

Sam J. Workman, Jr.
Assistant Director

Cherry Lee Croushore
Economic Development Manager
(Also EDA/IDA Assistant Secretary)

Kearston M. Milburn
Administrative Coordinator
(Also EDA/IDA Recording Secretary)

Robin N. Boyd
Senior Marketing Coordinator

Mallory C. Butler
Senior Economic Analyst

S. Saejin Connor
Accountant II

Travis C. Fisher
Real Estate Coordinator

Priscilla A. Green
Senior Project Coordinator

Matt Johnson
Economic Development Manager
(Project & CIP Coordination)

Shakir D. Johnson
Business Retention Coordinator

Doreen P. Kopacz
Port Development Administrator

Zoe M. Lumpkin, CPA
Chief of Fiscal Operations

Elizabeth McCoury
Redevelopment Manager

Jared W. Midkiff
Marketing and Development
Coordinator

Derek E. Perry
Economic Development Manager
(Fiscal & Economic Coordination)

Joy E. Robison
Administrative Services Manager

Marc A. Rodgers
Senior Project Coordinator

Kalila P. Walker
Senior Project Coordinator

Macon M. Whitson
Senior Project Coordinator

Andrew S. Wilks
Property Manager

Tricia F. Wilson
Business Development Specialist

STANDING COMMITTEES

Design Review

Jeff Verhoef *(Chair)*

Alonzo R. Bell, Jr.

Jonathan Skinner

Carl Breiner

Ferguson Enterprises, Inc.

Thomas P. Herbert, P.E.

Professional engineer

and business development executive

Rob Mann

Draper Aden Associates

Teresa Nettles

Thalhimer Commercial Real Estate

Bryan Trainum

SmartSky Networks

Sylvia Weinstein

Oyster Pointer

Beth Willis

Carmine Robbins & Company

Executive

Cassandra P. Greene *(Chair)*

C. Gary Minter

Jennifer Smith-Brown

Jeff Verhoef

Marketing

Jennifer Smith-Brown *(Chair)*

Mary Aldrich

Cassandra P. Greene

Don Blankenship

Retired

Faye Gargiulo

Retired

Gary Hunter

Hampton University

Dan Powell

Tradition Brewing Company

Revolving Loan Fund

Alonzo R. Bell, Jr. *(Chair)*

C. Gary Minter

Jonathan Skinner

Susan Harris

TowneBank

George Knight

Commonwealth Environmental Services

John Lunsford

Retired

Sharon Owens

World Class Solutions, Inc.

South Newport News

Mary Aldrich *(Chair)*

Cassandra P. Greene

Jonathan Skinner

Carl Burt

Abbitt Realty Company

Richard Coleman

Retired

Troy Smith, Jr.

Smith Brothers Enterprises

Special Purpose Appointments

C. Gary Minter

Conference Center Marketing Committee (Chair)

Mary Aldrich

Sister Cities of Newport News

Alonzo R. Bell, Jr.

Workforce Investment Board

Jennifer Smith-Brown

Community Development Block Grant Committee



FINANCIAL SUMMARY

EDA/IDA FINANCIAL HIGHLIGHTS FOR FISCAL YEAR JULY 1, 2017 TO JUNE 30, 2018

In June 2018, Ferguson Enterprises held a groundbreaking ceremony for its eight-story, 260,000-square-foot campus that will house 1,600 employees working in Marketing and Communications, Human Resources, Information Technology, Security and other corporate functions. The company will invest \$83 million and create 350 new jobs. The Authorities will facilitate and provide support through land and plans to construct an approximately 1500-space parking garage and related infrastructure improvements, consistent with the City Center master plan.

In 2017, United Parcel Service exercised its purchase option to purchase its leased facility and purchased additional property owned by the Authorities adjacent to its leased facility to be used for additional parking. The total sales price was \$2.52 million. The City and EDA will provide local incentives for job creation.

In December 2017, the grocery store anchoring the Brooks Crossing mixed-use development project in the Southeast Community closed and was replaced by Piggly Wiggly, a locally-owned franchise of the grocery store chain. The construction of the Brooks Crossing Grocery Store building and parking field was completed in 2017. The EDA had entered into a New Markets Tax Credit (NMTC) transaction with Brooks Crossing Grocery Store, LLC, whose sole member is the Newport News Redevelopment and Housing Authority, to provide the community access to a full-service grocery store. The EDA provided the \$4.3 million leverage loan to facilitate the construction of the 29,290-square-foot grocery store building.

In February 2018, a groundbreaking ceremony was held for the 105,000-square-foot office building in Brooks

Crossing. Southeast Commerce Center Associates will develop, construct and own the building and Newport News Shipbuilding, a division of Huntington Ingalls Incorporated, plans to lease a majority of the building. There will be a collaborative space for innovation and new ventures, including STEM education and entrepreneurial initiatives.

Liebherr Mining Equipment Company, a manufacturer of mining equipment located in southern Copeland Industrial Park, continues to invest in its Newport News facility. In March 2018, Liebherr announced plans to invest \$45 million in an expansion which includes three new buildings adjacent to the company's current manufacturing facility. Much needed improvements to City Line road were recently completed with joint funding from the company, available grants and the City, which improves the transportation of finished goods from its facility to accommodate not only its expansion but increases in production. Infrastructure improvements to a public pump station and public sanitary sewer improvements, which benefit the broader Copeland Industrial Park business community, support this expansion.

In 2017, the Authorities purchased six properties located in the Upper Warwick Corridor consisting of 10.95 acres and the adjacent 9.42 acres for future strategic development. The purchase was financed by two taxable notes at the fixed rate of 3.14%, payable over a term of 15 years. Acquisition of these sites allows the Authorities to control approximately 20 acres of developed commercial real estate on a major thoroughfare. Currently, the Authorities lease the space to Ferguson Enterprises and various other tenants, utilizing the rents collected to support the debt service on the notes.



4,200
advanced
manufacturing jobs
were announced
in the past 6 years.

“Revitalization and redevelopment are a major focus of Newport News, it’s good to be serving a need in the community.”

Bert Harrell / Store Owner / Piggly Wiggly



In 2016, Printpack, a company with 25 plants in the US, China and Mexico, announced plans to invest \$25.7 million to add a 150,000-square-foot building expansion to its existing leased facility in Oakland Industrial Park adding new equipment and creating 50 new jobs. In 2017, Printpack purchased from the Authorities its facility at 270 Pickett's Line for \$4 million and completed the 150,000-square-foot expansion.

The EDA continues its Façade Improvement Grant Program, which restores, sustains and improves commercial

properties located within the City by providing matching funds toward eligible façade improvements. This program was originally funded by the EDA with an initial commitment of \$300,000 in FY 2012. Because of its huge success, the City and EDA have continued jointly funding this program in each of the following years, which has benefited over 111 properties City-wide with grants distributed of approximately \$2.49 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authorities are component units of the City. Component units are other governmental units over which the City (the City Council, acting as a group) can exercise influence and/or may be obligated to provide financial support. Component units of the City are presented as a separate column in the government-wide financial

statements of the City. The Authorities' operations are accounted for as business-type activities in a proprietary fund, which is used to account for the ongoing activities that are financed and operated similar to those often found in the private sector. The measurement focus is upon determination of net income.

SUMMARY OF FINANCIAL STATEMENTS

Authorities' Net Position - For the years ended June 30, 2018, 2017 and 2016 (in millions)				
	2018	2017	2016	
Current and other assets	\$ 64.37	\$ 63.62	\$ 59.64	
Capital assets, net	163.50	168.27	171.16	
Total assets	227.87	231.89	230.80	
Deferred swap	\$ -	\$ -	\$ 0.09	
Deferred refunding	4.92	5.58	6.25	
Total deferred outflows of resources	4.92	5.58	6.34	
Current and other liabilities	\$ 20.25	\$ 19.62	\$ 14.37	
Long-term liabilities	80.32	90.42	99.72	
Total liabilities	100.57	110.04	114.09	
Deferred inflows of resources	\$ -	\$ 0.01	\$ 0.01	
Net investment in capital assets	\$ 82.35	\$ 77.8	\$ 79.96	
Restricted	12.91	14.35	14.94	
Unrestricted	36.96	35.27	28.14	
Total Net Position	\$ 132.22	\$ 127.42	\$ 123.04	

My SALON Suite

A salon complex that supports and nurtures beauty entrepreneurs

12373 Hornsby Lane

MY SALON Suite is a 5,000-square-foot space filled with private suites where beauty professionals operate their businesses independently.

They offer a wide range of services including hair, nails, waxing, Reiki and more. The family-owned and operated business also provides ongoing training & support for the salon entrepreneurs.

mysalonsuite.com/newportnews

Atlantic Coast Tumbling

A tumbling center owned by a world-champion gymnast

700 Thimble Shoals Boulevard Suite III

Atlantic Coast Tumbling (ACT) is a 17,000-square-foot premier facility, owned and operated by world gymnastics champion, Ilyya Demyanyuk. ACT offers classes for all levels and age groups.

ACT also features the Atlantic Coast Cheer All-Stars, a local, competitive cheer team.

atlanticcoasttumbling.com

Hampton Roads Wholesalers

Full-service art and framing wholesale supply business

9616 Hosier Street

Hampton Roads Wholesalers, the only wholesale art supply store based in the Hampton Roads region, carries a wide range of art supplies and provides custom framing services for retailers and the general public.

hamptonroadwholesalers.com

CAPITAL ASSETS AND DEBT ADMINISTRATION

Authorities' Capital Assets - As of June 30, 2018, 2017 and 2016 (net of depreciation, in millions)

	2018	2017	2016
Buildings	\$ 201.59	\$ 201.59	\$ 202.15
Improvements, machinery and equipment	19.68	19.32	14.41
Infrastructure	2.54	2.54	2.54
Construction in progress	8.21	7.92	12.30
Accumulated depreciation	(68.54)	(63.10)	(60.24)
Total	\$ 163.48	\$ 168.27	\$ 171.16

At the end of 2018, the Authorities had \$163.48 million invested in capital assets as compared to \$168.27 million in 2017 and \$171.16 million in 2016. During the year, IME increased by \$363,354. CIP had a net increase of \$287,192, which was caused by an increase in ongoing projects such as Patrick Henry Parkway, Liebherr and the Ferguson expansion of approximately \$2.7 million and the transfer of Patrick Henry Parkway to the City at year-end of \$2.1 million

and capitalization of the improvements of \$363,354.

The decrease in CIP in 2017 was caused by moving the Applied Research Center HVAC improvements and Brooks Crossing parking lot out of CIP and into Improvements, machinery and equipment. Additional information on the Authorities' capital assets can be found in Note 6 of the basic financial statements.

Authorities' Outstanding Debt - As of June 30, 2018, 2017 and 2016 (in millions)

	2018	2017	2016
Industrial Revenue Bonds - IDA	\$ 11.40	\$ 12.71	\$ 14.00
Industrial Revenue Bonds - EDA	65.98	73.62	81.37
Bond Premiums (Discounts)	2.89	3.25	3.63
Notes payable	8.82	9.50	1.50
Interest Rate Swap fair value	-	-	0.09
Total	\$ 89.09	\$ 99.08	\$ 100.59

HOW TO CONTACT THE AUTHORITIES' FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, bondholders and creditors with a general overview of the Authorities' finances and to demonstrate the Authorities' accountability for the money it receives. If you have questions about this report or need additional financial

information, contact the Secretary/Treasurer or Chief of Fiscal Operations at (757) 926-8428 of the Authorities, c/o Department of Development, 2400 Washington Avenue, 3rd Floor, Newport News, Virginia 23607.





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and Industrial Development Authority of the City of Newport News, Virginia*