

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, July 7, 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 Smith-Brown  
Cynthia D. Rohlf, City Manager, ex-officio  
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Jeffrey Verhoef, Excused

Legal Counsel:

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

Staff:

Joy Robison, Recording Secretary  
Cherry Croushore, Assistant Secretary

Also present:

David L. Richardson, Partner, McGuireWoods LLP, Bond Counsel  
Bill Austin, Chief Financial Officer, Riverside Health System  
Keith Percic, Vice President-Finance, Riverside Health System  
Diane Washington, Finance Analyst, Riverside Health System  
Natalie Groeger, Marketing Director, Riverside Health System  
Eric Miller, Executive Vice President, Hampton Roads Economic Development Alliance

Also present (continued):

Matthew James, President & CEO, Peninsula Council for Workforce Development  
Lisa Zahralddin, Assistant Vice President, Peninsula Council for Workforce Development  
Rebecca Rothenberg, Partner, Atria Planning LLC  
Karen Wilds, Executive Director, Newport News Redevelopment and Housing Authority  
Sheila McAllister, Director of Planning  
Britta Ayers, Manager of Comprehensive Planning  
Claudia Cotton, Manager of Current Planning  
Collins Owens, City Attorney  
Robert Pealo, Senior Assistant City Attorney  
Jerri Wilson, Legislative Analyst, City Manager's Office

Mr. Minter opened the meeting by welcoming everyone.

Request by Riverside Healthcare Association, Inc. and Related Entities (Riverside) for IDA Issuance of its Revenue Bonds in an Amount Not to Exceed \$50,000,000 for the Benefit of Riverside and Recommending City Council Approval of the IDA Bond Issue – Mr. Bruno, McGuireWoods LLP, Riverside Bond Counsel and Mr. Consolvo, Kaufman & Canoles, P.C., IDA Bond Counsel

Mr. Minter stated that a Public Hearing was being held for the purpose of receiving comments on a proposed Bond Issuance by the Industrial Development Authority of the City of Newport News, Virginia, for the benefit of Riverside Healthcare Association, Inc. and Related Entities to finance the construction, renovation, expansion and equipping of existing facilities located in the City of Newport News, Essex County and the County of Gloucester. He advised that notices advertising the Public Hearing appeared in the *Daily Press* on Friday, June 23, 2017 and Friday, June 30, 2017. He then opened the Public Hearing and invited comments.

Mrs. Kingston reminded the Board that they had worked with Riverside on past bond issues for the purpose of funding improvements and expansions to its facilities. She stated that the Bond Issuance had to be approved in the two counties and would go to Newport News City Council for jurisdictional approval in August.

Mrs. Kingston introduced Mr. Richardson of McGuireWoods LLP, Bond Counsel for Riverside. Mr. Richardson stated Riverside was requesting issuance of up to \$50,000,000 for a series of projects at four locations including Riverside Regional Medical Center and the

Gardens at Warwick Forest in Newport News, Riverside Walter Reed Hospital in Gloucester, and the Riverside Tappahannock Hospital in Essex County. He noted that Riverside planned to spend significantly more than \$50,000,000 for these projects, using reserves or operating revenues. He stated that the goal was to have approvals of all the localities by August 15<sup>th</sup>.

Mr. Minter asked if there were any comments from the public. There were none.

Mr. Minter asked for a motion to close the Public Hearing regarding the IDA Bond Issuance for Riverside Healthcare Association, Inc. and Related Entities. 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 approve IDA Resolution 17-1, as presented. Mr. Bell so moved and Ms. Greene seconded the motion, which passed on a majority vote of five Members, Mr. Minter having abstained.

Mr. Minter thanked Mr. Richardson.

#### Quarterly Hampton Roads Economic Development Alliance Report

Mr. Minter asked for the Quarterly Hampton Roads Economic Development Alliance (HREDA) Report. Mr. Miller greeted the Board and stated that HREDA had opened two new project files in June, bringing the total of projects opened for the year to 18. He stated that, by comparison, 2016 had a total of 38 projects opened. Mr. Miller advised that the Alliance had a spike in activity during the last couple of months, with a total of 21 prospect visits so far this year. He noted the total number of prospect visits in 2016 was 25. Mr. Miller reported that HREDA held three marketing activities in the month of June, and 19 year-to-date. He stated that HREDA was approaching these activities aggressively in order to increase interest and elevate the profile of the Region for international and domestic investment opportunities. He advised that in 2017, \$17.8 million in capital investment and 665 jobs had been announced.

Mr. Miller answered questions from the Board and Mr. Minter thanked him for his report.

#### Quarterly Workforce Development Report

Mr. Minter asked for the Quarterly Workforce Development Report. Mr. James greeted the Board and stated that he was pleased that both Mr. Miller of HREDA and the Peninsula

Council for Workforce Development (PCFWD) Chair, John Olson, had been appointed our Regional Council for GO Virginia along with Mayor Price, which he said would be an integral part of the State's leveraging of economic development efforts.

Mr. James told the Board that he and his colleague, Lisa Zahraiddin, have been meeting with companies, partners and secondary education personnel to determine PCFWD's value proposition and role in joint youth initiatives. He stated that employers have been conveying that high school is too late to begin training and educating youth about opportunities in the workforce, and therefore, plans are in process next year to begin a middle school workforce summer camp. Mr. James advised that the Workforce Council has also been working with State and City officials to determine how it can complement its workforce initiatives for programs such as GO Virginia and STEP. He noted that PCFWD had been aggressively pursuing grant funds with emphasis on youth workforce initiatives, including one for the Brooks Crossing project, and that they recently learned of two grant approvals, one from Bank of America and one from Wells Fargo. Mr. James stated that PCFWD's annual meeting would be held in September and that the Board would be receiving invitations and information soon.

Mr. Minter thanked Mr. James for his report.

#### Quarterly Business Retention Report

Mr. Minter asked for the Quarterly Business Retention Report. Mr. Johnson stated that for the second quarter of 2017, Business Appreciation events hosted 230 attendees for the luncheon held on May 23<sup>rd</sup> at the Newport News Marriott, and a full field on June 6<sup>th</sup> with the golf event at Deer Run. Mr. Johnson thanked Board Members for their continued support of these events and gave a special thank you to Jones, Blechman, Woltz & Kelly for sponsoring the golf outing's reception.

Mr. Johnson advised that the quarter also saw the continuation of the partnering effort with the Virginia Peninsula Chamber of Commerce's Peninsula's Young Professionals Group, known as "Bridge." He stated that a recent business leader Roundtable session included Florence Kingston, Leonard Sledge, the City of Hampton's Director of Development, Dan Chenoweth of PB Mares and State Senator Monty Mason. He reported the topics covered included building a community identity, regional collaboration and cross-generational management.

Mr. Johnson reminded the Board that the annual START Peninsula event, now in its 6<sup>th</sup> year, would be held on November 3<sup>rd</sup> through 5<sup>th</sup> at the Williamsburg Stryker Center. He commented that the START Core Planning Team included staff from all Peninsula localities, as well as the Virginia Peninsula Chamber of Commerce and regional business incubator directors. He noted the event offers awards and other business development benefits and opportunities to participants. He said that as a lead-in to this year's event, a Success Builder Session entitled "Pitch Perfect" would be held on Monday, July 17<sup>th</sup> from 6:00 p.m. to 8:00 p.m. at the Midtown Community Center.

Mr. Johnson informed the Board that the business visitation program continued for the quarter, and he made contact with 25 businesses, providing a variety of services to both new and existing businesses. He stated that he also continued to work with the City's internal team providing information for the *Newport News Business Now* feature each Friday, resulting in 47 articles to date that highlight businesses throughout the City of Newport News.

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

#### Choice Neighborhood Initiative Market and Feasibility Study

Mr. Minter asked for the Choice Neighborhood Initiative (CNI) Market and Feasibility Study presentation. Ms. Rothenberg of Atria Planning said her firm had been working for six months on the market analysis commissioned by the EDA in support of the City's efforts on the CNI planning grant. She stated that all findings would be issued in a full report forthcoming in August, and that the purpose of the market study was to guide planned development and frame market potential of the plan area based on financial and market realities. She explained that the market study was one of the main factors that HUD would use to determine the project's feasibility before committing implementation funding.

Ms. Rothenberg said that the analysis incorporated extensive quantitative research including data analysis and demand modeling, as well as qualitative research such as interviews, surveys and site visits. In summarizing the market study's findings she stated that the neighborhood was distressed with high poverty and unemployment, but that the majority of residents had high school diplomas. She explained that the composition of the neighborhood included low income and some moderate income households, more children and young people than older adults, a large renter community and a substantial number of

moderate income homeowners, all of which indicated that there was potential for redevelopment and an ability to introduce more diversity.

She reported that although the community suffered from high unemployment, it was in close proximity to 30,000 living-wage jobs. She said that jobs and houses were mostly clustered, and that proximity to jobs presented a real opportunity for redevelopment, and the infusion of new housing stock would also have a positive effect. She said that the neighborhood had many assets that could attract new investment, particularly much-needed retail, vacant land, freeways, water and rail accessibility. She stated that the study's data indicated main obstacles to redevelopment were crime and the perception of crime, the high concentration of subsidized affordable housing and the existence of a large stock of distressed housing.

Ms. Rothenberg told the Board that millennials would fuel future demand in this area. She said that priorities of millennials would be that renters would want proximity to their jobs, safety and value, and homeowners would want value, safety, walkability and a sense of community. She said these priorities provided an opportunity to reinvent the neighborhood to provide moderate income housing for new families. She noted that the Shipyard alone would produce 10,000 jobs over the next 10 years, simply as a result of attrition and retirements, and that, combined with the Shipyard's projected growth, it could contribute greatly to the community's renewal.

Ms. Rothenberg described the retail, office and industrial demand outcomes of the study, saying that the greatest retail demand was for neighborhood services such as pharmacies, personal care, beauty and nail salons, and restaurants. She stated that although there was currently not much demand for office space within the neighborhood, incubator space for consultants and startups at a discounted rate would be beneficial. She said that in regard to industrial space, a good fit with the traditional neighborhood aesthetic would be to combine neighborhood frontage with industrial activity, such as retail or flex space in the front and industrial activity in the back.

Mrs. Kingston stated that whether or not the City was awarded an implementation grant by HUD to follow the CNI planning grant, the market study was essential to putting together a complete strategy by including workforce job creation, marketing, demographics and all the elements of capacity building to implement long-term strategic redevelopment in the Southeast Community. Ms. Ayers explained that the City/NNRHA team would be applying for a follow-on implementation grant of \$30 million, working with the consultant that had been engaged to assist in the creation of the transformation plan and application. Ms. Wilds noted that success in being awarded implantation money would also depend on the

Administration's continuing to fund the Choice Neighborhoods program, which was uncertain at this time. Ms. McAllister stated that even if the City and its partners do not receive implementation grant funds, the transformation plan for the targeted area would continue and move forward to begin implementation.

Ms. Rothenberg answered a few questions and Mr. Minter thanked her for her presentation.

#### Funding Authorization for EDA Acquisition of 1300 Marshall Avenue

Mr. Minter asked for the Funding Authorization for EDA Acquisition of 1300 Marshall Avenue item. Mrs. Kingston reminded the Board that the EDA was the successful bidder at the June 14<sup>th</sup> auction of the former Chase Packaging site, and that City Council had appropriated the funds for the purchase. She said that the final purchase price was \$1,100,000, representing the successful bid of \$1,000,000 and the required 10% buyer's premium of \$100,000. She commented that staff had been in touch with State environmental personnel, who were pleased that the EDA now controlled title to the property and could discuss securing funding through the Brownfields program to continue cleanup and remediation of the site. She added that through the acquisition, the City's delinquent taxes and the lien for debris removal were paid from the Seller's proceeds. She reminded the Board that the site very strategically fit into a larger, long-term plan for redevelopment of the Southeast Community and gave the EDA and City significant control in guiding development for the highest and best use of the property. She stated she was seeking a motion to authorize the purchase and the funding.

Mr. Minter asked for a motion for the EDA to authorize that certain Foreclosure Sale Agreement by and between the EDA and James D. Kepley, Jr., Substitute Trustee, for the purchase of the former Chase Packaging site located at 1300 Marshall Avenue, subject to all necessary documentation being reviewed and approved by EDA Legal Counsel, and funding in the amount of \$1,100,000 representing the successful bid amount of \$1,000,000 and required 10% bidder's premium of \$100,000. Ms. Greene so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

#### Secretary/Treasurer's Report

Mr. Minter asked for the Secretary/Treasurer's Report. Mrs. Kingston welcomed the Development Department's 2<sup>nd</sup> summer intern, Charlotte Macdowell, a rising fourth-year student at the University of Leeds in the United Kingdom. She advised that Ms. Macdowell who would receive a Bachelor of Science degree in International Business in 2018. Mrs. Kingston said that as part of her studies, Ms. Macdowell had participated in a Global Sales

Development Internship program at Intel Corporation in Munich, Germany where her responsibilities included data analytics, customer service marketing activities, managing a marketing budget and event management. She commented that Ms. Macdowell had also done volunteer work in India, and that she was delighted that she would be with the Department for 8 weeks before returning to England.

Mrs. Kingston said she was pleased to report that Pointe Hope, the City Center at Oyster Point ownership group, would sponsor a concert series at the Market Stage, with performances on five select Wednesday evenings over the next several months. She stated that the Training and Doctrine Command Band would be performing with a different musical version of the band playing each night.

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

Mrs. Kingston offered the City Manager an opportunity to comment. Ms. Rohlf said that she wanted to reiterate the importance of the former Chase Packaging site and how much she appreciated the role that the EDA played in securing the property. She said staff was diligently working on drafting a Southeast Community transformation plan which would provide the foundation of how to move forward, and that securing the former Chase property was one of those many small steps that increase the great potential for success.

Mr. Minter asked if there were any questions for Mrs. Kingston or Ms. Rohlf. There were none and Mr. Minter thanked them.

#### 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 9:01 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 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 9:14 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. Mr. Bell 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. Ms. Aldrich presented the Marketing Committee Report, which did not require Board ratification. Ms. Smith-Brown presented the Revolving Loan Fund Committee Report, which passed unanimously on a roll call vote.

#### Approval of Minutes of the Regular Meeting of June 2, 2017

Mr. Minter asked for a motion that the Minutes of the Regular Meeting of June 2, 2017 be approved. Mr. Bell so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

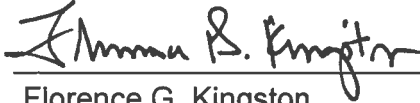
#### Unfinished Business

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 9:25 a.m.

  
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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 7, 2017

The Design Review Committee met on June 15<sup>th</sup>. The Committee considered a request by Awnings by Bigley & Hogshire on behalf of Tradition Brewing Company and Goodfarb Family Virginia Virby, for approval of a digital rendering and digitally-enhanced photograph of proposed awnings with copy at 700 Thimble Shoals Boulevard 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.

This Report requires Board ratification.



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Cary B. Epes

CBE:kpw

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Date, Time and Location: June 15, 2017, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary B. Epes, Mary C. Aldrich, Jeffrey C. Verhoef, Thomas Herbert, Robert Mann, Teresa Nettles, Bryan Trainum, Elizabeth Willis, Sylvia Weinstein

Members Absent: Alex Delgado



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Marketing Committee  
SUBJECT: Chair's Report  
DATE: July 7, 2017

The Marketing Committee met on June 15<sup>th</sup>. Howell Creative Group shared plans for incorporating Newport News Public Schools' information into the EDA website in order to create awareness, add balance and enrich the workforce and culture pages of the site. Members agreed with the plans, and suggested that additional healthcare information be included on the site. They also discussed the desire to partner with other City departments to demonstrate a collaborative atmosphere, and show how Newport News makes it easy to do business.

Staff offered an update on the planning for the annual START Peninsula event. A "Success Builders" session will be held at the Midtown Community Center on July 17<sup>th</sup>. The workshop is targeted to those who may be interested in learning how to pitch to potential investors.

A video clip of the "Untapped VA" show (featuring Tradition Brewing and Ironclad Distillery) was highlighted. Staff encouraged the Committee to watch the show, which can be found online at [cox11.com](http://cox11.com) or on television on Cox channel 11.

This report does not require Board ratification.

  
Mary Aldrich, Chair

MA:rnb

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Date, Time and Location: June 15, 2017 at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606  
Members Present: Mary Aldrich, Cassandra Greene, Gary Minter, Don Blankenship, Faye Gargiulo, Gary Hunter  
Members Absent: Wendy Drucker



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, Revolving Loan Fund Committee

SUBJECT: Chair's Report

DATE: July 7, 2017

The Revolving Loan Fund Committee met on June 28<sup>th</sup>. Staff presented three Façade Improvement Grant (FIG) Program requests:

- FIG request for \$30,000 from B&C Shoreside, LLC for exterior finishes and materials, roofing, windows/doors and window and cornice flashing at 205 Jefferson Avenue;
- FIG request for \$30,000 from JKLM Properties, LLC for exterior painting, including prep, fencing, windows/doors and window and cornice flashing at 801 Jefferson Avenue; and
- FIG request for \$28,112.26 from Princeton Investors, LLC for exterior painting, including prep, fencing, hardscape improvements, roofing, windows/doors and window and cornice flashing at 10360 Warwick Boulevard.

These FIG requests were unanimously approved.

Additionally, staff reported that Cinemark is purchasing the Paragon Theater at City Center and reminded the Committee that a portion of the theater and restaurant equipment serves as collateral for the Newport News Capital Fund Loan with CCOP Thimble Shoals One, LLC. To facilitate the acquisition by Cinemark, a collateral substitution is being requested so that our lien can be released on the equipment.

Following brief discussion, the Committee unanimously approved a motion to substitute collateral on the CCOP Thimble Shoals One, LLC loan from equipment and fixtures as noted in the Security Agreement and UCC filing, to an Assignment of Rents and Leases from CCOP Thimble Shoals One, LLC as Landlord of the theater/restaurant(s) located in the City Center at Oyster Point Entertainment District.

Staff noted that all other terms and conditions of the Promissory Note remain intact and that all substitution documentation would be subject to review and approval by IDA's Legal Counsel.

This report requires Board ratification.

  
Jennifer Smith-Brown

JSB:tfw

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Date, Time and Location: June 28, 2017, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jennifer Smith-Brown, Alonzo Bell, Jr., Susan Harris, Arthur Henderson and John Lunsford

Members Absent: Jeffrey Verhoef and George Knight