

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, September 4, 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  
Cassandra P. Greene  
Jennifer S. Smith  
C. Gary Minter  
Florence G. Kingston, Secretary/Treasurer, ex-officio  
James M. Bourey, City Manager, ex-officio

Absent:

Arthur P. Henderson, Excused

Legal Counsel:

Raymond H. Suttle, Jr., Esquire

Staff:

Cherry Croushore, Assistant Secretary  
Janice Jones, Recording Secretary

Also present:

Paul Hirsch, Madison Government Affairs  
Collins Owens, City Attorney  
Robert Pealo, Assistant City Attorney  
Jerri Wilson, Legislative Assistant, City Manager's Office

Mr. Herbert opened the meeting by welcoming everyone.

### Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston reported that she had asked Steve Cook to join our Board Meeting for a few minutes to announce that Mr. Cook had accepted a position with Opportunity, Inc. as Vice President of Workforce Innovation. She said that Friday, September 4<sup>th</sup> was his last official day with HREDA, after 11+ years of dedicated service. She stated that on behalf of all of the staff he would be missed as he had been the "go to" person with HREDA for years, as well as a good friend. She asked that the Board join her in wishing him all the best in his new role. Mr. Cook thanked the Board for the professional relationship shared with the Board and said that he looked forward to enhancing the efforts of both HREDA and the City of Newport News in his new job capacity with Opportunity, Inc.

Mrs. Kingston informed the Board that the Port of Virginia, Virginia Economic Development Partnership and Hampton Roads Economic Development Alliance would be hosting a group of national site location consultants for a port-focused orientation of the Hampton Roads region. She noted there were opportunities to participate in reception and dinner events on September 16<sup>th</sup> and September 17<sup>th</sup>, and advised the Board to let staff know by Tuesday, September 8<sup>th</sup> if they were interested in attending either event.

Mrs. Kingston noted that the City was in the process of obtaining a public sidewalk easement from the Commonwealth over the Commonwealth-owned 10.78-acre parcel at 12050 Jefferson Avenue, on which the EDA was the lessee of a ground lease, and the site of the ARC Building. Because of the lease arrangement, the EDA would need to consent to the easement related to roadway work on northbound Jefferson Avenue which provided a new right hand turn lane into Hogan Drive, forcing the encroachment by a rebuilt sidewalk. She explained that the easement area varied in width and would measure approximately 2,300 square feet and that the City would be mobilized to begin sidewalk construction upon recordation of the deed of easement. She told the Board that she would be seeking a Motion to authorize 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, to the Commonwealth's

grant to the City of Newport News of a variable-width permanent sidewalk easement on the same parcel, subject to review and approval of all related documents by EDA Legal Counsel.

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 several projects. He noted that registrations to date for the One City Marathon had increased in comparison to last year, with a projected 5,000 participating runners. He said that Christopher Newport University students were conducting an economic impact study of the Marathon. Mr. Bourey advised that Hampton Roads Transit staff had developed a Scope of Work for the Peninsula Corridor Transit Study which would begin in November, and he said he anticipated that the Study would recommend creative options for improving transit within the City.

Mr. Bourey reported there would be a "Ground Breaking" Ceremony on September 8<sup>th</sup> at 10:30 a.m. for the expansion of I-64, and that Governor McAuliffe would be in attendance. He reminded the Board that the State of the City Luncheon would be held on October 20<sup>th</sup> at 11:30 a.m. at the Newport News Marriott. Mr. Bourey urged the Board to drive past the Brooks Crossing development to see the progress of construction on the Police Precinct, as well as the infrastructure work in progress on the rest of the development and the grocery store. He informed the Board that the deadline for receiving proposals for the SCOT facility relocation had been extended for two additional weeks to allow proposers more time to respond. He stated that the SCOT facility relocation was crucial to the expansion of Tech Center and Jefferson Lab, and that staff would move swiftly to review all proposals received.

Mr. Herbert asked for a motion to authorize 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, to the Commonwealth's grant to the City of Newport News of a variable-width permanent sidewalk easement on the same parcel, subject to review and approval of all related documents 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

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.

#### Madison Government Affairs Consultant Report

Mr. Herbert asked for the Madison Government Affairs Report. Mr. Hirsch reported that the House and Senate would return to the Capitol on September 8<sup>th</sup> and would address keeping the government funded and raising the debt limit. He informed the Board that the Army continued to reduce active duty forces from 490,000 down to 450,000. He stated that the reduction by only 94 soldiers at Fort Eustis was relatively small compared to reductions at other Army installations around the country. He explained that the Army would also be eliminating 17,000 civilian positions in 2016 and 2017, but that these reductions would be achieved through attrition and by not filling vacant positions. Mr. Hirsch stated that he was pleased to have been asked to join the Eustis Civic Leaders Association (ECLA), a local community group recently put in place with the goal of enhancing Fort Eustis. He stated that he would keep the Board apprised of the Association's actions and activities. Mr. Hirsch commented that on August 27<sup>th</sup>, a Fort Eustis-based task force comprised of active and reserve component service members from the Army, Navy, Air Force and Marines and created to deploy within hours of a chemical, biological, radiological or nuclear disaster in the U.S. had successfully executed a complex training mission from Langley Air Force Base to Richmond.

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

At 8:22 a.m., Ms. Drucker 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 9:07 a.m., the EDA/IDA Board returned to open session following a certification motion by Ms. Drucker 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 Grocery Store Project

Mr. Herbert asked Mrs. Kingston to present the Brooks Crossing Grocery Store Project report. Mrs. Kingston briefly outlined the progress being made at the Brooks Crossing Grocery Store project, citing that there were three items that needed the Board's approval: a construction contract with Armada Hoffler authorizing a Guaranteed Maximum Price (GMP) not to exceed \$3,892,275; an Equipment/ Installation contract with SuperValu not to exceed \$2,344,416.89; and a Waiver of Conflict of Interest for the New Markets Tax Credits transaction for legal counsel Jones, Blechman, Woltz & Kelly.

Mr. Herbert then asked for a Motion that the EDA authorize a Guaranteed Maximum Price (GMP) contract, in an amount not to exceed \$3,892,275, for construction of the Grocery Store Building in the Brooks Crossing Project in the Southeast Community, funded by the City of Newport News, including authority to assign such contract to facilitate and meet requirements of a pending New Markets Tax Credits transaction, and subject to all necessary documentation being reviewed and approved by EDA Legal Counsel. Mr. Minter so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert next asked for a Motion that the EDA authorize a contract, in an amount not to exceed \$2,344,416.89, for grocery store equipment and installation for the Grocery Store Building in the Brooks Crossing Project in the Southeast Community, funded by the City of Newport News and subject to contribution by the grocery store operator as well as pending New Markets Tax Credits (NMTC), including authority to assign such contract to facilitate and meet requirements of a pending NMTC transaction, and subject to all necessary documentation being reviewed and approved by EDA Legal Counsel. Mr. Minter so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a Motion that the EDA consent to waiving any potential conflict of interest to allow its legal counsel, Jones, Blechman, Woltz & Kelly, to continue representation of the EDA, as well as to continue representation of the Newport News Redevelopment and Housing Authority, in connection with, to facilitate and to meet requirements of a pending NMTC transaction for the Grocery Store in the Brooks Crossing Project in the Southeast Community. 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, passing with 5 votes, Ms. Drucker having abstained. Mr. Herbert 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 August 7, 2015

Mr. Herbert asked for a Motion that the Minutes of the Regular Meeting of August 7, 2015 be approved. Mr. Minter so moved and Mr. Epes seconded the motion, which passed with 4 votes, Mr. Herbert and Ms. Smith having abstained.

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 9:18 a.m.



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Florence G. Kingston  
Secretary/Treasurer

**ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY**

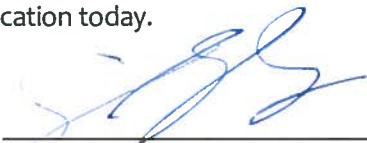
**TO:** Board of Directors  
**FROM:** Chair, Design Review Committee  
**SUBJECT:** Chair's Report  
**DATE:** September 4, 2015

The Design Review Committee met on Thursday, August 27, 2015. The Committee considered a request by Bayport Credit Union, on behalf of Municipal Partners, LLC, for approval of a site layout, landscape plan, and scaled color elevations of a proposed canopy and service drive-thru, including an ATM lane, at 1 Compass Way. Upon review, the Committee voted 6 to 0, with one abstention, to recommend approval of the request, subject to all applicable City codes and regulations.

The second item considered was a request by AES Consulting Engineers, on behalf of Next Century Properties, LLC, for approval of a site layout and landscape plan of proposed parking lot improvements at 730 Thimble Shoals Boulevard in Oyster Point of Newport News. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The third item considered was a request by Drucker and Falk, on behalf of Goodfarb Family Virginia Virby, for approval of a location layout plan, scaled rendering, and digitally enhanced photographs of seven proposed internally-illuminated, building-mounted tenant signs at 700 Thimble Shoals Boulevard in Oyster Point of Newport News. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The items detailed in this report require Board ratification today.

  
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Cary B. Epes, Chair

CBE:dep

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Date, Time and Location: August 27, 2015, at 2:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary B. Epes, Thomas P. Herbert, Jennifer S. Smith, Alonzo Bell, Jr., Teresa Nettles, Sylvia Weinstein, Elizabeth Willis

Members Absent: Alex Delgado, Robb Mann, Bryan Trainum





ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Executive Committee  
SUBJECT: Chair's Report  
DATE: September 4, 2015

The Executive Committee met on August 20<sup>th</sup>. The Committee authorized EDA engagement of New Markets Tax Credits (NMTC) consulting services related to the Brooks Crossing Grocery Store Project, for accounting and financial services to be provided by CohnReznick LLP in an amount not to exceed \$50,000 and legal services to be provided by Bryan Cave LLP in an amount not to exceed \$110,000, subject to all necessary documentation being reviewed and approved by EDA Legal Counsel.

The Committee also authorized engagement of ECS Mid-Atlantic, LLC as the testing agent to provide independent 3rd-party testing services for the Brooks Crossing grocery store site, in an amount not to exceed \$16,000, which represented the proposal amount and a small contingency, subject to all necessary documents being reviewed and approved by EDA Legal Counsel.

Finally, the Committee was advised that annual maintenance and repairs related to the Oakland Rail Spur, in the amount of \$13,656.13, were being performed and were a budgeted expense.

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: August 20, 2015, at 1:15 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, Revolving Loan Fund Committee  
SUBJECT: Chair's Report  
DATE: September 4, 2015

The Revolving Loan Fund Committee (Committee) met on September 1, 2015.

Staff presented three (3) Façade Improvement Grant (FIG) Program requests:

- The FIG request for \$30,000 from Ivan Randal Hutchison (Brake King, Inc.) for exterior painting, including prep and roofing at 5969 Jefferson Avenue was recommended for approval with a unanimous vote.
- The FIG request for \$30,000 from TGMC, LLC. (Schooner's Grill) for accessibility ADA compliant projects, hardscape improvements, and paving at 12567 Warwick Boulevard was recommended for approval with a unanimous vote.
- The FIG request for up to \$30,000 from Danny and Dianna Edwards (Danny's Glass) for exterior lighting, exterior painting, including prep, excavating and paving parking lot, and windows/doors at 13179 Warwick Boulevard was recommended for approval with a unanimous vote.

The Committee was also made aware that the China Buffet loan has been paid in full.

Board ratification of the Committee's actions relating to the FIG approvals is needed today.

  
Cassandra Greene, Chair

CPG:jjj

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Date, Time and Location: Sept. 1, 2015 at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cassandra Greene, Cary Epes, Arthur Henderson

Members Absent: Susan Harris, George Knight