

MINUTES OF THE REGULAR MEETING OF THE ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF NEWPORT NEWS, VIRGINIA AND THE INDUSTRIAL
DEVELOPMENT AUTHORITY OF THE CITY OF NEWPORT NEWS, VIRGINIA

Ms. Drucker called the meeting to order at 8:00 a.m. on Friday, August 7, 2015, in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

Wendy C. Drucker, Vice Chair
Cary Epes
Arthur P. Henderson, Jr.
C. Gary Minter
Florence G. Kingston, Secretary/Treasurer, ex-officio
James M. Bourey, City Manager, ex-officio

Absent:

Thomas P. Herbert, Excused
Jennifer S. Smith, Excused
Cassandra P. Greene, Excused

Legal Counsel:

Conway H. Sheild, III, Esquire

Staff:

Cherry Croushore, Assistant Secretary
Janice Jones, Recording Secretary

Also present:

Debra Farley, Associate Executive Director, Hampton Roads Small Business
Development Center
Bruce Hoogstraten, Executive Director, National Aerospace Support Team
Collins Owens, City Attorney
Robert Pealo, Assistant City Attorney

Ms. Drucker opened the meeting by welcoming everyone.

Hampton Roads Small Business Development Center (HRSBDC) Update

Ms. Drucker called on Ms. Debra Farley, Associate Executive Director of the Hampton Roads Small Business Development Center (HRSBDC) to provide the HRSBDC update. Ms. Farley stated that HRSBDC's mission is to enhance economic development within the Hampton Roads area. She stated that the Center serves as a Resource Information Center designed to assist startup and existing business owners through specialized one-on-one consultations, workshops, and online educational opportunities. Ms. Farley informed the Board that HRSBDC receives 50% of its funding from the Federal Government's Small Business Administration and 50% from local groups, including the Newport News EDA. Ms. Farley stated that the Hampton Roads SBDC began in 1990 and has staff located around the Hampton Roads region, with Peninsula clients served from the Peninsula Workforce Development Center at Thomas Nelson Community College.

Ms. Farley summarized several of the programs and services offered to clients. She reported that in 2014, the HRSBDC met with 343 clients, provided over \$15 million in loans and investments, assisted in obtaining over \$1 million in new government contracts, assisted in creating or saving 624 jobs and starting 12 new businesses, having a resulting overall economic impact of \$33 million. She also stated that the HRSBDC had won the *2014 SBA Excellence and Innovation* award.

Ms. Farley passed out HRSBDC brochures and answered several questions. Ms. Drucker thanked her for her presentation.

National Aerospace Support Team (NAST) Update

Ms. Drucker asked Mr. Hoogstraten, Executive Director of the National Aerospace Support Team (NAST), to provide an update. Mr. Hoogstraten thanked the Board for its support of NAST over the years. He stated that NAST was a non-profit organization that works closely with other organizations serving and promoting NASA Langley, including the Hampton Roads Military and Federal Facilities Alliance (HRMFFA) and the Virginia Aerospace Business Association (VASBA). Mr. Hoogstraten provided a summary of the status of federal funding for NASA and the upcoming budget resolution which will impact NASA Langley's operations and FY2016 budget. Mr. Hoogstraten informed the Board that NAST had been

advocating on behalf of NASA Langley through its lobbyists in Washington, D.C. for a new Measurement Systems Lab (MSL) – a \$94 million laboratory project that had previous approval by both the House and the Senate. He said they were awaiting the federal government's September budget resolution to find out if it would be budgeted in 2016. He said that the MSL would be a significant portion of NASA's overall budget for new construction, which is about \$400 million per year, and would provide significant work for local contractors. Mr. Hoogstraten stated that the MSL is part of the VITAL (Vibrant Transformation to Advance Langley) plan, which is NASA Langley's 20-year revitalization plan to replace and/or upgrade older buildings with sustainable architecture in a smaller footprint. He stated that a \$100 million materials lab building is also being planned for the FY 2017 budget. He said that in addition to its buildings and facilities, NASA Langley was also working to revitalize its workforce by attracting young engineers as they expect numerous retirements over the next 10 years. Mr. Hoogstraten added that NASA Langley was very involved with composites engineering for private sector aeronautical uses, and plans were in development to initiate a center of excellence for advanced composites that would form a public/private partnership outside the gates of NASA Langley.

Mr. Hoogstraten answered several questions from Board Members, and Ms. Drucker thanked him for his update.

Secretary/Treasurer's Report

Ms. Drucker asked for the Secretary/Treasurer's Report. Mrs. Kingston reported that with sitework commencing and construction of the grocery store fast approaching, procurement of independent third-party inspections and testing services to meet the requirements of the City's Departments of Engineering and Codes Compliance would be needed. She said that a solicitation for these services for the Brooks Crossing grocery store was undertaken and that The Structures Group and its testing agent, ECS Mid-Atlantic, had been selected. She advised the Board that she would be seeking a Motion to authorize engagement of The Structures Group and its testing agent, ECS Mid-Atlantic, to provide independent third-party inspections and testing services for the Brooks Crossing grocery store construction project, in an amount not to exceed \$44,000, which represented the proposal amount and a small contingency, subject to all necessary documents being reviewed and approved by EDA Legal Counsel.

Mrs. Kingston advised that the Board would be entering into a maintenance agreement for the Apprentice School Garage and Liberty Community Center HVAC systems with the supplier, Damuth Train. She noted that the cost of the maintenance agreement for FY 16 was \$4,104 for the Apprentice School Garage and \$13,188 for the Liberty Community Center, and that funding for these items would come from the EDA operating budget.

Mrs. Kingston told the Board that construction at Brooks Crossing was quickly progressing. She advised that she and Jim Scanlon had been invited to give a presentation on Brooks Crossing at the upcoming HRACRE Luncheon on August 20th. She said that the presentation would be titled, "How to Grow an Apple: The Development of Brooks Crossing – A Public-Private Partnership in a Food Desert." She said that this would be a great opportunity to share the vision and progress of the Brooks Crossing project with a regional audience and highlight the collaborative work accomplished in Newport News. She informed the Board that Developer representatives would be present to answer questions and encouraged Board Members to attend.

Mrs. Kingston advised that on July 23rd, she, along with her counterpart from the City of Hampton, Leonard Sledge, made a presentation to the Board of the Virginia Peninsula Chamber of Commerce at its monthly business meeting. She noted that the focus was on strategies that our respective cities are using to promote economic vitality on the Peninsula. She said that the opportunity provided a unique chance to emphasize the importance of cooperation in addressing such issues as enhancing the influence of Peninsula localities upon groups representing the entire Hampton Roads Region, collaboratively supporting the expansion of Jefferson Lab and other federal facilities that we share, and attracting new, low-cost airline service to Newport News/Williamsburg International Airport. She stated that by underscoring the importance of economic development efforts in the areas of community redevelopment, manufacturing, scientific research, and job growth potential, they had communicated the necessity of changing the region's attitudes towards the Peninsula by "telling a better story" about the Peninsula's goals and assets.

Mrs. Kingston said that she wanted to give the Board an early heads-up and asked them to mark their calendars for the 2015 State of the City event being held at the Marriott on Tuesday, October 20th from 12:00 p.m. to 1:30 p.m. She noted that the EDA would have a table at the event.

Mrs. Kingston gave a special thanks to Colin Taylor, one of the Department of Development's summer interns, who was leaving to return to college at Yale. She said that he had contributed a great deal during his internship and was a valuable asset to the Department.

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 offered the City Manager an opportunity to comment. Mr. Bourey updated the Board on the input City staff had provided for an upcoming Transit Corridor Study to be undertaken by Hampton Roads Transit (HRT). He stated that staff had provided HRT with some excellent ideas and communicated a sense of urgency to make rapid transit in Newport News a priority in the study, which HRT would be initiating in November. Mr. Bourey stated that staff was wrapping up submissions for the Capital Improvement Program (CIP) for next year, which would contain key components of the requirements to spur economic development, especially in relation to Tech Center and SCOT relocation.

Ms. Drucker asked for a motion to authorize engagement of The Structures Group and its testing agent, ECS Mid-Atlantic, to provide independent third-party inspection and testing services for the Brooks Crossing grocery store construction project, in an amount not to exceed \$44,000, which represented the proposal amount and a small contingency, subject to all necessary documents being reviewed and approved by EDA Legal Counsel. Mr. Minter so moved and Mr. Epes seconded the motion, which was approved unanimously on a roll call vote.

Assistant Secretary's Report

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

Madison Government Affairs Consultant Report

Ms. Drucker advised the Board that the Madison Government Affairs Report had been provided in written format, and asked if there were any comments or questions. There were none.

At 8:40 a.m., Mr. Minter 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, a prospective business interested in locating in the northern 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. Henderson seconded the motion, which passed unanimously on a roll call vote.

At 9:34 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Minter 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. Henderson seconded the motion, which passed unanimously on a roll call vote.

Committee Chair's Reports

Ms. Drucker called for the Committee reports. Mr. Minter presented the Conference Center Marketing Committee Report, which did not require Board ratification. Ms. Drucker presented the Executive Committee Report, which was ratified by the Board and passed unanimously on a roll call vote. Mr. Epes presented the Revolving Loan Fund Committee Report, which was ratified by the Board and passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of July 10, 2015

Ms. Drucker asked for a Motion that the Minutes of the Regular Meeting of July 10, 2015 be approved. Mr. Epes so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

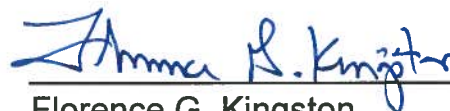
Unfinished Business

Ms. Drucker asked for any unfinished business. Mrs. Kingston asked Ms. Drucker to provide an update on the Liberty Apartments. Ms. Drucker reminded the Board that Drucker and Falk manages the Liberty Apartments adjacent to the Apprentice School in Downtown Newport News. She reported that the apartments would be approximately 94% leased at the end of August.

New Business

Ms. Drucker asked for any new business. There was none.

There being no further business to come before the Board, Ms. Drucker adjourned the meeting at 9:42 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 7, 2015

The Conference Center Marketing Committee met July 29, 2015. Lori Coyne, Marriott Sales and Marketing Director, presented an overview of group sales and social catering for the second quarter of 2015. Special promotions and partnerships with Paragon City Center 12, CNU Athletics and the Ferguson Center were discussed. Ms. Coyne introduced the new Director of Catering, Nicole Jendrasek.

A handwritten signature in black ink, appearing to read "Gary Minter", is written over a horizontal line. The signature is stylized and cursive.

Gary Minter, Chair

GM:cum

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Date, Time and Location: July 29, 2015, at 8:00 a.m., Executive Board Room, Newport News Marriott at City Center

Members Present: Gary Minter, Cindy Brouillard, Steve Meade, Elizabeth Parker

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: August 7, 2015

The Executive Committee met on July 21st. The Committee authorized EDA acceptance of a proposal from Talley Anchor Sign Company for the design, manufacture and installation of building-mounted signage for the South Police Precinct at the Brooks Crossing Development Project and funding in an amount not to exceed \$17,000, which included the proposal amount plus a small contingency, with all necessary documentation subject to legal counsel review and approval.

The Committee also authorized IDA funding and execution of a contract with Macsons Demolition & Environmental Services to provide demolition work associated with 89 Nelson Drive, in an amount not to exceed \$55,000, which included the proposal amount plus a contingency, and a contract with Hudgins Contracting Corp. to provide construction work associated with 89 Nelson Drive, in an amount not to exceed \$640,000, which included the proposal amount plus a contingency, to advance the UPS Project, with all necessary documentation subject to legal counsel review and approval.

Finally, the Committee approved a waiver of 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 purchase rights of Northwestern Mutual and Newport News Town Center Assets/Holdings of the parcel and improvements in City Center owned by Fountain Plaza Two, LLC, with the waiver limited to the pending disposal of Northwestern Mutual and Newport News Town Center Assets/Holdings and with all rights of the EDA remaining in full effect for any and all future owners of the referenced property.

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



Wendy Drucker

WD:clc

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Date, Time and Location: July 21, 2015, at 12:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Wendy Drucker, Tom Herbert, Arthur Henderson, Gary Minter

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, Revolving Loan Fund Committee

SUBJECT: Chair's Report

DATE: August 7, 2015

The Revolving Loan Fund Committee (Committee) met on July 30, 2015. Committee members were provided financial statements for the Newport News Capital Fund (NNCF) for the period ending June 30, 2015.

Committee members were briefed on a previously approved Façade Improvement Grant for 15900 Warwick Boulevard in the amount of \$3,375. The final project budget increased to cause an increase in the FIG grant amount by \$506.25 to \$3,881.25. The grant agreement has been amended to reflect the increase.

Committee members were provided the Annual Plan Certification for the Newport News Capital Fund and it was recommended for approval with a unanimous vote.

Staff presented two (2) FIG Program requests to the Committee:

- The FIG request for \$30,000 from 738 City Center Boulevard LLC for accessibility ADA compliant projects, exterior lighting, landscape improvements, roofing, windows/doors, window and cornice flashing, signage and addition of an entry vestibule at 738 City Center Boulevard was recommended for approval with a unanimous vote.
- The FIG request for \$30,000 from Rey-Rey LLC for canopy/awning, exterior finishes and materials, exterior painting, including prep, fencing, hardscape improvements, landscape features, roofing, windows/doors and window and cornice flashing at 7500 Warwick Boulevard was recommended for approval with a unanimous vote.

Board ratification of the Committee's actions relating to the FIG approvals and Annual Plan Certification recommendation is needed today.



Cassandra Greene, Chair

CG:tfw

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Date, Time and Location: July 30, 2015 at 1:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cassandra Greene, Cary Epes, George Knight, Arthur Henderson

Members Absent: Susan Harris