

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 5, 2016, 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, Vice Chair  
Cary B. Epes  
Cassandra P. Greene  
Thomas P. Herbert  
Arthur P. Henderson  
Jennifer S. Smith-Brown  
Cindy D. Rohlf, Assistant City Manager, ex-officio  
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Wendy C. Drucker, Chair, Excused

Legal Counsel:

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

Staff:

Cherry Croushore, Assistant Secretary  
Janice Jones, Recording Secretary

Also present:

Thomas W. Bruno, McGuire Woods, Bond Counsel Representative of  
Virginia Baptist Homes, Inc., d/b/a LifeSpire of Virginia  
Johnathan Cook, LifeSpire of Virginia, President and CEO  
Matthew James, Peninsula Council for Workforce Development, President  
Collins Owens, City Attorney

Mr. Minter opened the meeting by welcoming everyone.

Request by Virginia Baptist Homes, Inc. d/b/a LifeSpire of Virginia, and its Affiliates, for EDA Initial Approval of the Issuance of up to \$104,000,000 of its Revenue Bonds, and EDA Approval of the Issuance and Sale of its Revenue Bonds in a Principal Amount Not to Exceed \$104,000,000, for the Benefit of Virginia Baptist Homes, Inc.

Mr. Minter opened the public hearing for the purpose of receiving comments regarding a proposed bond issuance by the EDA in an amount not to exceed \$104,000,000 for the benefit of Virginia Baptist Homes, Inc. (VBH) doing business as LifeSpire of Virginia and related entities to facilitate the refunding of previously issued bonds and the refinancing of outstanding debt and other costs associated with the issuance of the bonds. He advised that notices advertising the Public Hearing appeared in the Daily Press on Friday, July 22, 2016 and Friday, July 29, 2016.

Mr. Minter asked Mr. Bruno of McGuire Woods, Bond Counsel for VBH, to provide opening comments regarding the proposed bond issuance.

Mr. Bruno reported that the plan of finance included a refunding of two previously-issued Residential Care Facility Revenue Bonds issued in 2006 – one by the Economic Development Authority of Henrico County, Virginia and the other by the Peninsula Ports Authority of Virginia, a predecessor of the Newport News EDA. He noted that the original bond proceeds financed or refinanced the acquisition, construction and equipping of improvements at multiple facilities of VBH's affiliate communities to include The Chesapeake, located at 955 Harpersville Road in Newport News, the Culpeper Baptist Retirement Community, located at 12425 Village Loop in Culpeper, Virginia, and the Lakewood Manor Baptist Retirement Community, located at 1900 Lauderdale Drive in Henrico, Virginia. He stated that over 80% of VBH's bond debt had been expended on improvements at The Chesapeake in Newport News, which was the reason that VBH was seeking the bond issuance by the Newport News EDA to refinance the outstanding bond debt related to it and the other facilities in Henrico and Culpepper into one financing in order to take advantage of current low interest rates and create economies of scale. He advised that they were also going through the approval process with the Henrico and Culpepper County Boards of Supervisors at meetings scheduled later in the month. Mr. Bruno offered to answer any questions, and asked Mr. Cook, President and CEO of LifeSpire of Virginia, for comments.

Mr. Cook explained to the Board that all of the affiliate communities were not-for-profit retirement communities which provided diversified residential and health care services to the

residents. He said that this refinance transaction would offer cost savings to participants, as well as allow for facility improvements. He noted that the average age of new residents was 81 years and that residents lived in LifeSpire facilities for an average of 12 to 15 years. Mr. Cook offered to answer any questions.

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

Mr. Minter asked for a motion to close the Public Hearing regarding the Bond Issuance for Virginia Baptist Homes, Inc. doing business as LifeSpire of Virginia. Mr. Herbert so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Mr. Minter then asked for a motion approving the inducement resolution, EDA Resolution Number 16-5 as presented. Mr. Herbert so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Mr. Minter then asked for a motion approving the final resolution, EDA Resolution Number 16-6 as presented. Ms. Greene so moved and Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

Mr. Minter thanked Mr. Bruno and Mr. Cook.

#### Secretary/Treasurer's Report

Mr. Minter asked for the Secretary/Treasurer's report. Mrs. Kingston reported that on July 18<sup>th</sup>, the EDA closed on the sale of the existing Printpack facility. She noted that construction on the new 150,000 square-foot expansion facility was progressing, with a December 2016 planned completion date. She acknowledged the hard work of staff to implement these closing efforts and bring the project to fruition.

Mrs. Kingston welcomed Assistant City Manager Cindy Rohlf to the Board meeting, stating that Ms. Rohlf had been leading the team for the Choice Neighborhoods Initiative (CNI) Planning Grant, which the EDA had committed to support. She reminded the Board that the City, in conjunction with the Newport News Redevelopment and Housing Authority (NNRHA), applied for a 2016 Choice Neighborhoods Initiative (CNI) Planning Grant through the U.S. Department of Housing and Urban Development (HUD), and had been recently notified that Newport News was awarded a \$500,000 Planning Grant. She stated that the EDA had previously authorized funding in support of the market feasibility component of the grant. She said that she would be seeking a motion to authorize the issuance of a Request

for Proposals (RFP) for the preparation of a market analysis and feasibility study for the Southeast Community, to assess the CNI target area in relationship to the surrounding community with respect to its potential for revitalization and redevelopment and identify the combination of uses that will be viable in the area and best fit with the neighborhood.

Mrs. Kingston offered Ms. Rohlf the opportunity to elaborate on the CNI. Ms. Rohlf noted that the City is very excited about the opportunities the CNI grant provides to transform not only the Ridley-Marshall neighborhood physically, but also to have a positive effect on the people living in the community. She said that staff had been working very hard to begin meeting the stringent deliverables set forth by HUD for the grant's two-year period. Mrs. Kingston added that Britta Ayers of Planning was doing an excellent job of organizing the various components to guide the implementation process, including setting up a Steering Committee, a Neighborhood Committee, a People Committee, as well as an Advisory Committee on which Board Members would be asked to serve periodically.

Mrs. Kingston offered the City Manager's regrets for his absence due to his being away on vacation.

Mrs. Kingston advised that the EDA has ongoing maintenance and repair responsibilities for the three garage structures it owns in City Center at Oyster Point – Merchants Walk Parking Garage (built in 2002), Mariners Row Parking Garage (built in 2006) and Fountain Way Parking Garage (built in 2006), and that to date, only minor repair and routine maintenance had been required. She noted that the EDA, to proactively address maintenance and repair work which falls outside the scope of routine maintenance, had built a Parking Reserves Fund and that some of those parking reserves were now required for the Merchants Walk and Mariners Row garages. Mrs. Kingston stated that after appropriate consultant studies were undertaken, it was determined that the Merchants Walk Garage needed repair items ranging from mortar and concrete repairs at entrances and in stairwells, to the reinstallation of structural fireproofing materials and the replacement of expansion joint fill material. She stated that the Mariners Row Garage required replacement of the existing lighting system and the outdated battery backup system. She advised that bid packages for the needed repairs and replacements had been prepared and bid responses received, with Eastern Waterproofing and Restoration of Virginia submitting the low bid for structural work on the Merchants Walk Parking Garage, and IES Commercial, Inc. submitting the low bid for lighting and electrical system work in the Mariners Row Parking Garage. She said that consistent with the City Center Development Agreement, Harvey Lindsay Development Group would administer and oversee the work taking place under these two contracts.

Mrs. Kingston noted that all necessary work on both Merchants Walk Parking Garage and Mariners Row Parking Garage would be expected to take approximately six months to complete, and while minor adjustments may need to be made to parking access during this time period, general use of the garages was not expected to be impacted. She advised that she would be seeking a motion to authorize EDA funding and a contract with Eastern Waterproofing and Restoration of Virginia, in an amount not to exceed \$307,983, which included a small contingency, for structural maintenance and repairs to the Merchants Walk Parking Garage; with IES Commercial, Inc., in an amount not to exceed \$431,295, which included a small contingency, for lighting replacement and backup power system installation for the Mariners Row Parking Garage; and with Harvey Lindsay Development Group, in an amount not to exceed \$22,000, for administration of the aforementioned contracts, on behalf of the EDA.

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.

Mr. Minter asked for a motion to authorize the issuance of a Request for Proposals (RFP) for the preparation of a market analysis and feasibility study for the Southeast Community, to assess the Choice Neighborhoods Initiative target area in relationship to the surrounding community with respect to its potential for revitalization and redevelopment and identify the combination of uses that would be viable in the area and best fit with the neighborhood. Mr. Herbert so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Mr. Minter asked for a motion to authorize EDA funding and a contract with Eastern Waterproofing and Restoration of Virginia, in an amount not to exceed \$307,983, which included a small contingency, for structural maintenance and repairs to the Merchants Walk Parking Garage; with IES Commercial, Inc., in an amount not to exceed \$431,295, which included a small contingency, for lighting replacement and backup power system installation for the Mariners Row Parking Garage; and with Harvey Lindsay Development Group, in an amount not to exceed \$22,000, for administration of the aforementioned contracts, on behalf of the EDA. Mr. Epes so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

### Quarterly Workforce Development Report

Mr. Minter asked for the Quarterly Workforce Development Report. Mr. James advised that the Peninsula Council for Workforce Development (PCFWD) had been in transition preparing for the regulation changes required to convert from the Workforce Investment Act of 1998 (WIA) to the Workforce Innovation and Opportunity Act (WIOA) scheduled to be effective July 1, 2017. He stated that these modifications triggered additional costs and administrative regulations. Mr. James stated that the Peninsula Worklink One-Stop Career Center was pleased to be able to assist Jim's Local Market with their initial hiring process, and from that effort, some individuals involved in the Summer Training and Enrichment Program (STEP) program had also been hired. He said that PCFWD would work with other businesses opening in Brooks Crossing as well. He stated that there were grant opportunities to help leverage workforce efforts and that the State of the Workforce Report, which gives an overview of seven cities and counties on the Peninsula, would be an important planning tool. He also noted that PCFWD would partner with the Hampton Roads Economic Development Alliance and Opportunity Inc. for a proposed skills/gap analysis to review the local 16 cities to determine what skills current employers need and where workforce training gaps exist.

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

### 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 reported that the upcoming Presidential and Congressional Elections would probably stall the appropriations that would have been voted on by October 1<sup>st</sup> and would likely produce a Continuing Resolution (CR) for six months that would delay any new projects until July 1, 2017. He said that an Omnibus Appropriations bill would need to be passed by the end of this year in order to continue Government funding for Military Construction and Veterans Affairs, and noted that the Budget Control Act could cause sequestration to begin if an alternate solution is not found before October 1, 2017. He told the Board that the Defense Authorization Bill

(NDAA) and the Construction/Veteran's Affairs Appropriations Bill may be passed this year as well.

Mr. Hirsch stated that he had met with Fort Eustis Commanding Officer, Colonel Bo Clayton on August 4<sup>th</sup>, where they discussed a number of items to include the FY 18 Military Construction project for the 128<sup>th</sup> Aviation Brigade and how important this project (\$32.5M) would be to the training mission and the Newport News community. He advised Colonel Clayton that Mayor Price and representatives of the Eustis Civic Leaders Association (ECLA) and the Virginia Peninsula Chamber of Commerce, had written the Virginia delegation asking for support from the Secretary of the Army to ensure that this project remains in FY 18 as scheduled. He reported that Colonel Clayton planned to meet with Mayor Price, City Manager Bourey and the ECLA to develop working relationships and wanted to invite EDA/IDA Board and Staff to visit Fort Eustis for a firsthand view and briefing as well.

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

At 8:44 a.m., Ms. Greene moved for the Authority to go into closed meeting pursuant to VA Code Section §2.2-3711.A: Real Estate (3), Prospective Business (5) for the following purposes and subjects: (3) Discussion or consideration of the acquisition of real property for a public purpose or of the disposition of publicly held real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, the subject of which is proposed property dispositions located in the central sections of the City and proposed property acquisitions located in the northern and southern sections of the City; and (5) Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business or industry's interest in locating or expanding its facilities in the community, the subject of which is prospective businesses interested in locating in the central and southern sections of the City. Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

At 9:35 a.m., the EDA/IDA Board returned to open session following a certification motion by Ms. Greene 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.

Defense Production Zone Performance Agreement by and between the Industrial Development Authority of the City of Newport News, Virginia and Huntington Ingalls Incorporated

Mrs. Kingston noted that the Defense Production Zone Performance Agreement by and between the Industrial Development Authority of the City of Newport News, Virginia and Huntington Ingalls Incorporated item was being withdrawn from today's Board Agenda and would be brought back for Board consideration on an upcoming meeting agenda.

Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement by and between the Industrial Development Authority of the City of Newport News, Virginia and Huntington Ingalls Incorporated

Mrs. Kingston noted that the Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement by and between the Industrial Development Authority of the City of Newport News, Virginia and Huntington Ingalls Incorporated item was being withdrawn from today's Board Agenda and would be brought back for Board consideration on an upcoming meeting agenda.

Committee Chair's Reports

Mr. Minter called for the Committee Reports. Mr. Minter presented the Conference Center Marketing Report, which did not require Board Ratification. 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 was ratified by the Board and passed unanimously on a roll call vote. Ms. Smith-Brown presented the South Newport News Committee Report, which did not require Board ratification.

Approval of Minutes of the Regular Meeting of July 1, 2016

Mr. Minter asked for a Motion that the Minutes of the Regular Meeting of July 1, 2016 be approved. Mr. Herbert so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

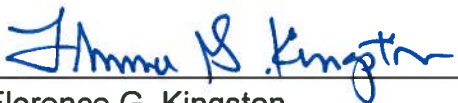
Mr. Minter asked for any unfinished business. Mrs. Kingston stated there was no unfinished business.



New Business

Mr. Minter asked for any new business. Mrs. Kingston stated there was no new business.

There being no further business to come before the Board, Mr. Minter adjourned the meeting at 9:42 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: August 5, 2016

The Design Review Committee met on July 21<sup>st</sup>. The Committee considered a request by MG2, on behalf of Lidl US Operations, LLC, for approval of resubmitted scaled building elevations and digital renderings for a proposed Lidl grocery store at 11880 Jefferson Avenue 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 next item considered was a request by LandTech, on behalf of Huntington Ingalls, Incorporated, for approval of a site plan, landscape plan, scaled building elevations and digital renderings for a proposed building expansion and parking lot addition at 182 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.



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Thomas P. Herbert, Chair

TPH:kpw

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Date, Time and Location: July 21, 2016, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Tom Herbert, Cary Epes, Jennifer Smith-Brown, Alonzo Bell, Jr., Robb Mann, Teresa Nettles, Bryan Trainum, Elizabeth Willis

Members Absent: Alex Delgado, Sylvia Weinstein

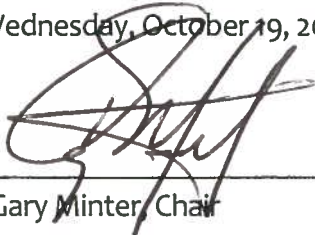
**ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY**

**TO:** Board of Directors  
**FROM:** Chair, Conference Center Marketing Committee  
**SUBJECT:** Chair's Report  
**DATE:** August 5, 2016

The Conference Center Marketing Committee met on July 13<sup>th</sup>. Lori Coyne, Marriott Director of Sales and Marketing, provided an overview of completed marketing efforts, including group highlights, social catering and e-commerce.

With refurbishment of the conference center underway, committee members were given a tour of the newly-renovated concierge lounge and the conference center space. Conference center renovations in the grand ballroom and pre-function/foyer space will take place during the period August 7-19.

The next committee meeting is scheduled for Wednesday, October 19, 2016.



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Gary Minter, Chair

GM:cum

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Date, Time and Location: July 13, 2016, at 8:00 a.m., Executive Board Room, Newport News Marriott at City Center

Members Present: Gary Minter, Mark Butcher, Cindy Brouillard, Elizabeth Parker

Members Absent: Steven Meade

**ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY**

**TO:** Board of Directors  
**FROM:** Chair, Executive Committee  
**SUBJECT:** Chair's Report  
**DATE:** August 5, 2016

The Executive Committee met on July 26<sup>th</sup>. The Committee was briefed on the outline of a new entrepreneurial lease and assistance program being formulated for implementation at the Applied Research Center (ARC) Building. The program is being designed to promote and encourage entrepreneurship, collaboration and transitional lease space in advance of the 1<sup>st</sup> Tech Center Corporate Research Center building coming online, the master plan of which was recently approved by City Council. It is also being structured to allow a more flexible/quicker response to entrepreneurial lease requests in ARC. The Committee delegated authority to the Secretary/Treasurer to negotiate and execute leases within the ARC Building under parameters set forth in the ARC Building Entrepreneurial Lease and Assistance Program.

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



Gary Minter

GM:clc

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Date, Time and Location: July 26, 2016, at 12:00 p.m. at 11824 Fishing Point Drive, Suite 102, 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, South Newport News Committee  
SUBJECT: Chair's Report  
DATE: August 5, 2016

The South Newport News Committee met on July 5<sup>th</sup>. The Committee was given an informative presentation by Derek Perry, the Department of Development's Senior Economic Analyst, on a summary of the City's Business and Commercial Property Incentives. The Committee was advised of the variety of incentives and programs offered through the City and EDA, including Enterprise Zone, Tourism Zone, Technology Zone Incentives, and Façade Improvement Grant (FIG) and Commercial Rehabilitation Property Tax Abatement Programs (CRPTA), which support both small and large businesses and assist with expansions of existing businesses and relocations of varying levels. The Committee was encouraged by the information provided, requesting follow-up information on a number of the programs offered for business development.

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

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Reports\SouthNewportNewsCommitteeChair'sReport08052016.docx

Date, Time and Location: July 5, 2016, 4:00 p.m. at City Hall, 3<sup>rd</sup> Floor Development Conference Room

Members Present: Jennifer Smith, Cassandra Greene, Carl Burt, Richard Coleman, Troy Smith, Jr.

Members Absent: Gary Minter, Alonzo Bell.