

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, February 5, 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:

Raymond H. Suttle, Jr., Esquire

Staff:

Cherry Croushore, Assistant Secretary
Janice Jones, Recording Secretary

Also present:

Paul Hirsch, Madison Government Affairs
Collins Owens, City Attorney
Robert Pealo, Senior Assistant City Attorney

Ms. Drucker opened the meeting by welcoming everyone.

Secretary/Treasurer's Report

Ms. Drucker asked for the Secretary/Treasurer's Report. Mrs. Kingston advised that the City had several great achievements since the last Board meeting. She noted that on January 26th, the Governor came to Newport News to announce Printpack's \$25.7 million expansion project and she thanked Board Members who were able to attend. She told the Board that since several Board Members had expressed an interest in touring the Printpack facility, staff would be working to schedule a tour.

Mrs. Kingston stated she was very pleased to inform the Board that on January 27th, the New Markets Tax Credits (NMTC) transaction for the Brooks Crossing Grocery Store Project had closed. She noted that the NMTC transaction provided the opportunity for a savings of approximately \$2 million for the City. She said that it was a complicated and arduous effort to complete the financing transaction and recognized Ray Suttle as lead counsel in facilitating the process and supporting the team. She advised that the development team Carol Meredith, Cherry Croushore, Marc Rodgers, and Zoe Lumpkin (with assistance from Dawn DeHart of Virginia Community Capital) – had also done an exceptional job, doing whatever needed to be done, whenever it needed to be done. Mr. Bourey interjected that the NMTC team, with Mrs. Kingston's leadership, performed extraordinarily in completing the complicated challenge and bringing it to closing.

Mrs. Kingston said that Board Members would find the 2015 EDA/IDA Annual Report at their seats. She stated that the EDA/IDA and City could be proud of another year of outstanding accomplishments, and advised that printed and electronic copies of the Annual Report would be available for distribution.

Mrs. Kingston noted that the City, in conjunction with the Newport News Redevelopment and Housing Authority (NNRHA), would be pursuing a 2016 Choice Neighborhoods Initiative (CNI) Planning Grant through the U.S. Department of Housing and Urban Development. She said that CNI is an initiative that targets distressed public or assisted housing in need of revitalization and provides a comprehensive approach to neighborhood change. She advised that the specific public housing complex identified for this grant by NNRHA was Ridley Place, located at 600 Ridley Circle in the Southeast Community, and that the overall CNI target area is from 39th Street to the Seafood Industrial Park and from Marshall Avenue to Interstate 664.

Mrs. Kingston stated that the initial grant application was due to be submitted on February 9th and was for planning activities only. She noted that if awarded, the City would develop a Transformation Plan to guide implementation actions. She said that implementation funding would be pursued in a future grant proposal if the City is successful in receiving a planning grant, and if federal funding is available. She noted that the planning process is designed to build capacity, partnerships and local support to create and carry out a successful Transformation Plan for the targeted area and surrounding community.

A significant component of the CNI grant application was leveraging private commitment from partners. She advised that the EDA's efforts in the critically important Brooks Crossing development, together with funding committed to date, made the EDA a logical partner to support the CNI. She explained that the grant application required letters of commitment from partners reflecting new funds that would be expended for planning purposes in the targeted and surrounding neighborhoods. She noted that the EDA's partnership commitment would be to fund a market study to assess private investment potential for residential, commercial and industrial development, and the workforce needs for future success. She said that she was seeking a Motion to authorize \$50,000 in funding from the EDA for a market study to be conducted for the Southeast Community in support of the Choice Neighborhoods Initiative.

Mrs. Kingston reminded the Board that Development would be sponsoring a seminar on Tuesday, February 16th, from 8:30 am to 11:30 am, in the James Room at Fountain Plaza Two, 700 Town Center Drive. She noted that the seminar entitled "Retailing Yesterday, Today, and Tomorrow", facilitated by Marc Willson, Retail/Restaurant Consultant for the Virginia Small Business Development Center, would provide insight to businesses that want to remain profitable while providing pertinent products and services to the ever-changing consumer. She said that in addition, Mr. Willson would provide private business consultations between 12:30 pm – 4:30 pm, that would be offered on a first-come first-served basis and would be held at the seminar site. She advised that the seminar and private consultation would be free; however spaces would be limited, so those interested in attending should RSVP by 5:00 pm, February 11th. She stated that private consultations could be requested by contacting Tricia Wilson or Shakir Johnson and that Shakir would have printed flyers available after the meeting for those who would like copies to distribute.

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 stated that he wanted to emphasize that the CNI Grant effort pulled together partnerships with many agencies and groups throughout the City, including Habitat for Humanity, NNRHA, Newport News Public Schools, Goodwill Industries, United Way, the Boys and Girls Club, the Peninsula Health District, Peninsula Council for Workforce Development, Newport News Shipbuilding, CNU, and many others.

Mr. Bourey said that Departmental budget hearings are underway, and that the City was in better financial condition than in previous years, though many needs and challenges still exist. He noted that One City Marathon registrations continue to run well ahead of last year, and sponsorships were still being received.

Ms. Drucker asked for a Motion to authorize funding, in an amount not to exceed \$50,000, for a market study to be conducted for the Southeast Community in support of the Choice Neighborhoods Initiative. 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.

Madison Government Affairs Consultant Report

Ms. Drucker asked for the Madison Government Affairs Report. Mr. Hirsch reported that the President's budget request, which includes about \$583 billion for the Defense Department, would be presented on February 9th. Mr. Hirsch reported that the National Commission on the Future of the Army had published its annual report recommending a comprehensive review of its school system as an opportunity to consolidate underused capacity.

Mr. Hirsch stated that MGA continued to support the efforts of Ken Spirito, Executive Director of the Newport News/Williamsburg International Airport, on development plans for advancing the Virginia Center for Aeronautics. He advised that \$22 million had been identified between private, state, and federal sources, with the Virginia Legislature considering funding during this session. He told the Board that a Memorandum of Understanding between the Airport and the Newport News Public Schools (NNPS) was in process.

Mr. Hirsch said that the Eustis Civic Leaders Association (ECLA) would engage with Fort Eustis and NNPS regarding schools that are attended by Fort Eustis dependents. He noted that NNPS continued to look at ways to enhance the education experience for military dependents. He advised that Major General Funkhouser would be the appointed Army lead (by TRADOC) and Superintendent Kilgore would be closely working the issues for NNPS. He told the Board that ECLA had sent letters of support to the Virginia Legislature for House Bill 405 – Professional and occupational licensing extensions from 6 to 12 months, as well as support for House Bill 261 which extends the period of time to acquire Provisional Teaching Licenses to 3 years for Active, Reserve, and National Guardsmen.

Mr. Hirsch also reported that a Joint Land Use Study (JLUS) would be conducted in late February for Fort Eustis in order to understand potential areas of encroachment that might inhibit the mission(s) at Fort Eustis and to promote compatible land use. He said that the Office of Economic Adjustment with the Office of the Secretary of Defense pays 90% of the cost of the third-party chosen to conduct the JLUS and that the City of Newport News would pay the remainder. He advised that MGA would keep the EDA/IDA abreast of the progress.

Ms. Drucker asked a question regarding the state's willingness to offer in-state tuition to military dependents who wish to attend a Virginia college. Mr. Hirsch said he would get the answer and report back. Ms. Drucker thanked him for his report.

At 8:30 a.m., Ms. Smith-Brown 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 located in the northern 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 prospective businesses interested in locating in the central section of the City, and an unannounced expansion of an existing business located in the southern section of the City. Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

At 9:43 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. Mr. Henderson seconded the motion, which passed with 6 votes, Ms. Smith-Brown having departed.

Committee Chair's Reports

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

Approval of FY 2017 EDA/IDA Budget

Ms. Drucker asked Mrs. Kingston to present the FY2017 EDA/IDA Budget. Mrs. Kingston reviewed highlights of the Budget and answered questions. Ms. Drucker asked for a Motion to approve the FY2017 EDA/IDA Budget as presented. Mr. Henderson so moved and Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

Citizen Appointments to Committees

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

Approval of Minutes of the Regular Meeting of January 8, 2016

Ms. Drucker asked for a Motion that the Minutes of the Regular Meeting of January 8, 2016 be approved. Mr. Herbert so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

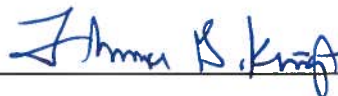
Unfinished Business

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

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 9:54 a.m.

A handwritten signature in blue ink, appearing to read "Florence G. Kingston", is written above a horizontal line.

Florence G. Kingston
Secretary/Treasurer



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: February 5, 2016

The Executive Committee met on January 21st. Pursuant to the authority delegated to it by the Board, the Committee approved the EDA/IDA 2015 Annual Report. You received a copy of the final printed version at your places this morning. Additional copies will be provided to City Council by its required deadline of February 9.

The Committee received a presentation on the EDA/IDA FY 2017 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 Executive Committee approved a consulting services agreement between Virginia Community Capital, Inc. (VCC) and the EDA, in an amount not to exceed \$14,000, in connection with, to facilitate and to meet requirements of the pending NMTC transaction for the Grocery Store in the Brooks Crossing Project in the Southeast Community and consented to waiving any potential conflict of interest acknowledging that the EDA's Secretary/Treasurer also serves on the Board of Directors of VCC and VCC has committed to provide a loan toward equipment for the benefit of Jim's Local Market, subject to all necessary documentation being reviewed and approved by EDA Legal Counsel.

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



Gary Minter

GM:clc
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Date, Time and Location: January 21, 2016, at 12:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Wendy Drucker, Cassandra Greene, Tom Herbert, Gary Minter

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: February 5, 2016

The Revolving Loan Fund Committee met on January 27, 2016. Staff introduced new Committee member, Jennifer Smith-Brown, to the group. Committee members were provided financial statements for the Newport News Capital Fund (NDCF) for the period ending December 31, 2015. The Committee was also made aware that the Superior Packaging loan had been paid in full, due to the owner's retirement and sale of the building.

Staff presented one (1) Façade Improvement Grant (FIG) Program request. The FIG request for \$15,151.50 from Lee's Auto Upholstery, Inc. for paving at 10122 Jefferson Avenue was recommended for approval with a unanimous vote.

This report requires Board ratification.



Cary Epes, Chair

CE: tlc

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Date, Time and Location: January 27, 2016 at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary Epes, Susan Harris, Arthur Henderson, George Knight, Jennifer Smith-Brown

Members Absent: none