

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, May 6, 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
Thomas P. Herbert
Arthur P. Henderson
Jennifer S. Smith-Brown
James M. Bourey, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent: None

Legal Counsel:

Ralph Goldstein
Raymond H. Suttle, Jr.

Staff:

Cherry Croushore, Assistant Secretary
Janice Jones, Recording Secretary

Also present:

George Consolvo, Kaufman & Canoles
Rick Weddle, President and CEO, HREDA
Paul Hirsch, Madison Government Affairs
Collins Owens, City Attorney
Robert Pealo, Senior Assistant City Attorney

Ms. Drucker opened the meeting by welcoming everyone.

Resolution Approving EDA Authorization of Bond Redemption and Refinance Related to EDA-Issued Incremental Taxable Variable Rate Bonds (Newport News Shipbuilding, Inc. Project), Series 2000A in the Original Aggregate Principal Amount of \$5,000,000

Ms. Drucker asked Mr. Consolvo, EDA Bond Counsel, to present the Resolution Approving EDA Authorization of Bond Redemption and Refinance Related to EDA-Issued Incremental Taxable Variable Rate Bonds (Newport News Shipbuilding, Inc. Project), Series 2000A in the Original Aggregate Principal Amount of \$5,000,000. Mr. Consolvo deferred to Mrs. Kingston to provide a brief synopsis of the proposed bond transaction. Mrs. Kingston advised that the transaction related to a bond issued in 2000 for the benefit of Newport News Shipbuilding and Dry Dock Company for construction of the Downtown Engineering Center building and that the City had been paying the debt service on the bond. She explained that the purpose of this transaction was to establish a fixed interest rate.

Mr. Consolvo reported that the bond was a taxable bond, which was why a public hearing was not required, and that it would be converted to a private placement with Wells Fargo. He noted that the proposed bond redemption and refinance would eliminate the ongoing costs of the lower floater variable interest rate and the letter of credit. He advised that the current principal amount of the bond was \$2,640,000 and that the new fixed interest rate would be locked in the following week. Mr. Consolvo briefly reviewed the specifics of the resolution. He also advised that a new letter from the City Manager stating that debt service requirements for the loan would be included in future City budgets was also a component of the transaction.

Mr. Consolvo asked if there were any questions regarding the transaction. Mrs. Kingston noted that PFM, the City's financial advisor, works closely with the City and the EDA to monitor bond rates. Mr. Bourey reiterated that the City had recently had great success on refinancing resulting in significant savings to the City.

Ms. Drucker asked for a motion to approve Resolution 16-1, authorizing EDA issuance of its revenue note to refinance bonds issued for the benefit of Newport News Shipbuilding and Dry Dock Company. Mr. Herbert so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Quarterly Hampton Roads Economic Development Alliance Report

Ms. Drucker asked for the Quarterly Hampton Roads Economic Development Alliance (HREDA) Report. The City Manager introduced Rick Weddle, the new President and CEO of HREDA. He said that he had known Mr. Weddle many years and was confident his leadership would be of great value to Newport News and the region, noting his significant economic development experience and ability to build strong relationships.

Mr. Weddle thanked the Board for the opportunity to speak on behalf of HREDA and stated that he is excited about teaming with Newport News and the EDA. He stated he had been very busy during his first three weeks with the process of "on-boarding," which consisted of 1) learning the organization, 2) learning the community/region, and 3) building relationships. He stated that establishing effective working relationships would be the pivotal element for the success of HREDA going forward.

Mr. Weddle noted that he viewed his job as championing a prosperous and diverse economy through marketing and merchandising the region's assets and attributes and promoting the region as the primary location of choice for new business investment and expansion in the Mid-Atlantic. He assured the Board that while he gets up to speed and strategically assesses the organization, HREDA staff would continue to be diligent with their regular activities such as marketing and generating prospect opportunities.

Secretary/Treasurer's Report

Ms. Drucker asked for the Secretary/Treasurer's report. Mrs. Kingston said congratulations were in order for Jennifer Smith-Brown on the birth of her son, Grant Carter Brown, born on April 6th.

Mrs. Kingston reminded the Board that on Tuesday, May 10th, at 2:00 p.m., the Ribbon-Cutting and Grand Opening festivities for Jim's Local Market would take place. She noted that there would be shuttles available from City Hall. She advised that Jim Scanlon and Development staff had planned the event which promised to be special and memorable for the Southeast Community and the City at large.

Mrs. Kingston reported that there were a number of special events scheduled in May at City Center. She stated that the Farmers Market would open every Thursday starting May 12th from 10:00 a.m. to 2:00 p.m., and would run throughout the summer and into the fall. She noted that on Saturday, May 21st, the Virginia Arts Festival would present the 2nd Annual

World Arts Celebration, with a day of free family fun and music from around the world, international food, an artisan village and hands-on cultural craft activities from 4:00 p.m. to 9:00 p.m. with free parking and admission. Finally, she told the Board that on May 30th, the Virginia Arts Festival would present the 4th Annual Memorial Day Concert at City Center from 7:30 p.m. to 9:00 p.m., featuring the U.S. Air Force Heritage of America Band.

Mrs. Kingston stated that the Business Appreciation Luncheon would take place on June 7th at the Newport News Marriott at City Center at 11:30 a.m., with food service at 11:45 a.m. She noted that the Business Appreciation Golf Tournament would be held at the Newport News Golf Club at Deer Run on Tuesday, June 21st, with registration at 8:00 a.m., and play beginning at 9:00 a.m. She noted that these Business Appreciation events were our premiere events, serving as an opportunity to thank and celebrate the efforts of our local businesses.

Mrs. Kingston stated she was pleased to announce the launching of the Annual Report microsite. She explained that it was more dynamic than a regular website because the microsite was a "live" version of the 2015 EDA/IDA Annual Report, with vibrant photos, motion and interactive links. An insert promoting the microsite was featured in this week's edition of Inside Business. She told the Board that Robin Boyd would email Board Members a link to the site following the meeting.

Mrs. Kingston informed the Board that the Monthly Financial Statements were in their packages. Mrs. Kingston 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 HREDA held a Board meeting on May 4th, and that the officers would have a strategic retreat on May 14th. He also reported that he and the Mayor had met with the Virginia Port Authority on May 5th to help focus on expansion possibilities in Newport News.

Mr. Bourey noted that the City Council, Development staff and the EDA played key roles in support of the Jim's Local Market grocery store, and he was sure it would be a model for other communities with food deserts. He stated that the City Budget would be considered for adoption on Tuesday, May 10th. Mr. Bourey informed the Board that Jamaal O'Neal, the Daily Press business reporter who often attended EDA meetings, would be leaving the area for a new opportunity in Richmond and he wished him well. He informed the Board that the

Newport News NOW electronic newsletter had received a great deal of positive feedback, with over 70,000 emails sent daily and 135 new subscriptions in the last week.

Ms. Drucker asked if there were any questions. There were none.

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 both houses of Congress would return to work May 9th and 10th. He noted that with upcoming elections, the appropriations for both the House and Senate would face uncertainty. He said that the appropriations that would be voted on by October 1st would likely have a Continuing Resolution (CR) for six months that would delay any new projects until July 1, 2017.

Mr. Hirsch stated that the FY 2017 National Defense Authorization Act (NDAA) was approved on April 28th by the House Armed Services Committee that authorized \$610.5 billion in defense spending. He noted that the bill would be considered by the full House the week of May 16th and the Senate Armed Services Full Committee would mark up their version of the Defense Authorization legislation on May 11th. Mr. Hirsch said that the Senate Armed Services Committee held a hearing to further consider President Obama's nomination of Eric Fanning to be the new Secretary of the Army.

Mr. Hirsch advised that Colonel William Galbraith would be leaving Joint Base Langley Eustis (JBLE) in late June, with the change of command ceremony on June 28th. He said that the Senate Armed Services Committee hearing to further consider JBLE had been successful because of the efforts of Colonel Galbraith and that he had been instrumental in the consolidation of two bases, one Air Force and one Army, into one. He told the Board that the 128th Aviation Brigade, a major tenant on JBLE-Eustis, was supporting and justifying the \$32.5 million Aviation Maintenance Training that includes the helicopter mission. He said that in addition, the Barracks upgrade program would come to fruition shortly when the military take beneficial occupancy of the 250,000-square-foot self-contained facility which included 250 rooms, squadron space referrals, and other general use space. He cited that Flight Concepts, another major tenant on JBLE-Eustis, was planning a major capital

improvement plan constructing an aviation complex that would begin in FY 18, for 4 years totaling \$150 million.

Mr. Hirsch answered several questions and Ms. Drucker thanked him for his report.

At 8:56 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 proposed property dispositions located in the central and southern sections of the City and proposed property acquisitions located in the northern and southern sections 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, an unannounced expansion of an existing business located in the central section of the City and an unannounced expansion of an existing business located in the southern section of the City. Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

At 10:06 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. Herbert seconded the motion, which passed with 6 votes, Mr. Henderson 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 Minutes of the Regular Meeting of April 1, 2016

Ms. Drucker asked for a Motion that the Minutes of the Regular Meeting of April 1, 2016 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. There was none.

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 10:10 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: May 6, 2016

The Executive Committee met on April 25th. The Committee was briefed on an agreement reached amongst six localities to support and create a uniform funding formula for the START Peninsula initiative. The Committee authorized EDA execution of a START Peninsula Memorandum of Understanding with the localities of Hampton, York County, James City County, Williamsburg and Poquoson, together with a designated fiscal agent, with all necessary documentation subject to legal counsel review and approval.

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



Gary Minter

GM:clc

P:\IDA\DA15-16\Board Meetings\May 2016\Chair Reports\ExecutiveCommitteeChair'sReport05062016.docx

Date, Time and Location: April 25, 2016, at 12:30 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: May 6, 2016

The Revolving Loan Fund Committee met on April 27, 2016. Committee members were provided financial statements for the Newport News Capital Fund (NNCF) for the period ending March 31, 2016.

Staff presented three (3) Façade Improvement Grant (FIG) Program requests:

- The FIG request for \$30,000 from Second Street - Kiln Creek, LLC for paving and signage at 115 Arthur Way was recommended for approval with a unanimous vote.
- The FIG request for \$29,169.50 from Pandora Carter III, LLC for accessibility ADA Compliant Projects, exterior lighting, exterior painting, fencing, landscaping improvements, paving, signage and windows/doors at 353 Beechmont Drive was recommended for approval with a unanimous vote.
- The FIG request for \$30,000 from CG Investment Properties, LLC for canopy/awning, exterior finishes and materials, exterior lighting, roofing and signage at 3 Pennington Avenue was recommended for approval with a unanimous vote.

The committee recommended that staff review the FIG requirements to determine if there should be a maximum of one FIG allowed per property or if there should be a maximum grant allowable of \$30,000 per property.

This report requires Board ratification.



Cary Epes, Chair

CE: tlc

P:\IDA\DA15-16\Board Meetings\May 2016\Chair Reports\RevolvingLoanFundChair'sReport05062016.docx

Date, Time and Location: April 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

Members Absent: Jennifer Smith-Brown, John Lunsford