

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. Herbert called the meeting to order at 8:00 a.m. on Friday, July 10, 2015, in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

Thomas P. Herbert, Chair
Wendy C. Drucker, Vice Chair
Cary Epes
Arthur P. Henderson, Jr.
C. Gary Minter
Jennifer S. Smith
Cassandra P. Greene
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

James M. Bourey, City Manager, ex-officio

Legal Counsel:

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

Staff:

Cherry Croushore, Assistant Secretary
Janice Jones, Recording Secretary

Also present:

Stephen Johnson, Troutman Sanders LLP, Riverside Bond Counsel
Keith Percic, Vice President of Finance, Riverside Health System
Diane Washington, Finance Analyst, Riverside Health System
Steve Cook, Vice President, HREDA
Matthew Johnson, Senior Manager, PCFWD
Collins Owens, City Attorney
Robert Pealo, Assistant City Attorney

Mr. Herbert opened the meeting by welcoming everyone.

Resolution Approving Request by Riverside Healthcare Association, Inc. and Related Entities (Riverside) for IDA Final Authorization of the Issuance of its Revenue Bonds in an Amount Not to Exceed \$125,000,000 for the Benefit of Riverside

Mr. Herbert called on Mr. Johnson, Bond Counsel for Riverside, to comment on the proposed IDA approval of Resolution 15-3 authorizing IDA issuance of Tax-Exempt Industrial Development Revenue Bonds in an amount not to exceed \$125,000,000, the proceeds of which would be used to finance all or a portion of the projects (collectively, the "Projects for various Riverside Healthcare Facilities located in Newport News, Gloucester County and James City County").

Mr. Johnson explained that a public hearing had been held last month for the Riverside bond issue at the IDA's June Board Meeting. He reminded the Board that the bond issuance would be private placements with Deutsche Bank in the amount of \$100,000,000 and TowneBank in the amount of \$25,000,000. He noted that James City County's and Gloucester County's Boards of Supervisors, as well as Newport News City Council, had approved the Bond issuance and that the final step was to obtain the IDA Board approval for the final bond resolution.

Mr. Herbert asked for a motion approving IDA Resolution Number 15-3 as presented. Mr. Epes so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Quarterly Hampton Roads Economic Development Alliance Report

Mr. Herbert asked for the Quarterly Hampton Roads Economic Development Alliance (HREDA) Report. Mr. Cook informed the Board that HREDA was continuing to make progress on reorganizing. He stated that Greg Wingfield, former President and CEO of the Greater Richmond Partnership, had recently spoken at HREDA's Board Meeting and described best practices used in the Richmond organization. Mr. Cook reported that there had been a total of 20 prospect visits to the region within the last quarter, as well as a numerous marketing activities. He briefly discussed how the site selection process had evolved and how HREDA was adapting.

Mr. Herbert asked if there were any questions. There were no questions, and Mr. Herbert thanked him for his report.

Quarterly Workforce Development Report

Mr. Herbert asked for the Quarterly Workforce Development Report. Mr. Matt Johnson reported that on June 25th, Carol Meredith joined five other economic development professionals from York County, James City County, Hampton, Williamsburg and Poquoson to lead a discussion at the Peninsula Council for Workforce Development's (PCFWD) Board meeting. He said that the panel members discussed the relationship between economic development and workforce development and responded to questions from the moderator (Matthew James) and Board members. He advised that PCFWD had numerous well-attended events so far this year that included a Customer Service event in May that focused on the hospitality and tourism industries, an Education in Training Committee that worked with credentialing of soft skills on a national level, and the STEP Program.

Mr. Johnson advised that PCFWD would participate in various Summer Camps from July 16th through August 7th and Newport News school partnerships this summer to include "Nurses Know It All" on July 15th, "Girls Get IT" on July 31st, and the Summer Opportunity Fair on August 4th. He said that PCFWD anticipated over 7,000 registrations at its One Stop facility by the end of 2015, with 79 dislocated workers and 244 adult job seekers receiving Individual Training Accounts (ITAs). In addition, he noted that the Youth Career Café had over 4,000 visitors and the Workforce Investment Act programs would serve 83 in-school and 78 out-of-school youths.

Mr. Johnson was pleased to report that Matthew James, President of PCFWD, had been presented the Dana B. Hamel Award by Thomas Nelson Community College (TNCC). He explained that the award recognized individuals for their commitment to public service, fostering access to higher education, and promoting an understanding of the role of workforce development, which are essential parts of Thomas Nelson's mission.

Mr. Johnson answered several questions from the Board, and Mr. Herbert thanked him for his report.

Quarterly Business Retention Report

Mr. Herbert asked for the Quarterly Business Retention Report. Mr. Shakir Johnson provided a brief summary of business retention activities for the second quarter. He noted that despite the warm weather, the Business Appreciation Luncheon on Tuesday, June 23rd, had a great turnout with 220 in attendance. He noted that the event had been further accentuated by the exciting announcement that a full-service Bayport Credit Union branch would be located in the Jim's Local Market at the Brooks Crossing Development.

Mr. Johnson commented that the Business Appreciation Golf Outing on June 30th had also been a success, with a field of 134 golfers at Deer Run, and that everyone had enjoyed a beautiful day of golf and camaraderie. He expressed a special thanks to Jones, Blechman, Woltz, and Kelly for sponsoring the post-golf reception. He indicated he would begin calling on identified existing businesses to assess their needs in the upcoming quarter.

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

Ironclad Distillery, Inc.

Mr. Herbert asked Mrs. Kingston to present the Ironclad Distillery, Inc. agenda item. Mrs. Kingston reported that Stephen King, the proprietor of Paul Davis Restoration, had opened a bourbon distillery called Ironclad Distillery, Inc. (Ironclad) in his building in Downtown Newport News at 124 23rd Street. She stated that Ironclad would create approximately 8 new full-time equivalent positions and would generate approximately \$100,000 net new taxable investment in business equipment and leasehold improvements. She noted that Secretary of Agriculture, Todd Haymore, came to Newport News on July 1st to announce a \$12,000 grant from the Governor's Agricultural and Forestry Industries Development Fund (AFID) in recognition that 100% of Ironclad's corn, wheat and rye would be sourced from Virginia farms. She said that Ironclad would also apply for a \$40,000 loan through the Newport News Urban Development Action Grant Loan Program. Mrs. Kingston commented that the announcement event on July 1st at the site was well-attended and had received great

media coverage. She said that all were excited about the possibilities for new activity in the Downtown area. She told the Board that she would be seeking two motions related to Ironclad and explained the basis of the agreements to be authorized.

Mr. Herbert asked for a motion to authorize that certain Agriculture and Forestry Industries Performance Agreement by and between the EDA and Ironclad Distillery, Inc. (Ironclad), in connection with Ironclad's planned investment in and establishment of a distillery using Virginia-sourced agricultural products in the City of Newport News, subject to the prior review and approval of all documentation by EDA Legal Counsel. Mr. Henderson so moved and Ms. Drucker seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a motion to authorize that certain local Enterprise Zone Incentive Agreement by and between the EDA and Ironclad Distillery, Inc. (Ironclad), in connection with Ironclad's planned investment in and establishment of a distillery using Virginia-sourced agricultural products in the City of Newport News, subject to the review and approval of all documentation by EDA Legal Counsel. Mr. Epes so moved and Ms. Green seconded the motion, which was unanimously approved on a roll call vote.

Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston introduced Macon Whitson, a new Senior Project Coordinator in the Development Department. She noted that Macon had worked for the last 12 years as an attorney for James T. Baker in Norfolk and that he held a Juris Doctor from Regent University School of Law and a Master's Degree in Public Administration from Old Dominion University, and had worked extensively with local land use and development ordinances. She informed the Board that he also had worked extensively within the construction professional services disciplines with architects, engineers, and developers.

Mrs. Kingston advised that construction would soon begin on City Line Road in support of the Liebherr expansion project. She noted that we would embark on the next phase to support the plant expansion and benefit the broader Copeland Industrial Park, referred to as Phase III. She reminded the Board that Kimley-Horn

had prepared a Traffic Impact Analysis in support of this project, which recommended improvements to City Line Road, Aluminum Avenue, Chestnut Avenue, intersections at 48th Street and Roanoke Avenue, and related I-664 on-ramps and off-ramps. She said that based on these recommendations, Kimley-Horn had provided a proposal to design intersection improvements plans complementary to the ongoing Liebherr expansion project. She explained that the Board would be utilizing Kimley-Horn at the recommendation of City Engineering through their Annual Services Contract.

Mrs. Kingston said that she wanted to give the Board an early heads-up that she would be speaking at the August 20th HRACRE luncheon meeting at the Marriott about the Brooks Crossing project, where she would be joined by Jim Scanlon of Jim's Local Market. She encouraged the Board to attend.

Mrs. Kingston reported on upcoming events and activities in City Center. She advised Fridays at the Fountain would begin July 10th from 5pm-9pm with two great bands, and she encouraged everyone to come out and enjoy food, fun and music on Fridays in July. She stated that the Farmers Market had returned to City Center on Thursdays from 10am-2pm. She said that a new event would be happening this year around the fountain in collaboration with Onelife Fitness on Saturdays for their "bootcamp" style group fitness class, July 4th through August from 8:30 am - 9:30 am. Mrs. Kingston noted the Second Tour of Hampton Roads bicycle race on Saturday, July 18th, as well as the second Annual Brazilian Festival, sponsored by Tucanos Brazilian Grill, on Saturday, September 19th, including authentic Brazilian food, music, dance and a parade. Mrs. Kingston called attention to the Newport News Half-Marathon on Sunday, October 18th and the Oyster Roast at City Center on Friday, October 23rd from 5pm-10pm. She advised that Hollydazzle would cap off the year on Saturday, December 5th from 3pm-8pm and that more information would be provided as these events draw closer.

Mrs. Kingston informed the Board that the Monthly Financial Statements were in their packages. She noted a few highlights and offered to answer questions. There were no questions.

Mrs. Kingston said that the City Manager sent his regrets for being unable to attend the meeting.

Mr. Herbert asked for a motion to authorize acceptance of the Kimley-Horn and Associates' proposal for design of Phase III Copeland Industrial Park Intersection Improvements, and funding in an amount not to exceed \$64,000, which represented the proposal amount plus a small contingency, subject to all necessary documents being reviewed and approved by Legal Counsel. Mr. Minter so moved and Ms. Greene seconded the motion, which was unanimously approved on a roll call vote.

Assistant Secretary's Report

Mr. Herbert 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. She turned the floor over to Mr. Henderson, the IDA's representative to Sister Cities, to speak on behalf of the Sister Cities fundraising breakfast. Mr. Henderson advised that the Sister Cities Breakfast would be held on Friday, July 24th, with speaker Maurice Jones, Virginia Secretary of Commerce and Trade. He urged Board members to attend in support of Sister Cities and noted that the Breakfast was the organization's primary fundraising source.

Madison Government Affairs Consultant Report

Mr. Herbert advised the Board that the Madison Government Affairs Report had been provided and asked if there were any comments or questions. Mrs. Kingston commented that Fort Eustis would lose only 94 positions as a result of the recent Army cuts, and she credited the Citizen Advisory group and the Listening Sessions (in which members of the Board participated), with positively impacting the outcomes of these cutbacks.

At 8:48 a.m., Ms. Smith 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), Competition (6) for the following purposes and subjects: (3) Discussion or consideration of the acquisition of real property for a public purpose or of the disposition of publicly held real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, the subject of which is a proposed property disposition located in the northern section of the City; (5) Discussion concerning a prospective business or industry or the

expansion of an existing business or industry where no previous announcement has been made of the business or industry's interest in locating or expanding its facilities in the community, the subject of which is prospective businesses interested in locating in the central section of the City and an unannounced expansion of an existing business located in the northern section of the City; and (6) Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected, the subject of which is a grocery store in the southern section of the City. Mr. Minter 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 Ms. Smith in accordance to 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. Epes seconded the motion, which passed unanimously on a roll call vote.

Brooks Crossing Project Grocery Store Sitework

Mr. Herbert asked Mrs. Kingston to present the Brooks Crossing Project Grocery Store Sitework item. Mrs. Kingston briefly outlined the progress being made at the Brooks Crossing Project site in terms of the South Police Precinct, infrastructure and BMP. She advised that significant efforts continued to be expended toward making the grocery store component a reality and explained that in order to maintain the aggressive schedule for construction and opening the grocery store, action was needed today to authorize the grocery store sitework.

Mr. Herbert then asked for a Motion that the EDA authorize a Guaranteed Maximum Price (GMP) contract, in an amount not to exceed \$1,950,000, for Grocery Store Sitework necessary for the grocery store and related parking field, for the Brooks Crossing Project in the Southeast Community, subject to partial reimbursement and negotiated cost-sharing by the Developer, Southeast Commerce Center Associates, L.L.C. or related entity (Developer), towards costs of parking and parking

infrastructure to support Developer retail being built adjacent to the grocery store, and subject to all necessary documentation being reviewed and approved by EDA Legal Counsel. Mr. Minter so moved and Ms. Drucker seconded the motion, which passed unanimously on a roll call vote.

Committee Chair's Reports

Mr. Herbert called for the Committee reports. Mr. Epes presented the Design Review Committee Report, which was ratified by the Board and passed unanimously on a roll call vote. Mr. Herbert presented the Executive Committee Report, which was ratified by the Board and passed unanimously on a roll call vote. Mr. Minter presented the Marketing Committee Report, which did not require Board ratification. Ms. Smith presented the South Newport News Committee Report, which did not require Board ratification.

Approval of Minutes of the Regular Meeting of June 5, 2015

Mr. Herbert asked for a Motion that the Minutes of the Regular Meeting of June 5, 2015 be approved. Mr. Epes so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

Mr. Herbert asked for any unfinished business. There was none.

New Business

Mr. Herbert asked for any new business. There was none.

There being no further business to come before the Board, Mr. Herbert adjourned the meeting at 9:27 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 10, 2015

The Design Review Committee met on Thursday, June 18, 2015. The Committee considered a request by Casa Architecture, on behalf of 738 City Center Blvd., LLC, for approval of a site layout, landscape plan, and digitally enhanced photograph of proposed exterior renovations and landscaping, and a digitally enhanced photograph of a proposed externally-illuminated monument sign at 738 City Center 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.

The item detailed in this report requires Board ratification today.



Cary B. Epes, Chair

CBE:dep

P:\IDA\IDA15-16\Board Meetings\July 2015\Chair Reports\DesignReviewChair'sReport07102015.docx

Date, Time and Location: June 18, 2015, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary B. Epes, Thomas P. Herbert, Jennifer S. Smith, Alonzo Bell, Jr., Alex Delgado, Robb Mann, Teresa Nettles, Bryan Trainum, Sylvia Weinstein

Members Absent: Elizabeth Willis



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: July 10, 2015

The Executive Committee met on June 25th. The Committee approved a waiver of right of first refusal and purchase rights related to Northwestern Mutual and Newport News Town Center's sale of assets/holdings in City Center, specifically a waiver of the EDA's right of first refusal of the Office Unit of the Fountain Plaza One Condominium and a waiver of the EDA's purchase rights of Northwestern Mutual and Newport News Town Center Assets/Holdings of 11 parcels and improvements in City Center owned by Fountain Plaza One, LLC; Fountain Plaza Connector, LLC; Merchants Walk One, LLC; Merchants Walk Two, LLC; One City Center, LLC; City Center Retail, LLC; Two City Center, LLC and CCOP Town Center One, LLC. These waivers were limited to the pending disposal of Northwestern Mutual and Newport News Town Center Assets/Holdings, with all rights of the EDA remaining in full effect for any and all future owners of the referenced property.

The Committee also authorized a Fourth Amendment to Lease between the IDA and Custom Integrated Technology, Inc. (CITI) associated with the SWAP termination of the existing bond financing and conversion to LIBOR-based variable interest, subject to all documents being reviewed and approved by IDA legal counsel.

The Executive Committee authorized the EDA's consent, as lessee under the ground lease between the Commonwealth of Virginia and the EDA for property located at 12050 Jefferson Avenue (ARC site), to the Commonwealth's grant to HRSD of a 30-foot wide permanent easement on the same parcel, and coinciding with the alignment of Lawrence Road.

Executive Committee Chair's Report

July 10, 2015

Page 2

Finally, the Committee authorized EDA engagement of New Markets Tax Credits (NMTC) consulting services, including but not limited to legal and accounting services, in an amount not to exceed \$30,000.

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



Wendy Drucker

WD:clc

P:\IDA\IDA15-16\Board Meetings\July 2015\Chair Reports\ExecutiveCommitteeChair'sReport07102015.docx

Date, Time and Location: June 25, 2015, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Tom Herbert, Arthur Henderson, Gary Minter

Members Absent: Wendy Drucker

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: July 10, 2015

The Marketing Committee met on June 18, 2015. Staff reviewed upcoming events, including the Business Appreciation BBQ and Golf activities, as well as next year's Newport News One City Marathon.

Howell Creative Group representatives shared EDA website analytics and Google AdWord performance. They also shared photos to be replaced on the site's home page.

This report does not require Board ratification.



Gary Minter

GM:rnb

P:\IDA\IDA15-16\Board Meetings\July 2015\Chair Reports\MarketingCommitteeChair'sReport07102015.docx

Date, Time and Location: June 18, 2015, at 10:30 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Mary Aldrich, Don Blankenship, Gary Hunter, Faye Gargiulo, John Miller and Gary Minter

Members Absent: Wendy Drucker and Cassandra Greene



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, South Newport News Committee
SUBJECT: Chair's Report
DATE: July 10, 2015

The South Newport News Committee met on July 7, 2015. The Committee was given an informative presentation by Mr. Harold Roach, City of Newport News' Director of Codes Compliance, on the City's strategic goal to eliminate unsafe and abandoned properties in the Southeast Community, and the City as a whole. The Committee was advised of the multi-departmental effort, led by the Department of Codes Compliance, to implement this strategic goal through increased focus on identifying and demolishing such properties. Mr. Roach explained the financial implications to the City of the issue, particularly in light of the magnitude of the problem in the Southeast Community. The Committee was supportive of the overall goal articulated by Mr. Roach, that the City is committed to encouraging timely and thorough maintenance of existing properties by property owners, minimizing City resource expenditure while maintaining the safety and appearance of the community.

The Committee also received staff updates on ongoing Downtown, Southeast Community and Newport News Redevelopment & Housing Authority projects.

This Report does not require Board ratification.


Jennifer Smith, Chair

JSS:mar

P:\IDA\IDA15-16\Board Meetings\July 2015\Chair Reports\SouthNewportNewsCommitteeChair'sReport07102015.docx

Date, Time and Location: July 7, 2015, 4:00 p.m. at City Hall, 3rd Floor Development Conference Room

Members Present: Jennifer Smith, Gary Minter, Alonzo Bell, Robert Coleman and Troy Smith

Members Absent: Carl Burt, Cassandra Greene