

MINUTES OF THE REGULAR MEETING OF THE
ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF NEWPORT NEWS,
VIRGINIA AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
CITY OF NEWPORT NEWS, VIRGINIA

Ms. Drucker called the meeting to order at 8:00 a.m. on Friday, January 8, 2016, in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

Wendy C. Drucker, Chair
C. Gary Minter, Vice Chair
Cary Epes
Cassandra P. Greene
Arthur P. Henderson
Thomas P. Herbert
Jennifer S. Smith-Brown
James M. Bourey, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

None

Legal Counsel:

Conway H. Sheild, III
Raymond H. Suttle, Jr., Esquire

Staff:

Cherry Croushore, Assistant Secretary
Janice Jones, Recording Secretary

Also present:

Amy Parkhurst, Senior Vice President, HREDA
Collins Owens, City Attorney
Robert Pealo, Senior Assistant City Attorney
Shakir Johnson, Business Retention Coordinator, Department of Development

Ms. Drucker opened the meeting by welcoming everyone.

Quarterly Hampton Roads Economic Development Alliance Report

Ms. Drucker asked for the Quarterly Hampton Roads Economic Development Alliance (HREDA) Report. Ms. Parkhurst reported that during the last quarter of 2015, HREDA hosted eight prospect visits and conducted nine outreach marketing activities, one of which was a marketing mission to Spain in which Newport News participated. She advised that these 4th Quarter marketing missions resulted in 120 face-to-face meetings, 14 site selection consultant meetings and several contacts with companies exploring new locations for business expansion.

Ms. Parkhurst reported that there were two major marketing activities planned for the 1st quarter of 2016 in which HREDA and Newport News staff would participate, including site selection consultant meetings in Dallas the week of January 25th, and the Seafood Expo in Boston on March 7th and 8th, where High Liner Foods would host a reception including their customers and suppliers.

Ms. Drucker thanked Ms. Parkhurst for her report.

Quarterly Workforce Development Report

Ms. Drucker informed the Board that the Quarterly Workforce Development Report would be provided next month.

Quarterly Business Retention Report

Ms. Drucker asked for the Quarterly Business Retention Report. Mr. Johnson reported that during the 4th Quarter of 2015, he participated in two training activities – the Virginia Workforce Conference, which was a kick-off for state-wide action to grow the future workforce, and an intensive “Basic Economic Development” course at the University of South Florida, which included topics such as entrepreneurial strategy, business expansion and retention, and managing organizations. In addition, he said that he had participated in the 2015 Tour of Hampton Roads where he made contact with both existing businesses and potential new businesses to Newport News. Mr. Johnson informed the Board that Marc Willson, Retail and Restaurant Consultant with Virginia Small Business Development Center (SBDC), would be conducting an interactive workshop entitled “Retailing Yesterday, Today and Tomorrow” on February 16th in the James Room at 8:30 a.m., with one-on-one meetings to follow. He stated that this event would be free and open to the public. Mr. Johnson

advised that he was working with the Peninsula Chamber of Commerce to create a Young Professionals Group on the Peninsula, with the objective of bridging the gap of leadership by connecting young professionals to industry leaders with practical wisdom in their fields. Mr. Johnson reported that the Copeland Industrial Park Business Association has a renewed commitment to meet on a regular basis, with new leadership. He stated that a Business Roundtable for the Oakland Industrial Park would be planned for the first half of 2016.

Ms. Drucker told Mr. Johnson that she looked forward to receiving updates on the progress of the Young Professionals group and felt that this was a very important and timely effort. Ms. Drucker thanked Mr. Johnson for his report.

Secretary/Treasurer's Report

Ms. Drucker asked for the Secretary/Treasurer's Report. Mrs. Kingston wished everyone a Happy New Year, stating that she was confident that 2016 would bring another successful year for the work the EDA/IDA does for the citizens of Newport News.

Mrs. Kingston said that she was pleased to deliver to Board members copies of the final bound FY 2015 EDA/IDA Audit.

Mrs. Kingston reported that staff had been working to complete the Economic/Industrial Development Authority 2015 Annual Report. She said that Development staff looked forward to another comprehensive publication for City Council which they would continue to use as a marketing tool in strategic communications with our partners and prospects. She requested that the Board delegate authority to the Executive Committee to approve the Report at its January meeting, which would allow printing and delivery to City Council no later than February 9th, as required. She advised that a draft of the Annual Report would be delivered to all Board members prior to the Executive Committee meeting.

Mrs. Kingston informed the Board that the Monthly Financial Statements were in their packages. She noted a few highlights and offered to answer questions. There were no questions.

Mrs. Kingston said that she would like to give the City Manager an opportunity to comment. Mr. Bourey reported that there were several good news items about which he would like to update the Board, not least of which was that Standard & Poor's had recently reconfirmed the City's AA+ Bond Rating – a factor in the City receiving a very favorable interest rate of 2.57% for its recent \$56 million bond sale. He stated also that City Council had recently adopted the staff-recommended Capital Improvement Program. He advised that on January 19th, he and

City Council would hold a retreat to complete a 5-year financial forecast, which has become a helpful strategic tool to assist with annual budget decisions. Mr. Bourey noted that he has also been holding regular retreats with department directors every six months to talk about important long-range goals critical to the City's success. He stated that focal points discussed at the last retreat included growing Newport News into a thriving international city, emphasizing workforce development, becoming a paperless operation, and attracting and retaining young professionals to the City.

Mr. Bourey thanked the Board for attending the Police South Precinct ribbon-cutting event. He stated that he believed that the precinct opening, coupled with the impending grocery store opening, would be catalysts for future development projects at Brooks Crossing and that he was excited about the project's positive momentum. Mr. Bourey reported that registrations for the One City Marathon were paced to perhaps double the 2,600 runners registered last year, and that numerous sponsorships had been obtained, including Riverside Health Systems, Anthem, Continental, Liebherr, W.M. Jordan and Newport News Shipbuilding. He said that the City had signed up an elite runner that would utilize the One City Marathon as a qualifier for the Olympic Trials, and that Roger Brown, former pro football player, would be speaking at the Saturday night dinner March 12th.

Ms. Drucker asked for a motion to delegate authority to the Executive Committee to approve the EDA/IDA 2015 Annual Report at its January Executive Committee meeting. Mr. Herbert so moved and Mr. Minter seconded the motion, which was approved unanimously on a roll call vote.

Assistant Secretary's Report

Ms. Drucker asked for the Assistant Secretary's Report. Ms. Croushore advised the Board that the Committee Meeting Schedule was in their package and noted relevant details. She reminded Board Members that Committee Assignments would be provided later in the meeting, and that they would need to review the Committee Schedule again with those new appointments in mind.

Madison Government Affairs Consultant Report

Ms. Drucker advised the Board that the Madison Government Affairs Report was in written format and asked if there were any comments or questions. There were none.

At 8:19 a.m., Mr. Minter moved for the Authority to go into closed meeting pursuant to VA Code Section §2.2-3711.A: Real Estate (3), Prospective Business (5) for the following

purposes and subjects: (3) Discussion or consideration of the acquisition of real property for a public purpose or of the disposition of publicly held real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, the subject of which is a proposed property acquisition and proposed property disposition located in the northern section of the City; (5) Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business or industry's interest in locating or expanding its facilities in the community, the subject of which is prospective businesses interested in locating in the central section of the City, and unannounced expansions of existing businesses located in the northern section of the City, central section of the City and southern section of the City. Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

At 9:22 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Minter in accordance with VA Code Section §2.2-3712(D) that to the best of each member's knowledge: (D) (i) only public business matters lawfully exempted from open meeting requirements under this chapter; and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body. Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Committee Chair's Reports

Ms. Drucker called for the Committee Reports. Mr. Epes presented the Design Review Committee Report, which was ratified by the Board and passed unanimously on a roll call vote. Ms. Drucker presented the Executive Committee Report, which was ratified by the Board and passed unanimously on a roll call vote.

Board Appointments to Committees

Ms. Drucker advised that the Committee Appointments for 2016 had been provided to the Board.

Approval of Minutes of the Regular Meeting of December 3, 2015

Ms. Drucker asked for a Motion that the Minutes of the Regular Meeting of December 3, 2015 be approved. Mr. Minter so moved and Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

Ms. Drucker asked for any unfinished business. Mrs. Kingston thanked the Board for attending the Police Precinct ribbon-cutting on January 5th and reported that acquisition of the facility by the EDA had been completed.

New Business

Ms. Drucker asked for any new business. Mrs. Kingston stated there was no new business.

There being no further business to come before the Board, Ms. Drucker adjourned the meeting at 9:27 a.m.



Florence G. Kingston
Secretary/Treasurer



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: January 8, 2016

The Design Review Committee met on December 17, 2015. The Committee considered a request by El Tapatio III, LLC, for its tenant, Jose Tequilas, for approval of exterior building improvements depicted on photographs of work currently under way, a scaled rendering and digitally-enhanced photograph of a proposed internally-illuminated building-mounted sign, and a scaled rendering and digitally-enhanced photograph of a proposed internally-illuminated, pylon sign, all located at 615 Thimble Shoals Boulevard in Oyster Point of Newport News. Upon review, the Committee voted unanimously to recommend approval of the proposed exterior building improvements and the internally-illuminated building-mounted sign, subject to all applicable City codes and regulations. As Staff recommended that the pylon sign not be approved as presented, and to allow the applicant more time to submit an alternate design that would meet both the covenants and restrictions and applicable City codes, the Committee took no action on the proposed pylon sign.

The second item considered was a request by Scotty Signs, on behalf of Goodfarb Family Virginia, for its tenant, City Electric Supply, for approval of a scaled rendering and digitally-enhanced photograph of a proposed internally-illuminated building-mounted sign at 700 Thimble Shoals Boulevard, Suite 102, in Oyster Point of Newport News. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The last item considered was a request by Scotty Signs, on behalf of 720 Thimble Shoals, LLC, for its tenant, Health Research of Hampton Roads, for approval of a scaled rendering and digitally-enhanced photograph of a proposed internally-illuminated building-mounted sign at 720 Thimble Shoals Boulevard, Unit 110, in Oyster Point of Newport News. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The items in this report require Board ratification today.



Cary B. Epes, Chair

CBE:mej

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Date, Time and Location: December 17, 2015, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary B. Epes, Thomas P. Herbert, Jennifer S. Smith, Alonzo Bell, Jr., Alex Delgado, Robb Mann, Teresa Nettles, Bryan Trainum, Sylvia Weinstein, Elizabeth Willis

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: January 8, 2016

The Executive Committee met on December 15th. The Committee authorized a lease of the grocery store in the Brooks Crossing Project to Jim's Local Market, the material terms of which included a maximum lease term of 35 years, initial base rental rate of \$5.25 per square foot, additional percentage rent component of 1% of gross annual sales in excess of \$10,000,000 and a purchase option after the 7th year for a purchase price of \$4,500,000, including authority to assign such lease to facilitate and meet requirements of a pending New Markets Tax Credits transaction, and subject to all necessary documentation being reviewed and approved by EDA Legal Counsel.

The Committee's remaining items were handled in Closed Session. This report requires Board ratification.

Wendy Drucker

WD:clc

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Date, Time and Location: December 15, 2015, at 2:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Wendy Drucker, Arthur Henderson, Tom Herbert, Gary Minter

Members Absent: None