

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

Mr. Minter called the meeting to order at 8:00 a.m. on Friday, February 3, 2017, in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

C. Gary Minter, Chair
Cassandra P. Greene, Vice Chair
Mary Aldrich
Alonzo R. Bell, Jr.
Cary B. Epes
Jennifer S. Smith-Brown
James M. Bourey, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Jeffrey Verhoef, Excused

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Janice Jones, Recording Secretary
Cherry Croushore, Assistant Secretary

Also present:

Paul Hirsch, Madison Government Affairs
Collins Owens, City Attorney
Robert Pealo, Senior Assistant City Attorney
Derek Perry, Senior Economic Analyst

Mr. Minter opened the meeting by welcoming everyone.

Local Business Incentive Summary Presentation

Mr. Minter asked for the Local Business Incentive Summary Presentation. Mr. Perry described incentive programs Newport News offered to commercial property owners and businesses in the City. He stated that staff actively markets these programs, using a variety of methods with very good utilization results.

Mr. Perry noted that the Enterprise Zone Program was a highly successful program administered at both the State and the local levels, and was a critical tool for our economic development efforts, noting that Newport News has two Virginia Enterprise Zones.

Mr. Perry advised that Newport News offered local incentives to new and existing businesses meeting capital investment and job creation requirements. He noted that local grants were frequently used to provide the local incentive match for State dollars. He pointed out that Highliner Foods and Continental Automotive were recent excellent examples of local businesses expanding and exceeding capital investment and job creation requirements.

Mr. Perry presented and discussed slides illustrating the boundaries of the Newport News Enterprise Zones, as well as the minimum qualification investment and jobs creation criteria for receiving an incentive in each Zone.

Mr. Perry said that Newport News also had four, locally-created Tourism Zones to benefit tourism-related businesses locating or expanding in the City. He stated that businesses that meet the qualification criteria could receive a waiver for part or all of the business license fees, as well as receive performance grants based upon certain tax revenues as applicable. He said that possible tourism zone projects were considered using a set of evaluation criteria that included capital investment. He noted that the zones consisted of the Southeast Community Tourism Zone, Greater Hilton Tourism Zone, Patrick Henry Tourism Zone and Upper Warwick/Denbigh Tourism Zone.

Mr. Perry advised that the Façade Improvement Grant (FIG) Program had been a very popular program that continued to be successful in assisting businesses and property owners of all sizes that want to make exterior improvements to their property. He stated that not only had this program been successful at improving the appearance of commercial

properties, it had also provided an opportunity through which staff had interacted and engaged more closely with numerous small, locally-owned businesses and property owners.

Mr. Perry said that for commercial properties that are at least 20 years old (or 15 in an Enterprise Zone), the City offered a Commercial Rehabilitation Property Tax Exemption Program that reduces the post-rehabilitation assessment of the eligible rehabilitation costs, effectively slowing the increase in the business' real estate tax payments incrementally for a period of five years.

Mr. Perry noted that we also work with businesses seeking assistance through our E-Commerce Grant Program designed to help small, women and minority-owned businesses. He said that the program's funds assist with search engine optimization, email marketing, system database development and website design and development. He noted that in addition to incentive programs, the City, through the Economic Development Authority and the Newport News Redevelopment and Housing Authority, offered a number of low-interest loans for fixed-asset acquisition including the Newport News Urban Development Action Grant Loan, the Newport News Micro-Loan, the Newport News Capital Fund and the Peninsula Revolving Loan Fund.

Mrs. Kingston told the Board that this overview of the City's incentive programs was important to have as a refresher. She noted that Development staff utilized brochures, multiple websites, presentations at business roundtables and association meetings to market the programs, and provided information to local CPA firms, banks, and businesses directly.

Mr. Minter asked if there were any questions. There were none, and he thanked Mr. Perry for his report.

Secretary/Treasurer's Report

Mr. Minter asked for the Secretary/Treasurer's Report. Mrs. Kingston said that she was pleased to inform the Board that the 2016 EDA/IDA Annual Report was now complete. She noted that copies were expected to arrive soon, and would be delivered to City Council (as mandated) in time for its February 14th meeting, and to Board Members shortly thereafter.

Mrs. Kingston was also pleased to report that staff was coordinating with Paul Hirsch and Ft. Eustis staff to set up a briefing for Board Members by the new leadership of Ft. Eustis, with additional details forthcoming.

Mrs. Kingston advised that on January 18th, Sister Cities and staff hosted a delegation from Sichuan Province of China. She said that as part of the visit, staff was able to provide members of the delegation with an overview of the business aspects of Newport News, noting international companies and major employers located in Newport News. She stated that the presentation focused on manufacturing operations and provided information on Oakland Industrial Park, the Oyster Point area, Jefferson Lab and Tech Center, Christopher Newport University and the Apprentice School.

Mrs. Kingston noted that on January 31st, staff had been invited to the annual meeting of The Point Condominiums Owners Association to provide owners with a brief update on Oyster Point and City Center at Oyster Point. She said that the presentation provided an overview of the Economic Development Authority's role in greater Oyster Point, and a summary of recently completed and forthcoming projects in the Oyster Point area. She advised that the recent change to on-street parking from parallel parking to diagonal parking had been a well-received topic of discussion by the owners, as well as Ella's Place, the pop-up venue located in the former Toby Keith's space as part of the City's recognition of Ella Fitzgerald's 100th birthday celebration. She noted that owners were very appreciative of the update, and stated that they looked forward to future opportunities to receive updates from the City and the Economic Development Authority.

Mrs. Kingston informed the Board that the Monthly Financial Statements were in their packages, noting a few highlights and offering to answer any questions. There were no questions.

Mrs. Kingston offered the City Manager an opportunity to comment. Mr. Bourey commented that the Ella's Place Pop-up Jazz venture had been well-attended and successful. He reported Tradition Brewing had held a celebration the previous week to roll out its "One City Brew", a light beer that would be available the first part of March. He noted that the Alliance recently held its annual meeting on January 26th with approximately 168 attendees. He said the meeting featured a panel of three site selection consultants, who communicated strengths, weaknesses, and opportunities of Hampton Roads.

Mr. Minter thanked him for his report and asked if there were any questions. There were none.

Assistant Secretary's Report

Mr. Minter 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.

Madison Government Affairs Consultant Report

Mr. Minter asked for the Madison Government Affairs Report. Mr. Hirsch reported that President Trump appeared to be working to fulfill campaign promises. Mr. Hirsch said that since the federal government was operating under a Continuing Resolution thru April 28th, several options would be considered to deal with the issue. He also noted that Congress would need to increase the Debt Ceiling limit to \$21 trillion and that the 2018 Fiscal Year budget items would need to be addressed. He reported that the sequestration caps would need to be removed in order to increase Defense spending, which would enable the President's defense strengthening plans to increase Army troops by 100,000 and Air Force troops by 20,000 to 30,000 over the next five years, as well as Air force and Navy equipment initiatives.

Mr. Hirsch said that Senator McCain had presented a blueprint to rebuild and reshape the American military, including upgrading legacy aircraft and equipment.

Mr. Hirsch advised that a tour of Fort Eustis would be arranged for the Board in the near future. He stated that the on-going new construction adds to the attractiveness of the Fort, as will the FY2018 planned \$32 million Aviation Training Facility, which would be a 100,000-square-foot classroom and training area and offices. He reminded the Board that membership on the Military Construction (MILCON) of Virginia appropriations subcommittee would be beneficial to Newport News, especially for this coming fiscal year since the Aviation Training Facility was on the agenda. He added that Senator Tim Kaine remained a member of the Senate Armed Services Committee which also would assist with the Aviation Training Facility project, and he remains a member of the Readiness Subcommittee which authorizes all military construction projects.

Mr. Hirsch answered several questions. Mr. Minter thanked him for his report.

At 8:43 a.m., Mr. Epes moved for the Authority to go into a 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 proposed property dispositions located in the central section of the City; and (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 the expansion of an existing business located in the northern section of the City and an existing business located in the central section of the City, and prospective businesses interested in locating in the central section of the City. Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

At 8:50 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Epes 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. Greene seconded the motion, which passed unanimously on a roll call vote.

Committee Chair's Reports

Mr. Minter called for the Committee Reports. Mr. Epes presented the Design Review Committee Report, which passed unanimously on a roll call vote. He also commended the long-standing quality and effectiveness of staff. Ms. Greene presented the Executive Committee Report, which passed unanimously on a roll call vote. Ms. Aldrich presented the Marketing Committee Report, which did not require Board ratification.

FY 2018 EDA/IDA Budget

Mr. Minter advised the Board that they had each been provided copies of the FY 2018 EDA/IDA Budget. Mrs. Kingston walked through the Budget line items, highlighting pertinent details, and noted that the Executive Committee recommended approval of the FY 2018 EDA/IDA Budget as presented.

Mr. Minter asked if there were any questions. There were none. Mr. Minter asked for a motion to approve the FY 2018 EDA/IDA Budget as presented. Ms. Greene so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Citizen Appointments to Committees

Mr. Minter advised that the Citizen Appointments to Committees for 2017 had been provided to Board Members, noting that Wendy Drucker, Tom Herbert and Arthur Henderson, former Board Members, requested to continue EDA/IDA involvement by serving as citizen members on select committees.

Approval of Minutes of the Regular Meeting of January 6, 2017

Mr. Minter asked for a motion that the Minutes of the Regular Meeting of January 6, 2017 be approved. Ms. Smith-Brown so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

Mr. Minter asked for any unfinished business. There was none.

New Business

Mr. Minter asked for any new business. There was none.

There being no further business to come before the Board, Mr. Minter adjourned the meeting at 9:06 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: February 3, 2017

The Design Review Committee met on January 19th. The Committee considered a request by Guernsey Tingle, on behalf of YES! Clean Energy Group and USA Yick Shun High Tech Investment, Inc., for approval of a site plan, digital elevation renderings and digital product samples of a proposed building expansion and fence removal at 12670 Patrick Henry Drive in Patrick Henry CommerCenter. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.


Next, the Committee considered a request by ARCI Architects, on behalf of Muhlbauer America LP for approval of a site plan and digital renderings of a proposed building expansion at 226 Pickett's Line in Oakland Industrial Park. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The Committee also considered a request by Si-Tech Corp., on behalf of NOPCO, LLC, for approval of a site plan and design drawing of proposed gate installation at 140 Harwood Drive in Oakland Industrial Park. Upon a review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

Lastly, the Committee considered a request by Sign Media on behalf of Numa Spa and Thimble Shores Ventures, LLC, for approval of a digital rendering and digitally-enhanced photographs of a proposed entrance awning, with signage, to be installed at 703 Thimble Shoals Boulevard, Suite B-3, 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.



Cary B. Epes

CBE:kpw

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Date, Time and Location: January 19, 2017, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary Epes, Mary Aldrich, Jeff Verhoef, Robert Mann, Teresa Nettles, Bryan Trainum, Sylvia Weinstein, Elizabeth Willis

Members Absent: Alex Delgado, Randy Carnell



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

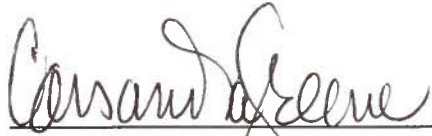
TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: February 3, 2017

The Executive Committee met on January 19th. Pursuant to the authority delegated to it by the Board, the Committee approved the EDA/IDA 2016 Annual Report.

The Committee received a presentation on the EDA/IDA FY 2018 Budget, which the Board will receive later in today's Agenda. Based on the presentation received, the Executive Committee is recommending approval of the Budget. Formal action on the Budget by the Board, however, will follow presentation of the Budget to the Board, rather than take the form of ratification of this item in the Executive Committee Report.

The Committee also approved funding in the amount of \$20,000 for the existing, successful Newport News e-Commerce Business Assistance Grant Program, allocated from funds currently budgeted for business initiatives.

The Committee's remaining items were handled in Closed Session. Items in this report require Board ratification.


Cassandra Greene

CG:clc

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Date, Time and Location: January 19, 2017, at 12:15 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cassandra Greene, Gary Minter, Jennifer Smith-Brown, Jeff Verhoef

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: February 3, 2017

The Marketing Committee met on January 19th. Committee members were updated on the work of Howell Creative Group. Staff also reported that the 2016 EDA/IDA Annual Report was nearing completion and was appreciative of Howell's partnership in the production of the report.

Members were informed of the results of the 2016 START Peninsula event, and they encouraged staff's continued participation, as the event could represent many new economic development and business growth opportunities within the City.

This report does not require Board ratification.



Mary Aldrich, Chair

MA:jwm

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Date, Time and Location: January 19, 2017 at 10:30 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Mary Aldrich, Cassandra Greene, Faye Gargiulo, Gary Hunter

Members Absent: Gary Minter, Don Blankenship