

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 Wednesday, April 12, 2017, in the Newport News Marriott at City Center, Pearl I Banquet Room, 740 Town Center Drive, Newport News, Virginia.

Those members present were:

C. Gary Minter, Chair
Alonzo R. Bell, Jr.
Cary B. Epes
Cassandra P. Greene
Jennifer S. Smith-Brown
Jeffrey Verhoef
Cindy Rohlf, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Mary Aldrich, Excused

Legal Counsel:

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

Staff:

Janice Jones, Recording Secretary
Cherry Croushore, Assistant Secretary

Also present:

Matthew James, President & CEO, Peninsula Council for Workforce Development
Shakir Johnson, Business Retention Coordinator
Collins Owens, City Attorney
Robert Pealo, Assistant City Attorney
Jerri Wilson, Legislative Analyst, City Manager's Office

Mr. Minter opened the meeting by welcoming everyone.

Quarterly Peninsula Council for Workforce Development Report

Mr. Minter asked for the Quarterly Peninsula Council for Workforce Development Report. Mr. James thanked all who had helped with the Youth Career Expo 2017 held on March 2nd at the Hampton Roads Convention Center, in conjunction with the Virginia Peninsula Chamber of Commerce. He reported that more than 2,500 high school students participated, from all the Peninsula school districts, as well as some from Richmond and the Southside. He stated that more than 60 regional business exhibitors participated, along with 250 volunteers who served as mock interviewers. Every student was able to have a 10-minute interview, with 10 minutes of feedback. He noted that Bayport Credit Union conducted two break-out sessions -- one was a "Reality Fair" that covered budget planning and ethics, and the other was a "Fantasy Football" competition to help participants become familiar with the terms and skills required to be financially successful.

Mr. James noted that several high school teachers and professionals had participated in the "Explore Peninsula" leadership development series concluding on March 14th, which included industry tours and presentations from agencies offering workforce development and college resources. Mr. James reported that the Workforce Council had begun to plan its Summer Camp series, with offerings that would include middle school students for the first time.

Mr. James advised that the results and conclusions of the Workforce Council's Skills Gap Analysis would be reviewed with economic development and education representatives on April 18th.

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

Quarterly Business Retention Report

Mr. Minter asked for the Quarterly Business Retention Report. Mr. Johnson reported that 30 businesses were visited during the past quarter. He advised that he had attended the 3rd Annual State of the Startup Community Address in Norfolk, with keynote speaker Zack Miller, host of the television show Hampton Roads Weekly and CEO of Hatch. He told the Board that the purpose of this address was for the Hampton Roads business community to meet and discuss the area's progress toward creating a more entrepreneurial region.

Mr. Johnson noted that he and Matt Johnson participated in the annual Youth Career Expo at the Hampton Roads Convention Center, and noted that Continental, Liebherr and several other Newport News companies participated in the successful event.

Mr. Johnson reported that the Copeland Industrial Park Business Association was re-energizing the group to foster a networking relationship. He advised that Bryan Heldreth, Vice President with RPC Industries in Hampton, is now President and Scott Gray, Chief Operating Officer with the Virginia Peninsula Foodbank, is the Vice President of the Association. He stated that immediate plans for the Association were to gain member input, create an Association Facebook page, and update the Association's web site.

Mr. Johnson reported that the first 2017 START Core Team meeting had been held recently to begin planning for this year's START event, to be held November 3rd-5th, at the Stryker Center in Williamsburg. He advised that as a prelude to this year's START event, Newport News would be hosting "Success Builder" sessions on April 26th and July 17th at the Midtown Community Center. He said that the purpose of these sessions was to assist individuals with how to make a pitch to investors and how to create a successful sales pitch.

Mr. Minter asked if there were any questions. Mr. Johnson answered several questions and Mr. Minter thanked him for his report.

Secretary/Treasurer's Report

Mr. Minter asked for the Secretary/Treasurer's Report. Mrs. Kingston welcomed and congratulated Cindy Rohlf on her appointment as City Manager.

Mrs. Kingston advised that the EDA, through the City's Purchasing Department, advertised a Request for Proposals for the Annual Parking Lot Landscape Maintenance of 12 parking lots that are owned or managed by the EDA. She said that the successful firm was Venture Turf Management, Inc. and that she would be recommending a motion to authorize a contract with Venture Turf Management, Inc., for an initial one-year term, in an amount not to exceed \$90,000 (which included a small contingency), with four, additional one-year renewals. She noted that funds had been budgeted in the Parking Fund for this work.

Mrs. Kingston reported that on March 28, 2017, City Council authorized a multi-parcel Real Estate Exchange Agreement between the City and VDOT where one component of the Agreement provided for VDOT to release restrictions on a small parcel on 28th Street in Brooks Crossing and another provided for the City to release City Council-imposed

greenspace restrictions on a small .086-acre parcel of land, which VDOT holds fee simple title to, and .032 acres of land on which VDOT has an easement for drainage facilities. VDOT acquired the small parcels from the EDA in 2014 for road widening and improvements along Jefferson Avenue near the intersection of what is now City Center Boulevard. She advised that since the City authorized the release of its restrictions on the properties, the EDA was being asked to quitclaim and release any interest it may have in the restrictions as well. She advised that she would be seeking a motion to authorize a Deed of Release between the EDA and VDOT, which was drafted by the Attorney General's Office and reviewed by the City Attorney's Office and EDA Legal Counsel, quitclaiming any interest the EDA may have regarding the previously-imposed City Council greenspace restrictions on the referenced parcels.

Mrs. Kingston reported to the Board that plans for the Business Appreciation Luncheon and Golf events were well-underway. She noted that this year's Business Appreciation Luncheon would be held on Tuesday, May 23rd, at the Newport News Marriott at City Center, with gathering to begin at 11:00 a.m. and food service at 11:45 a.m., and that the Business Appreciation Golf Tournament would be held at Newport News Golf Club at Deer Run on Tuesday, June 6th. She invited everyone to join in the celebration of the efforts and contributions of our Newport News businesses.

Mrs. Kingston said that on March 28th, the new President/CEO of the Virginia Economic Development Partnership, Stephen Moret, visited Hampton Roads to be part of two business roundtable discussions and meet with economic development directors along with the Hampton Roads Economic Development Alliance. She noted that staff arranged attendance of key Newport News business leaders, with approximately 20 participants attending each roundtable, held in the EDA's Board Room at City Center. Mrs. Kingston pointed out that the meeting was a valuable opportunity for Virginia's new economic development leader to share his thoughts and vision for the Commonwealth, and to hear thoughts and candid discussion from our leaders about business issues of high importance and concern to them.

Mrs. Kingston reported that on March 30th, staff participated in two business workshop/seminar events focused on women in business. The first workshop was sponsored by the Small Business Development Center and was held at the Workforce Development Center on Thomas Nelson Community College's campus, where various speakers provided 40 attendees information on promoting their businesses through social media avenues such as Facebook, constant contact and their websites. The second event, sponsored by Delegate Marcia Price, was held in the James Room in City Center. The

session exposed 35 women business owners in attendance to the various resources available through federal, state and local governments. Staff provided materials at both events to promote programs Newport News offered and at Delegate Price's event, staff had an opportunity to share details on the programs available by speaking with the group.

Mrs. Kingston advised that on April 27th, Virginia Tech would host the "Women in Entrepreneurship First Annual Conference: Imagine the Future," which would be a day-long conference to be held at the UVA/VT Newport News Center, designed to bring together women entrepreneurs for network building and discussion of topics related to the growing entrepreneurial business field. The event would include a panel discussion focused on women in technology, followed by a networking reception for attendees.

Mrs. Kingston reported that the current class of LEAD Hampton Roads had spent a day visiting Newport News, stopping at Newport News Shipbuilding and The Mariners Museum, with the focus of their tour examining the maritime economy. She said that she had the pleasure of sharing with the group the importance of the City's maritime assets, including the Shipyard, Seafood Industrial Park and the waterfront. She discussed the historical development of Newport News, current economic development throughout the City and future redevelopment efforts proposed for the Downtown area. She noted that the group was especially interested in the Downtown Reimagined video that was displayed during the presentation.

Mrs. Kingston stated she was pleased to report that the multiphase Canon Boulevard Transportation Partnership Opportunity Fund (TPOF) project was in the final stage, Phase III, which included an 8-foot multi-purpose path and landscaping from City Center Boulevard to Lakefront Commons and was expected to be complete by August of this year. She said that in conjunction with the Phase III project, TPOF funds would also support the City's installation of a bus stop shelter on Canon Boulevard, immediately adjacent to the main Canon entrance. She noted that Canon staff identified the project as a way to ensure continued use of bus transit by existing employees, while also making bus transit a more attractive option to those who do not regularly use the bus as a primary means of transportation, and that Canon was also contributing to the project by constructing a walkway to connect the new shelter to other pathways on Canon property.

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. Ms. Rohlf noted that she was looking forward to working directly with the Board. She said that her vision was to continue to learn and move current projects forward, as well as develop future projects and initiatives that would help the City grow. She noted that one initial step in her learning mode was joining with the Mayor, visiting businesses and groups. She stated she would welcome any ideas or information from the Board concerning their vision for the direction of the City.

Mr. Minter asked for a motion to authorize the EDA to enter into a landscape contract with Venture Turf Management, Inc., to provide landscape maintenance services for 12 parking lots owned or managed by the EDA, for an initial contract period of one year, in an amount not to exceed \$90,000 (which includes a small contingency), with four, one-year renewals including pricing adjustments based upon the year-over-year difference in the Consumer Price Index for U.S. City Average, but not more than 5% in any given year. Mr. Epes so moved and Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

Mr. Minter then asked for a motion to authorize execution of a Deed of Release between the EDA and VDOT quitclaiming any interest the EDA may have in previously City Council-imposed greenspace restrictions, which City Council has now agreed to release, on small parcels containing .086 acres and .032 acres near the intersection of Jefferson Avenue and City Center Boulevard. Ms. Smith-Brown so moved and Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

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 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 8:32 a.m., Mr. Verhoef 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 proposed property acquisitions located in the southern 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 central section of the City, and a prospective business interested in locating in the central section of the City. Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

At 8:53 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Verhoef 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. Bell seconded the motion, which passed unanimously on a roll call vote.

Action Coming Out of Closed Session

Mr. Minter stated that there was one action coming out of Closed Session and asked Mrs. Kingston to present it. Mrs. Kingston advised of a potential property acquisition in Downtown Newport News involving property at 2914 West Avenue, currently owned by Mr. and Mrs. Wiggins. She noted that as a component of due diligence, City staff had gained access to the property and discovered some minor environmental concerns, characteristic of other structures built during the same period. She stated that the EDA and Newport News Redevelopment and Housing Authority owned several other parcels within the same block, from West Avenue to Washington Avenue, strategically located within the City's "Downtown Reimagined" planning effort. She recommended that the EDA purchase the property at 2914 West Avenue for \$100,000, consistent with and in support of Downtown redevelopment initiatives.

Mr. Minter asked for a motion to authorize EDA acquisition of the property located at 2914 West Avenue for the agreed-upon purchase price of \$100,000, which is less than assessed value, in support of Downtown redevelopment initiatives, subject to all documentation being reviewed and approved by Legal Counsel. Mr. Bell so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Amendment to Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement by and between EDA and Davis Boat Works, Inc. DBA Fairlead Boatworks

Mr. Minter asked Mrs. Kingston to provide an overview regarding the Amendment to Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement by and between EDA and Davis Boat Works, Inc. DBA Fairlead Boatworks. Mrs. Kingston reminded the Board that Fairlead Boatworks purchased the business and business assets of Davis Boat Works in June 2015. She said that Fairlead, located in the southern part of the City's Seafood Industrial Park, leased Parcels 12 and 16 from the City for its main work yard. She noted that the City had been engaged in and completed right-of-way improvements to the lower section of Jefferson Avenue adjacent to Fairlead's boat repair yard, which included the narrowing of Jefferson Avenue, and resulted in the opportunity for a larger lease area for Fairlead. She advised that the roadway project had been coordinated with a federally-mandated polychlorinated biphenyls (PCB) remediation project on the City property occupied by Fairlead Boatworks and that the Development Department and Engineering Department collaborated closely with Fairlead through all stages of the project to minimize the impact to Fairlead's business, while accomplishing the necessary right-of-way work and environmental remediation.

She stated that the remediation plan and timeline was developed using the consultant's project management expertise and the best knowledge available regarding the remediation scope and impacted area. She told the Board that during the course of the remediation, significant additional areas of contamination were discovered and that in addition to a larger land area requiring excavations, soil testing and refilling for remediation, the discovery also necessitated a longer cleanup time. She noted that business disruption was prolonged and more intense due to the increased scope and work area of the remediation project, which was originally expected to last 44 days, but actually lasted more than 100 days.

Mrs. Kingston advised that Fairlead had been very patient through the work period, but the short-term plans made to minimize disruption were not effective with the prolonged remediation schedule, which forced Fairlead to delay or not bid on work due to its lack of capacity and space within its yard. She reminded the Board that last year, Fairlead had initiated plans to make significant capital improvements to its facility, as well as create new jobs. The EDA, in support of Fairlead's expansion (which included \$1.5 million in capital improvements and the creation of 25 new jobs) granted a \$190,000 Expansion/Relocation Cost Reduction (ERCR) incentive grant for Fairlead to build a new, replacement paint storage facility at its site. She stated that because of the larger site area requiring remediation, the former paint shed building, as it existed at the time remediation began, would have been in

the way and required replacement as part of the remediation work. A change order to the bid award would have been required due to this unforeseen finding.

In order to restore the original Enterprise Zone incentive delivered to Fairlead for its investment and job creation, and acknowledging the extended period of business disruption created by the remediation project, Mrs. Kingston is recommending a replacement Enterprise Zone grant of \$190,000 to Fairlead Boatworks. As a condition of receiving the replacement grant, Fairlead would be required to construct a concrete wash basin, which would help create efficiencies in Fairlead's operations. Qualification criteria and reporting requirements of the original ERCR Agreement would remain unchanged. She said that she had briefed City Council on this matter, and the business impacts to Fairlead, at its March 28th Work Session. City Council voted to approve a \$250,000 appropriation in support of project investments in the Seafood Industrial Park, including the delivery of the Fairlead replacement grant and provision of a local match for a pending Aid to Local Ports Grant application for outer harbor pier and dolphin repairs on April 11, 2017. She reminded the Board that they had received a copy of the First Amendment to the Expansion Relocation Cost Reduction Enterprise Zone Incentive Agreement prior to the Board meeting.

Mr. Minter asked for a motion to authorize an Amendment to that certain Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement, dated September 12, 2016, by and between the EDA and Davis Boat Works, Inc. DBA Fairlead Boatworks (Fairlead), in connection with Fairlead's continued cooperation through a federally-mandated and prolonged environmental remediation, together with related significant business disruption, and its planned investment of approximately \$1.5 million and job creation of approximately 25 new jobs at its facilities in the Seafood Industrial Park in the City of Newport News, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Rouse Tower

Mr. Minter asked Mrs. Kingston to present the Rouse Tower agenda item. Mrs. Kingston advised that this item related to the EDA-owned property located at 6060 Jefferson Avenue, known as Rouse Tower, consisting of 12 floors, with a total of 153,538 rentable square feet. She noted that the City of Newport News' Department of Human Services currently leased 103,003 square feet of the building and had asked to lease additional space encompassing the entire 10th floor consisting of 11,193 square feet. This additional space for would bring the total leased space to 114,196 square feet. She reported that the 10th floor would have to be reconfigured and renovated to accommodate Human Services with a cost estimate of

\$152,007 for the renovations, which included a contingency, and that the renovations would be completed at the EDA's expense. She reminded the Board that the EDA contracted with Thalhimer to manage the building. Thalhimer would continue to oversee the day-to-day operations and would provide construction oversight services for the renovation project in accordance with the Management Agreement.

Mrs. Kingston reported that Human Services currently pays a rental rate of \$18.35 per square foot for its existing space, with a 2% rent escalation due to apply as of December 1st under the existing Lease, and that rent for the additional 10th floor space would be consistent and coordinated with the timing and schedule for build-out and fit-out of the space. She said that a Lease Amendment to add the 10th floor space had been approved by City Council during last evening's April 11th City Council meeting and that she was recommending that the EDA take two actions – one to approve the Lease Amendment, and one to approve the funding and contracts for the necessary renovations, noting that the Board had received the proposed Lease Amendment in its Agenda package, and that Motions on both recommended actions were before them.

Mr. Minter asked for a motion to authorize that certain Addendum Three to Agreement of Lease by and between the EDA and the City, exercising the second of three five-year renewal options to extend the lease term from December 1, 2017 through November 30, 2022, and adjust the rentable square feet by 11,193 square feet for a total of 114,196 square feet to reflect usage by the Department of Human Services after occupancy of the 10th floor space, subject to all necessary documentation being reviewed and approved by EDA Legal Counsel. Mr. Bell so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Mr. Minter also asked for a motion to authorize renovation contracts, and funding, with Atlantic Coast Commercial Services, in an amount not to exceed \$148,212 (which includes a small contingency) for demolition, new space configuration per approved architectural plans, doors, door jambs, ceiling tiles, carpet, paint and electrical upgrades including receptacles, lights and light switches, and with Coffey's Lockshop, in an amount not to exceed \$3,795 (which includes a small contingency) for lock lever sets. Mr. Bell so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Committee Chair's Reports

Mr. Minter called for the Committee Reports. Ms. Greene presented the Executive Committee Report, which did not require Board ratification. Ms. Greene presented the Marketing Committee Report, which did not require Board ratification. Mr. Bell presented the South Newport News Committee Report, which did not require Board ratification.

Approval of Minutes of the Regular Meeting of March 3, 2017

Mr. Minter asked for a motion that the Minutes of the Regular Meeting of March 3, 2017 be approved. Mr. Bell so moved and Mr. Verhoef seconded the motion, which passed unanimously on a roll call vote.

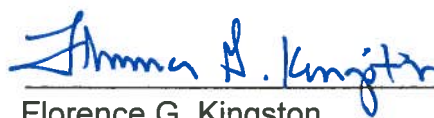
Unfinished Business

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 9:20 a.m.



Florence G. Kingston
Secretary/Treasurer

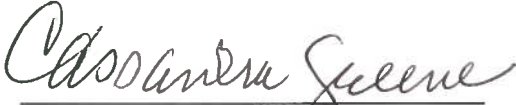


ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: April 12, 2017

The Executive Committee met on March 21st. The Committee received briefings on an amendment of the ERCR related to Fairlead Boatworks and an amendment to the existing Lease between the EDA and the City for space in Rouse Tower for the Department of Human Services along with associated renovation/buildout contracts and funding. Both of these items the Board received today and took formal action on.

The Committee's remaining items were handled in Closed Session. This report does not require Board ratification.



Cassandra Greene

CG:clc

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Date, Time and Location: March 21, 2017, at 12:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

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

Members Absent: Jeff Verhoef



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: April 12, 2017

The Marketing Committee met on March 16th. The Chair briefly reinforced the principles for the Committee, including strategic planning and support for diversifying the tax and employment base of the City.

Staff shared information about upcoming events including a visit and local corporate roundtable discussion featuring VEDP President, Stephen Moret, the Kingsmill Championship LPGA tournament sponsorship, and the annual Business Appreciation luncheon and golf event.

Howell Creative Group reviewed the newly-relaunched EDA website, and initiated a discussion on how the power of the site can be extended through the use of social media, beginning with LinkedIn. Committee members were pleased, and encouraged staff to move forward.

This report does not require Board ratification.



Mary Aldrich, Chair

MA:rn

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Date, Time and Location: March 16, 2017 at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

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

Members Absent: Wendy Drucker, Gary Minter



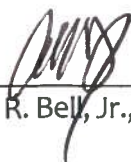
ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, South Newport News Committee
SUBJECT: Chair's Report
DATE: April 12, 2017

The South Newport News Committee met on April 4, 2017. The Committee was provided an insightful presentation by Mr. Carlton Ashby, Newport News Public School Board Member, on the new Discovery STEM Academy, formerly Magruder Elementary School on Chestnut Avenue and 18th Street, in the Southeast Community. The Committee was also informed about some of the fundamental learning initiatives being undertaken by Newport News Public Schools and how they are being implemented. The Committee watched a promotional video that provided a virtual tour of the various components of the school facility, demonstrating the variety of programs for the student attendees.

The Committee also received staff updates on ongoing Downtown, Southeast Community and the Choice Neighborhood Initiative projects.

This report does not require Board ratification.



Alonzo R. Bell, Jr., Chair

AB:mar

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Date, Time and Location: April 4, 2017, 4:00 p.m. at City Hall, 3rd Floor Development Conference Room

Members Present: Alonzo Bell, Jennifer Smith, Carl Burt, Richard Coleman and Troy Smith, Jr.

Members Absent: Cassandra Greene