

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, July 1, 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:

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

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

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 advised that nine companies had visited Hampton Roads during the second quarter of this year including seven manufacturers, one distributor and one customer support operation. She informed the Board that the Alliance conducted 13 marketing activities during the quarter, two of which were international trips to Spain and the United Kingdom. In addition, she reported that in the last quarter HREDA held 140 face-to-face meetings with corporate decision-makers and 14 meetings with site selection consultants. She said they also hosted the Alliance's European consultants, Vicente Alvarez, Senior Consultant for Germany and Spain, and Charles MacDowell, Senior Consultant for the United Kingdom, who were in Hampton Roads for a week meeting with economic development directors and other key individuals, and touring the region to become more familiar with its assets.

Ms. Parkhurst stated that under the guidance of HREDA's new leadership, Alliance staff would be intensely focused this summer in reviewing and analyzing the Alliance's activities and processes. She stated they would also be meeting with all Hampton Roads economic development partners to strategize and develop a comprehensive five-year plan. She said that Shannon Kendrick had been hired as Marketing Promotions Manager.

Ms. Parkhurst asked if there were any questions and there were none. Ms. Drucker thanked Ms. Parkhurst for her report.

Quarterly Business Retention Report

Ms. Drucker asked for the Quarterly Business Retention Report. Mr. Johnson reported that the highlights of the second quarter were the annual Business Appreciation events. He noted that the Business Appreciation Luncheon on June 7th drew 230 attendees and staff received significant positive feedback. He thanked Chair Drucker, City Manager Bourey, Mayor Price, and Mrs. Kingston for their leadership and remarks during the luncheon. He also noted that on June 21st, the Business Appreciation golf event was attended by 140 golfers at Deer Run. He commented that the day was enjoyable with great weather, golf and business networking. He gave special thanks to Jones, Blechman, Woltz, and Kelly for sponsoring the post-event reception.

Mr. Johnson stated that Development staff continued to partner with the Virginia Peninsula Chamber of Commerce in efforts to create a young professional's group, branded as "Bridge", with the goal of fostering a group that connects with the community and allows young professions to connect with local leadership. He said that last quarter's meetings consisted of a General Assembly Legislative Session roundup, a young professionals forum, and an educational forum. He invited any Board Members who would like to attend and participate in Bridge to do so each 4th Thursday of the month at the Virginia Peninsula Chamber of Commerce.

Mr. Johnson reported that staff continued to work with other Peninsula localities to plan for the START 2016 entrepreneurial event to take place in Hampton at Thomas Nelson Community College on November 4th – 6th. He advised that Tricia Wilson and he would be attending the 2nd Annual Competitive Enterprise Institute (CEI) Small Business Resource Day, sponsored by the Old Dominion University Center for Enterprise Innovation on July 13th at the Ted Constant Convocation Center. He said that CEI works to enhance business development in the Hampton Roads region through services that help existing and start-up companies become strong contributors to the economy. He stated that this year's theme would be "Economic Growth and Resiliency" and that Development would host a table and provide information to attendees about the business assistance and support services that are offered by the City of Newport News.

Mr. Johnson asked if there were any questions and there were none. Ms. Drucker thanked Mr. Johnson for his report.

Secretary/Treasurer's Report

Ms. Drucker asked for the Secretary/Treasurer's report. Mrs. Kingston introduced Kalila Walker as the Department's newest Senior Project Coordinator. She stated that Ms. Walker had previously worked with the City of Suffolk and had nearly eight years of municipal government experience and seven years in the private sector, with a heavy real estate emphasis in both. She said that Ms. Walker obtained a Masters Degree in Public Administration in 2007 from Old Dominion University, and a Bachelors Degree in Political Science from Hampton University. She noted that the selection team had been immensely impressed with Ms. Walker and that she came with excellent recommendations.

Mrs. Kingston also introduced Ben Lambert, who is a rising sophomore at The College of William and Mary and is working as a volunteer summer intern. She noted that Ben's resume was very impressive, including service as Captain of the Warwick High School Debate and Forensics Team for 2013-2015, service as a member of the Mayor's Youth Commission, and student seat on the School Board during the 2013-2014 term.

Mrs. Kingston thanked the Board for their participation at the June 27th press briefing for the announcement of Newport News Shipbuilding's expansion of its subsidiary, Newport News Industrial. She noted that Pete Diakun, the Shipyard's Vice President for Energy Programs, announced that Newport News Industrial (NNI) would add an additional 52,000 square feet to its headquarters on Enterprise Drive in Oakland Industrial Park. She said that the expansion would support the company's heavy steel fabrication in the commercial nuclear power industry and would create approximately 125 new skilled trades jobs, as well as additional parking to support the larger workforce scheduled for completion in Fall 2017.

Mrs. Kingston advised that the City's Parks, Recreation & Tourism Department would present the "4th of July Stars in the Sky" event at Victory Landing Park, located at the end of 23rd Street at the James River. She said that the event would begin at 7:00 p.m. with free children's rides and strolling entertainment, food vendors, and music, leading up to fireworks over the James River at 9:30 p.m.

Mrs. Kingston stated that the 2nd annual World Arts Celebration, previously scheduled to take place in May, had been rescheduled for July 16th from 4:00-9:00 p.m. She noted that the event would be presented by the City of Newport News, Newport News Sister Cities, and the Virginia Arts Festival, and that guests would experience an afternoon and evening of family fun with music from around the world, international food, an artisan village and hands-on cultural craft activities, with free admission and parking.

Mrs. Kingston reported that she was enrolled in the 2016 class of "Lead Virginia," a special program designed for Virginians in leadership roles. She said that Lead Virginia was a forum for networking, collaborating and exchanging resources throughout the state, for sharing knowledge and gaining deeper insights into complex statewide issues, and for generating visionary solutions to statewide challenges. She told the Board that the program educated participants about regional differences and statewide needs through the shared experience of seven intense, monthly sessions of 3 days each, held across the state. She explained that each session immersed participants into that specific locale's and region's assets and challenges. She noted that the first session in April was held in Williamsburg, with subsequent sessions in Martinsville/Danville and Roanoke/Blacksburg, and that the

next session in late July would be held in McLean for the Northern Virginia session. She stated that she had been amazed and impressed with the vast resources of our Commonwealth – natural, built, and human – and felt honored to have the opportunity to participate in this impressive and informative program.

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 offered the City Manager an opportunity to comment. Mr. Bourey stated that the City of Newport News had been awarded a \$500,000 Community Neighborhood Initiatives Grant from HUD that would be used for revitalization planning in the Southeast Community. Mrs. Kingston reminded the Board that the EDA had committed to conduct a market study as part of the planning grant. Mr. Bourey noted that the most recent City Council meeting resulted in many actions taken to move various exciting projects forward, including approval of the Master Plan for the first office building for Tech Center, the Conditional Use Permit approval for the new Transportation Center which had been awarded nearly \$40 million in state and federal funds, and a Resolution in support of Defense Production Zone incentives for a major advanced shipbuilding expansion project by Huntington Ingalls Incorporated/Newport News Shipbuilding.

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 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 8:21 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 northern and central sections of the City and proposed property acquisitions 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. Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

At 9:18 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 unanimously on a roll call vote.

Actions Coming out of Closed Session

Ms. Drucker asked for a Motion to authorize the acquisition of 13785 Warwick Boulevard, 360 Tabbs Lane, 13795 Warwick Boulevard, 13795 B Warwick Boulevard, 13781 Warwick Boulevard and 13783 B Warwick Boulevard, totaling 10.95 acres, at a collective negotiated purchase price of \$4,800,000, from record owner Sherwood NN, LLC, with all relevant documentation subject to EDA Legal Counsel review and approval. Mr. Epes so moved and Mr. Minter seconded the motion which passed unanimously on a roll call vote.

Ms. Drucker asked for a Motion to authorize the acquisition of 13771 Warwick Boulevard, a 9.42-acre site, at a negotiated purchase price of \$3,000,000, from record owner Sherwood Associates, LLC, with all relevant documentation subject to EDA Legal Counsel review and approval. Mr. Epes so moved and Mr. Minter seconded the motion which passed unanimously on a roll call vote.

EDA Actions in Connection with the Potential Sale/Acquisition of Certain Privately-Owned Assets in City Center at Oyster Point

Mrs. Kingston explained that as City Center developed, the EDA and the developer had entered into several individual parking agreements. She said that the purpose of the City Center at Oyster Point Master Parking Agreement was to consolidate all agreements into one. She stated that this would allow the Master Parking Agreement to control instances where the various documents differed and meet the needs of a prospective purchaser of

City Center assets. She further explained that the Master Parking Agreement had two main goals – to structure the agreement so that from a parking perspective, City Center would stay competitive with similar developments in surrounding areas, and to ensure that there was sufficient ongoing investment into the existing parking garages so that they could be maintained at the level expected of garages that serve first-class office buildings and retail locations. She said that free parking would remain in place for at least 15 years, until August 1, 2031, and after that time, the EDA and the owner(s) may consider implementation of a parking fee. She explained that a limited number of reserved parking spaces in the garages would continue to be available to CCOP tenants and other occupants at a rate of \$80 per month, through August 1, 2031, and after that time, and at the EDA's discretion, an escalation of no more than \$5 per 5-year period may go into effect.

Mrs. Kingston told the Board that beginning August 1, 2016, a Parking Operating Assessment of \$0.20 per building square foot would go into effect to facilitate the funding source necessary to maintain the garages in a quality condition. She stated that the Parking Operating Assessment would be invoiced to the following entities: City Center at Oyster Point I, LLC, Fountain Plaza One, LLC, Fountain Plaza II, LLC, Fountain Plaza Connector, LLC, Merchants Walk One, LLC, City Center at Oyster Point II, LLC, One City Center, LLC, City Center Retail, LLC, Mariners Row, LLC, Merchants Walk Two, LLC, Two City Center, LLC, CCOP Town Center One, LLC, Newport News Town Center, LLC, and Newport News Town Center II, LLC.

Mrs. Kingston advised that the Parking Operating Assessment may escalate in 5-year intervals, by a maximum of 5% per escalation and that the EDA would continue to have maintenance responsibilities for the parking garage structures. She noted that the Board would be asked to take action on a resolution related to the Master Parking Agreement to accomplish three things: approve the Master Parking Agreement; approve assignment of the existing parking license agreements; and approve the assignment of the Master Parking Agreement to the prospective buyer at closing.

Mrs. Kingston said that the second item that would be voted on would be for the EDA to formally waive any right of first refusal or repurchase right for the assets involved in the purchase. She told the Board that the current Declaration of Protective Covenants and Conditions for Oyster Point Urban Core only provided for the EDA to have repurchase rights for parcels that were undeveloped, and the properties proposed for sale were not undeveloped. She explained that in an abundance of caution, the EDA was being asked to confirm that it has no rights to repurchase as to the applicable properties, but that this action does not remove any rights the EDA has under the Development Agreement which

continues with NNTC IV. She advised that the Board would be asked to take action on a resolution that confirms the expiration of any repurchase rights under the terms of the covenants associated with the properties, and formally waives the EDA's right of first refusal or purchase for the parcels involved in the sale.

Ms. Drucker asked for a motion to approve Resolution No. 16-3, as presented approving the City Center at Oyster Point Master Parking Agreement and Associated Assignments. Mr. Herbert so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Ms. Drucker asked for a Motion to approve Resolution No. 16-4, as presented, Releasing and Waiving Purchase Rights at City Center at Oyster Point. Mr. Herbert so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Committee Chair's Reports

Ms. Drucker called for the Committee Reports. Mr. Herbert presented the Design Review Committee Report, which was ratified by the Board and passed unanimously on a roll call vote. Mr. Minter 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. 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 June 3, 2016

Ms. Drucker asked for a Motion that the Minutes of the Regular Meeting of June 3, 2016 be approved. Mr. Herbert so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

Ms. Drucker asked for any unfinished business. Mr. Henderson reported that the Sister Cities would again host its annual fundraiser breakfast on July 22nd at 8:00 a.m. in the David Student Union Ballroom at Christopher Newport University. He told the Board to anticipate an email invitation with details and thanked them for their past and future support of Sister Cities.

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 9:38 a.m.



Florence G. Kingston
Secretary/Treasurer



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

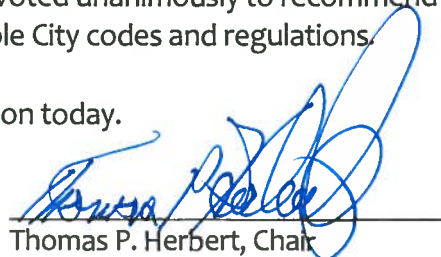
TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: July 1, 2016

The Design Review Committee met on June 16th. The Committee considered a request by Cushman & Wakefield | Thalhimer, on behalf of Pilot House Associates, for approval of a proposed internally-illuminated, freestanding sign at 740 Thimble Shoals Boulevard in Oyster Point of Newport News. Upon review, the request passed with five votes in favor and Ms. Nettles abstaining, subject to all applicable City codes and regulations.

The next item considered was a request by ATKINS, on behalf of Baylor Holdings, Inc., contract purchaser of the property, for approval of a site plan, landscape plan, scaled building elevations and digital renderings, for a proposed medical office building at 11760 Rock Landing Drive 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 Committee was presented with a request by High Liner Foods for approval of a site plan and engineered drawings for installation of a proposed compressor, concrete pad and related awning structure at 190 Enterprise Drive 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 items in this report require Board ratification today.



Thomas P. Herbert, Chair

TPH:mej

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Date, Time and Location: June 16, 2016, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Tom Herbert, Jennifer Smith-Brown, Robb Mann, Teresa Nettles, Sylvia Weinstein, Elizabeth Willis


Members Absent: Cary B. Epes, Alonzo Bell, Jr., Alex Delgado, Bryan Trainum

ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: July 1, 2016

The Executive Committee met on June 20th. The Committee was advised of an inquiry arising from the Revolving Loan Committee related to whether or not certain criteria of the EDA's Façade Improvement Grant (FIG) program warranted revision, and staff's subsequent evaluation and recommendation that the program criteria remain unchanged. Committee members were supportive of retaining the existing FIG program as is.

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



Gary Minter

GM:clc

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Date, Time and Location: June 20, 2016, at 9:00 a.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, Marketing Committee
SUBJECT: Chair's Report
DATE: July 1, 2016

The Marketing Committee met on June 30th. Committee members welcomed special guest, City Manager Jim Bourey, who discussed goals for the City's strategic communication and "Magnificent 7" initiatives. The discussion was followed by questions and dialogue on how the Committee could help support the implementation of those goals. Members were highly receptive and enthusiastic about the ideas presented.

Staff also briefed the Committee about upcoming seasonal events happening around the City.

This report does not require Board ratification.



Cassandra Greene, Chair

CG:rnb

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Date, Time and Location: June 30, 2016 at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

Members Present: Cassandra Greene, Gary Minter, Wendy Drucker, Mary Aldrich, Don Blankenship, Gary Hunter

Members Absent: Faye Gargiulo

ECONOMIC DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, Revolving Loan Fund Committee

SUBJECT: Chair's Report

DATE: July 1, 2016

The Revolving Loan Fund Committee met on June 27th. Staff presented four Façade Improvement Grant (FIG) Program requests:

- FIG request for \$17,902.50 from BJS Properties for accessibility/ADA compliant projects, paving and roofing at 704 City Center Boulevard;
- FIG request for \$28,952.50 from Evangelos Theodorogiannis for canopy/awning, exterior finishes, exterior lighting, exterior painting including prep and paving at 755 J Clyde Morris Boulevard;
- FIG request for \$6,783.50 from Canavos Holdings, LLC for paving and signage at 11717 Jefferson Avenue ; and
- FIG request for \$25,710 from Pilot House Associates for fencing, paving and signage at 740 Thimble Shoals Boulevard.

These FIG requests were each unanimously approved, and require Board ratification.

Following the inquiry raised at the April RLF Committee meeting, staff reported that the matter had been discussed and evaluated internally on a staff level, and subsequently discussed at Executive Committee as a policy matter at its June 20th meeting. Executive Committee supported retaining FIG program criteria unchanged. Following general discussion, Mr. Epes and Mr. Henderson noted that they did not concur with the Executive Committee's determination.



Cary Epes, Chair

CE:tlc

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

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

Members Absent: None