

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, August 4, 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
Jeffrey Verhoef
Cynthia D. Rohlf, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

None

Legal Counsel:

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

Staff:

Kearston Milburn, Recording Secretary
Cherry Croushore, Assistant Secretary

Also present:

Thomas Bruno, Partner, McGuireWoods LLP, Riverside Bond Counsel
Diane Washington, Finance Analyst, Riverside Health System
George Consolvo, Kaufman & Canoles, P.C., EDA/IDA Bond Counsel

Also present (continued):

Ray Greer, Stantec
Sheila McAllister, Director of Planning
Paul Hirsch, Madison Government Affairs
Collins Owens, City Attorney

Mr. Minter 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 \$50,000,000 for the Benefit of Riverside

Mr. Minter called on Mrs. Kingston for an overview related to Riverside's request for IDA final authorization of revenue bonds in an amount not to exceed \$50,000,000. Mrs. Kingston reminded Board Members that at its July 7th Board Meeting, the IDA held the required Public Hearing and approved an Inducement Resolution, No.17-1, providing initial approval of the issuance of up to \$50,000,000 of Revenue Bonds for the benefit of Riverside and certain of its Affiliates, to assist in the financing of various capital projects at Riverside Regional Medical Center and The Gardens at Warwick Forest facilities in Newport News, Riverside Walter Reed Hospital in Gloucester County and Riverside Tappahannock Hospital in Essex County. She advised that Riverside was now seeking the IDA's final authorization of the bonds, and that IDA Resolution No. 17-2 had been included in the Board Agenda package.

Mrs. Kingston then introduced Mr. Thomas Bruno of McGuireWoods LLP, Bond Counsel for Riverside. Mr. Bruno stated that the Newport News City Council would consider jurisdictional approval of the IDA's bond issuance at its August 8th meeting, and that required jurisdictional approvals from Gloucester and Essex Counties were expected to be obtained by mid-August. Mr. Bruno explained that approval of Resolution No. 17-2 would provide final authorization of the IDA's issuance of up to \$50,000,000 of Revenue Bonds for the benefit of Riverside and its related entities and allow Riverside to finance the specified projects at facilities in Newport News, Gloucester and Essex Counties, subject to the parameters as set forth in the Resolution. Mr. Bruno offered to answer questions. There were no questions.

Mr. Minter asked for a motion to approve IDA Resolution No. 17-2, as presented, for final authorization of \$50,000,000 of Revenue Bonds for the benefit of Riverside Healthcare Association, Inc. and related entities. Mr. Epes so moved and Ms. Smith-Brown seconded the motion, which passed on a majority vote of six Members, Mr. Minter having abstained.

Request by Riverside Healthcare Association, Inc. and Related Entities (Riverside) for EDA Issuance of its Revenue Refunding Bonds in an Amount Not to Exceed \$68,580,000 for the Benefit of Riverside

Mr. Minter asked Mr. Bruno to present the request by Riverside for EDA issuance of Revenue Refunding Bonds in an amount not to exceed \$68,580,000. Mr. Bruno explained that the EDA's issuance of the requested Revenue Refunding Bonds did not require a public hearing or any jurisdictional approvals. He explained that Riverside was simply refinancing bonds that were previously issued by the EDA in 2011 to finance several projects in Newport News, James City County, Gloucester County and Essex County in order to take advantage of a reduction in interest rates. Mrs. Kingston noted that EDA Resolution No. 17-3 related to this request for EDA issuance of its Revenue Refunding Bonds had been included in the Board Agenda packet.

Mr. Minter asked if there were any questions. Hearing none, he asked for a motion to approve EDA Resolution No. 17-3, as presented. Ms. Greene so moved and Mr. Epes seconded the motion, which passed on a majority vote of six Members, Mr. Minter having abstained.

Joint Resolution of the EDA/IDA Approving a Modification to a Plan of Finance Related to Property at 809 Omni Boulevard, Newport News, Virginia

Mr. Minter called on Mrs. Kingston to present the item on the Joint Resolution of the EDA/IDA related to modification to a plan of finance associated with 809 Omni Boulevard. Mrs. Kingston stated that in August 2007, the EDA acquired 809 Omni Boulevard through a sealed bid process for strategic City Center future expansion. She advised that the purchase price of \$3,501,000 was paid from both City funds and an EDA/IDA borrowing of up to \$2,500,000 from Bank of America, of which \$2,000,000 was drawn. She stated that the note was priced at 1-Month LIBOR plus 1.15% with annual interest-only payments through August 13, 2012, and that in July of 2012 the principal was paid down by \$500,000 and the note was extended to August 13, 2017 under the same terms. She explained that from July 2008 through August 2016, the EDA leased the building to Canon Virginia for use as a training facility and that the Canon lease payments more than covered the EDA/IDA's

debt service payments during that time. Mrs. Kingston said that with the pending maturity of the note and to keep legal costs at a minimum, Bank of America was asked for and provided variable and fixed rate refinancing options, with interest and principal payable quarterly. She stated that after evaluation of the options and coordinating with the City's financial advisor, PFM, she was recommending refinancing the \$1,500,000 balance with a five-year fixed-rate option at 3.49%, amortized over 10 years, resulting in annual debt service payments of approximately \$177,000. She noted that the land and improvements were currently assessed at \$1,872,200. She told the Board that adoption of Joint Resolution No. 17-4 included in their Board Agenda package was necessary to effectuate the outlined refinance plan.

Mr. Consolvo added that the loan was taxable since the purchased facility was for private business use, making the modification an easier process than if it were a tax-exempt loan. He stated that the Resolution authorized a modification agreement between the bank and the EDA and IDA with the benefit of extending the final maturity five years to 2022 with a longer amortization period locked in at the 3.49% fixed rate. He explained that an *Allonge* document would be attached to the original note and sent to the bank to complete the modification. Mr. Minter asked if there were any questions or comments for Mrs. Kingston or Mr. Consolvo. There were none.

Mr. Minter asked for a motion to approve EDA/IDA Joint Resolution No. 17-4, as presented. Mr. Epes so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Joint Base Langley-Eustis Joint Land Use Study Presentation

Mr. Minter asked Mr. Greer of Stantec to present the Joint Base Langley-Eustis Joint Land Use Study. Mr. Greer introduced himself as the consultant for the Joint Land Use Study (JLUS) for Fort Eustis. Mr. Greer stated the JLUS project began in late November of 2016 and had a timeline of approximately 15 months. He pointed out that the purpose of JLUS was to target encroachment issues and protect the long-term mission of the installation, and that although the Department of Defense was funding the study, it preferred the study be conducted by the surrounding localities and be community-driven. He explained that the City of Newport News had volunteered to sponsor the study, with James City County and York County also involved. He stated that the study process brings the community together with the Fort to analyze issues being encountered currently and those that might possibly affect the future of Fort Eustis and the communities that surround it.

Mr. Greer described the various groups formed for the study, including a technical working group, a policy committee, stakeholders, elected officials, Fort Eustis commanders and personnel, who provide input as the consultant collects data through interviews, surveys, events and briefings to build a report on the issues and work together on solutions to tackle those issues. He explained that JLUS studies are very important to have in place since the Base Realignment and Closure (BRAC) community reviews such reports carefully to assess the local government's evaluation of the compatibilities and conflicts of the installation with the surrounding communities and interest in protecting the mission of the installation.

He explained that community workshops were being held in both Newport News and James City County. Mr. Greer stated that the surveys being conducted online at community events were providing excellent feedback and that specific areas of interest or concern have been identified. Mr. Greer noted that the JLUS technical working group and policy committee would work to evaluate issues and solutions to best protect both Fort Eustis and surrounding communities. He also noted that Fort Eustis provided a significant economic impact within the region. Mr. Greer offered to return to present the JLUS final report at the completion of the process.

Mr. Greer answered several questions from Board Members. Mr. Minter thanked him for his presentation. Mrs. Kingston noted the IDA's stakeholder status related to the JLUS due to the proximity of Oakland Industrial Park and Dozier Road to Fort Eustis.

Secretary/Treasurer's Report

Mr. Minter asked for the Secretary/Treasurer's Report. Mrs. Kingston welcomed Kearston Milburn as Administrative Coordinator to the Department of Development and Recording Secretary to the Board. She advised that Ms. Milburn came to the Department from Hampton University's Office of Governmental Relations, where she obtained considerable relevant experience that made her a great fit in her new role. Mrs. Kingston stated she was very impressed with Ms. Milburn's excellent customer service experience, the glowing recommendations of others, as well as the friendliness, competency and self-confidence exhibited during multiple interviews. She stated that she knew Board Members would be equally impressed with Ms. Milburn as they got to know her.

Mrs. Kingston stated that the EDA had leased 940 square feet of space in the Downtown Engineering Center to a barbershop operation, Shear Genius LLC, since 2012. She explained that the original operator, Audrey Kesler, had been the sole proprietor of the shop, and that another barber, Cyrenia D. Johnson, had also worked in the shop as an

independent contractor. Mrs. Kingston explained that due to Ms. Kesler's health issues, Ms. Johnson had taken over the day-to-day operation of the shop. Mrs. Kingston stated that now that Ms. Kesler was permanently unable to return to the barbershop, Ms. Johnson wished to continue to operate the business, as she has successfully operated and grown the business, and was requesting that the EDA authorize a new lease with Shear Genius LLC, of which Ms. Johnson was the sole member, with Ms. Johnson also as guarantor of the lease. Mrs. Kingston stated that she believed it would serve the EDA to approve Ms. Johnson's request and stated she would be seeking a motion to authorize a new three-year lease with Shear Genius LLC, with Cyrenia D. Johnson as guarantor. The lease would be structured to commence September 1, 2017, include two one-year renewal options, have an initial rental rate of \$13.60 per square foot, an annual rent escalation of 2% and incorporate substantially similar terms and conditions as the prior lease.

Mrs. Kingston stated that on July 11th she accompanied Mayor Price to a moderated discussion held at CNU and hosted by Urban Land Institute. She explained that Mayor Price provided opening remarks about ongoing projects occurring in the City and emphasized the critical role partnerships and collaborative discourse would have in solving challenges facing the City. Mrs. Kingston informed the Board that she served as the moderator for the group discussion and provided additional details on projects of interest. She stated the event was well-received and served as a great opportunity to engage with professionals from a variety of backgrounds and talk about the important work being done in Newport News.

Mrs. Kingston reported that Blueprint Virginia 2025 was a Virginia Chamber initiative designed to provide an update to the Chamber's long-term statewide economic plan. She stated that since the initiative began in December 2016, representatives from the Virginia Chamber have been making numerous stops throughout the Commonwealth to elicit thoughts and ideas as to the items that should be included in the final Blueprint 2025 report, which would be presented to Virginia's new governor, following the 2017 election.

Mrs. Kingston indicated that Robin Boyd and Matt Johnson attended the Blueprint Virginia 2025 regional meeting held at the Virginia Peninsula Chamber of Commerce. She noted that topics of discussion included ensuring that local communities remain strong and vibrant, increasing the potential for high-paying job opportunities in local communities, competing in a global economy, the importance of workforce development programs and enhancing the entrepreneurial climate in the state. She stated that attendees, comprised of local and regional economic development professionals, business and community leaders, educational professionals and other key stakeholders, were also asked to share any

developing trends they were noticing within their market sectors that could present opportunities or challenges to Virginia's economic development efforts.

Mrs. Kingston gratefully acknowledged local and regional economic development colleagues for enriching the experiences of the Department's interns. She advised that the interns had a briefing and tour at the Port of Virginia's International Gateway facility and a personalized session with the Hampton Roads Economic Development Alliance to integrate what they have learned in Newport News into a broader regional perspective. Our interns also participated in a tour of the Seafood Industrial Park by our Port Development Administrator.

Mrs. Kingston reported that construction of the Muhlbauer expansion in Oakland Industrial Park was progressing steadily. She reminded the Board that Muhlbauer was a global market leader and one-stop shop for production and personalization equipment for ID cards, passports, RFID, smart cards, automation, marking and traceability systems, and ePassport applications worldwide, and had locations in Germany, Malaysia, China, Slovakia, Serbia and the United States. She noted that Muhlbauer would be adding an additional 51,200 square feet to its existing 33,155-square-foot facility in order to create a showroom primarily for product demonstrations and training. Mrs. Kingston said Muhlbauer currently employed 31 people, and with the expansion planned to add 15-20 additional jobs with average wages exceeding \$50,000 per year. She stated that the expansion represented a \$12,000,000 investment and construction was anticipated to be completed by early November.

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 informed the Board that she had continued meeting with business and community leaders, and Fort Eustis leadership, and had received excellent input. She stated that City leadership and Fort Eustis leadership were committed to enhancing communications and relationships. Ms. Rohlf noted that as one component of this effort she had appointed Jerri Wilson of her staff to serve in the role of a Federal Facilities Liaison to provide support in working with not only Fort Eustis, but also Jefferson Lab and other federal agencies. Ms. Rohlf stated that Ms. Wilson had already begun her role and attended a conference in Washington D.C. with Colonel Clayton to gather information on ongoing issues in communities that are home to military installations.

Ms. Rohlf stated that staff was working toward the final stages of the Comprehensive Plan update and that public meetings had been well-attended. She said the Plan should be ready to be presented to the Planning Commission and City Council in late fall.

Ms. Rohlf also noted that she had been meeting with other local officials and regional counterparts to coordinate on the State's Go Virginia program and other initiatives affecting the Peninsula.

Ms. Rohlf concluded her comments by stating that she had received a lot of positive feedback from the community on the EDA's recent acquisition of the former Chase Bag site and expressed her appreciation for the important contribution of the EDA in this regard and in support of the CNI initiative.

Mr. Minter asked for a motion to authorize a three-year lease commencing September 1, 2017, with two one-year renewal options, between the EDA and Shear Genius LLC, guaranteed by Cyrenia D. Johnson, for 940 square feet of space in the Downtown Engineering Center, which was the current location of Shear Genius, to operate a barbershop, at an initial rental rate of \$13.60 per square foot, with a 2% annual rent escalation and substantially similar terms and conditions as the EDA's prior lease to be incorporated, subject to all documentation being reviewed and approved by EDA Legal Counsel. Ms. Smith-Brown so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Assistant Secretary's Report

Mr. Minter asked for the Assistant Secretary's Report. Ms. Croushore advised the Board that the Committee Meeting Schedule was in their package and noted relevant details.

Madison Government Affairs Consultant Report

Mr. Minter asked for the Madison Government Affairs Report. Mr. Hirsch stated that the JLUS will be beneficial when there is another BRAC, which he felt would not take place within the next two years, but may occur within five years. Mr. Hirsch also reported that the House had gone into recess, but the Senate had remained in pro-forma session.

Mr. Hirsch stated that lawmakers had gotten a late start on Fiscal Year 2018 appropriations, and as a result of finishing the current year's spending bills seven months behind schedule and a delayed presidential budget request, the federal government very likely would begin

the new fiscal year under a Continuing Resolution. He said that this was concerning for Fort Eustis considering the Appropriations Bill included funding for a new Aircraft Maintenance Instructional Building at the Fort valued at \$34 million, which cannot begin until a new budget is adopted.

Mr. Hirsch informed the Board that the nomination process appeared to be speeding up and provided updates on key positions.

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

At 9:08 a.m., Mr. Verhoef moved for the Authority to go into a closed meeting pursuant to VA Code Section §2.2-3711.A: Real Estate (3), Prospective Business (5), for the following purposes and subjects: (3) Discussion or consideration of the acquisition of real property for a public purpose or of the disposition of publicly held real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, the subject of which is proposed property dispositions located in the central section of the City; and (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. Verhoef so moved and Ms. Greene seconded the motion, which passed on a majority vote of six Members, Mr. Epes having departed.

At 10:18 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Verhoef, in accordance with VA Code Section §2.2-3712(D) that to the best of each member's knowledge: (D) (i) only public business matters lawfully exempted from open meeting requirements under this chapter; and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body. Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

Action Coming Out of Closed Session

Mr. Minter asked for a motion to approve delegating authority to the Secretary/Treasurer to conclude negotiations and finalize a lease with Jefferson Science Associates, LLC for 11,097 square feet of space in the ARC Building, subject to EDA Legal Counsel review and

approval. Mr. Bell so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Committee Chair's Reports

Mr. Minter called for the Committee Reports. Mr. Minter presented the Conference Center Marketing Committee Report, which did not require Board ratification. Ms. Aldrich presented the Design Review Committee Report, which passed unanimously on a roll call vote. Ms. Greene presented the Executive Committee Report, which did not require Board ratification. Ms. Aldrich presented the Marketing Committee Report, which did not require Board ratification.

Approval of Minutes of the Regular Meeting of July 7, 2017

Mr. Minter asked for a motion that the Minutes of the Regular Meeting of July 7, 2017 be approved. Ms. Smith-Brown so moved and Mr. Verhoef seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

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

New Business

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

There being no further business to come before the Board, Mr. Minter adjourned the meeting at 10:30 a.m.



Florence G. Kingston
Secretary/Treasurer



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Conference Center Marketing Committee
SUBJECT: Chair's Report
DATE: August 4, 2017

The Conference Center Marketing Committee met on July 12th. Lori Coyne, Marriott Director of Sales and Marketing, and Mark Butcher, General Manager, provided an overview of completed marketing efforts, including group highlights, social catering, e-commerce and social media initiatives.

The Committee reviewed recent regional marketing activities and collaborations with the Newport News Hospitality Association.

The next Committee meeting is scheduled for Wednesday, October 11, 2017.



Gary Minter, Chair

GM:cum

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Date, Time and Location: July 12, 2017, at 8:00 a.m., Executive Board Room, Newport News Marriott at City Center

Members Present: Gary Minter, Mark Butcher, Steven Meade, Elizabeth Parker

Members Absent: Cindy Brouillard

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: August 4, 2017

The Design Review Committee met on July 20th. The Committee considered a request by AES on behalf of W.M. Jordan Company and John R. Lawson, II, for approval of a site plan and landscape plan for a proposed parking lot expansion at 11850 Jefferson Avenue in Oyster Point of Newport News. Upon review, the Committee voted to recommend approval of the request on a majority vote, with one abstention, subject to all applicable City codes and regulations.

The next item considered was a request by Cardinal Sign Corporation on behalf of CHKD and Rock Landing Commons, LLC for approval of digital renderings and a digitally-enhanced photograph of proposed internally illuminated, building-mounted signage at 11770 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.

This Report requires Board ratification.



Cary B. Epes

CBE:kpw

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Date, Time and Location: July 20, 2017, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

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

Members Absent: Jeffrey C. Verhoef, Sylvia Weinstein, Alex Delgado



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: August 4, 2017

The Executive Committee met on July 17th. The Committee was briefed on, and recommended approval of, a refinance plan related to EDA-owned property at 809 Omni Boulevard, which the Board separately took formal action on earlier in today's meeting.

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



Cassandra Greene

CG:clc

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Date, Time and Location: July 17, 2017, at 12:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

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

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: August 4, 2017

The Marketing Committee met on July 20th. Howell Creative Group shared an update on the ongoing EDA website modifications, including the addition of information for Newport News Public Schools. New areas within the site were also highlighted for visitors to access more in-depth workforce development information, including an expanded food and beverage processing industry category. Members agreed that ongoing modifications were necessary, and encouraged the continued development of these areas and exploration of new opportunities for the website.

This report does not require Board ratification.


Mary Aldrich, Chair

MA:jm

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Date, Time and Location: July 20, 2017 at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

Members Present: Mary Aldrich, Gary Minter, Don Blankenship, Faye Gargiulo

Members Absent: Wendy Drucker, Gary Hunter, Cassandra Greene