

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, October 11, 2013 in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

Tom Herbert, Vice-Chair
Alonzo R. Bell, Jr.
Wendy Drucker
Cary B. Epes
Cassandra P. Greene
C. Gary Minter
Florence G. Kingston, Secretary/Treasurer, ex-officio
James M. Bourey, City Manager, ex-officio

Those members absent were:

Arthur P. Henderson, Jr., Chair, excused

Legal Counsel:

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

Staff:

Cherry Croushore, Assistant Secretary
Sharon Baker, Recording Secretary
Matt Johnson, Business Retention Coordinator,
Department of Development

Also present:

George Consolvo, Kaufman & Canoles
Phillip Hatchett, Kaufman & Canoles
Doug Hornsby, CEO, CNU Real Estate Foundation
Darryl Gosnell, Hampton Roads Economic Development Alliance
Matthew James, Peninsula Council for Workforce Development
Paul Hirsch, Madison Government Affairs
Collie Owens, City Attorney
Robert Pealo, Assistant City Attorney
Jerri Wilson, Legislative Analyst

Mr. Herbert opened the meeting by welcoming everyone.

Request by Christopher Newport University Education Foundation, Christopher Newport University Real Estate Foundation and Christopher Newport University for IDA Approval of the Issuance by the Economic Development Authority of the City of Poquoson, Virginia, of a Revenue Bond in an Amount not to Exceed \$8,200,000, for the Benefit of Christopher Newport University Education Foundation, Christopher Newport University Real Estate Foundation and Christopher Newport University, and Recommending City Council Approval of the Poquoson EDA Bond Issue

Mr. Herbert opened the Public Hearing of the Industrial Development Authority of the City of Newport News, Virginia, on behalf of the City of Newport News, on the plan of refinance of Christopher Newport University Education Foundation and Christopher Newport University Real Estate Foundation for the issuance by the Economic Development Authority of the City of Poquoson, Virginia, of a revenue bond in an amount not to exceed \$8,200,000 (i) to assist in the refinancing of the Industrial Development Authority of New Kent County, Virginia, \$10,000,000 Revenue Bond (Christopher Newport University Project), Series 2001, which financed the construction and equipping of a student housing complex located at 39 Sweetbriar Drive in the City of Newport News, Virginia 23606, which is leased by Christopher Newport University, and (ii) to pay the cost of issuing the bond.

Mr. Consolvo, IDA Bond Counsel, presented the plan of refinance. Mr. Herbert asked for comments from the public. No members of the public spoke in opposition.

Mr. Herbert asked for a motion to close the Public Hearing. Mr. Bell so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a motion approving IDA Resolution Number 13-9 as presented. Mr. Bell so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Request by Christopher Newport University Education Foundation, Christopher Newport University Real Estate Foundation and Christopher Newport University for IDA Approval of the Issuance by the Industrial Development Authority of Richmond County, Virginia, of a Revenue Bond in an Amount not to Exceed \$4,500,000, for the Benefit of Christopher Newport University Education Foundation, Christopher Newport University Real Estate Foundation and Christopher Newport University, and Recommending City Council Approval of the Richmond County IDA Bond Issue

Mr. Herbert opened the Public Hearing of the Industrial Development Authority of the City of Newport News, Virginia, on behalf of the City of Newport News, on the plan of refinance of Christopher Newport University Education Foundation and Christopher Newport University Real Estate Foundation for the issuance by the Industrial Development Authority of Richmond County, Virginia, of a revenue bond in an amount not to exceed \$4,500,000 (i) to assist in the refinancing of the Industrial Development Authority of New Kent County, Virginia, \$5,500,000 Revenue Bond (Christopher Newport University Project), Series 2002, which financed the construction and equipping of a student housing complex located at 39 Sweetbriar Drive in the City of Newport News, Virginia 23606, which is leased by Christopher Newport University, and (ii) to pay the cost of issuing the bond.

Mr. Consolvo, IDA Bond Counsel, presented the plan of refinance. Mr. Herbert asked for comments from the public. No members of the public spoke in opposition.

Mr. Herbert asked for a motion to close the Public Hearing. Mr. Bell so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a motion approving IDA Resolution Number 13-10 as presented. Mr. Epes so moved and Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

Resolution Approving Request by Rappahannock Hall at Christopher Newport University LLC, Whose Sole Member is Christopher Newport University Real Estate Foundation for IDA Authorization of the Issuance of its Student Housing Revenue Bonds, in an Amount Not to Exceed \$55,000,000, for the Benefit of Rappahannock Hall at Christopher Newport University LLC, Whose Sole Member is Christopher Newport University Real Estate Foundation

Mr. Herbert noted that the Rappahannock Hall Bond matter had previously been considered on July 2, 2013 and was approved. He noted that the approval of Resolution 13-11 was now necessary as the purchaser of the bonds referenced in the original resolution had changed, but all other aspects of the project remained the same.

Mr. Herbert asked IDA Bond Counsel, Mr. Consolvo, to comment. Mr. Consolvo noted that the IDA had previously adopted Resolution No. 7-1, dated July 2, 2013, authorizing the issuance of its Student Housing Revenue Bonds (Rappahannock Hall at Christopher Newport University), Series 2013, ("Bonds"), in the maximum aggregate principal amount not to exceed \$55,000,000, for the benefit of Rappahannock Hall at Christopher Newport University LLC ("**Rappahannock Hall**"), whose sole member is the Christopher Newport University Real Estate Foundation ("Foundation"). He also advised that the Newport News City Council had approved the issuance of the Bonds on July 9, 2013.

Mr. Consolvo reported that as a result of market conditions, in lieu of a public offering of the Bonds, Rappahannock Hall and the Foundation had now decided to enter into a Bond Purchase and Refinancing Agreement with TowneBank ("Bank"). He noted that Rappahannock Hall and the Foundation were now requesting that the IDA (i) authorize the issuance of the Bonds directly to the Bank, and (ii) execution of all necessary documents in connection with the issuance of the Bonds.

Mr. Herbert asked if there were any questions or comments. There were no questions or comments.

Mr. Herbert asked for a motion to approve Resolution 13-11, as presented. Mr. Bell so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Resolution Approving Request by New Opportunity L.L.C., Whose Sole Member is New Horizons Educational Foundation, Inc., for EDA Final Authorization of the Issuance of its Revenue Bonds in an Amount not to Exceed \$11,000,000, for the Benefit of New Opportunity L.L.C., Whose Sole Member is New Horizons Educational Foundation, Inc.

Mr. Herbert noted that the New Opportunity L.L.C. Bond matter had previously been considered on September 17, 2013 and was approved. He noted that the approval of Resolution 13-12 was now necessary in order to proceed with the closing on the bonds. Mr. Herbert asked for comments from Mr. Hatchett, Counsel for New Opportunity L.L.C. Mr. Hatchett noted that the plan remained the same as that presented at the Board's September 17th meeting, and that the transaction was now ready for the EDA to take action to approve a final resolution for issuance of the bonds. He offered to answer any questions.

Mr. Herbert asked if there were any questions or comments. There were no questions or comments.

Mr. Herbert asked for a motion to approve Resolution 13-12, as presented. Mr. Bell so moved and Mr. Epes 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 Report. Mr. Gosnell reported that during the last nine months Hampton Roads Economic Development Alliance (HREDA) had 50 new project inquiries, 28 prospect visits and 38 marketing missions resulting in 376 one-on-one appointments, of which 245 were with corporate executives and 131 were with site selection consultants.

He further reported that HREDA had 6 new announcements on companies locating their facilities in the region, totaling just under \$30 million in capital investment, creating 230 direct new jobs and utilizing in excess of 380,000 square feet of space. He reported that most of the inquiry activity continued to be in Advanced Manufacturing and Maritime and Logistics Sectors.

Mr. Gosnell reported that HREDA staff was currently on a marketing mission in Germany and met with representatives at Liebherr's Corporate Headquarters. He reported that HREDA had already received favorable comments from Jo Janka, President of Liebherr Mining Equipment, complimenting the presentation that staff had given at the Corporate Headquarters and stating that they appreciated the visit and the meaningful conversation.

Mr. Gosnell reported HREDA had been asked to host a special event by the Virginia Port Authority (VPA) and the Virginia Economic Development Partnership (VEDP) inviting national site selection consultants that specialized in Maritime and Logistics related projects in an effort to educate them about our port and transportation opportunities. He reported that 14 site selection consultants from around the country attended this well-received event, with a reception on Wednesday night hosted by the Governor welcoming the consultants.

Both Mr. Workman and Mr. Herbert commented they had participated in the event and complimented Mr. Gosnell and his staff on a job well done. Mr. Herbert asked if there were any questions. There were no questions.

Quarterly Workforce Development Report

Mr. Herbert asked for the Quarterly Workforce Development Report. Mr. James reported that Peninsula Council for Workforce Development (PCFWD) was having a great year. He reported that to date PCFWD had 12,000 adults come through their Workforce Development Centers.

Mr. James reported that the PCFWD had been awarded a \$250,000 grant for a Veterans' Employment Initiative through the Virginia Community College System's Rapid Response Assistance Program. He reported that PCFWD was collaborating with the Virginia Employment Commission and Thomas Nelson Community College on this initiative.

Mr. James reported that PCFWD had hosted a very successful "Hiring Our Heroes" event with the National Chamber of Commerce, which had been rated the second highest attended event of its kind in the country.

Mr. James reported that the Disney Institute hosted by PCFWD at the Hampton Roads Convention Center in Hampton on March 7th was a full-day event with close to 250 area professionals in attendance. He noted that the event was so successful they had already signed a contract to host the Disney Institute event again in March of 2014, with the course being "Leadership," and thanked the Board for their support.

He reported that PCFWD continued to receive private and public investment to support their Youth Career Cafés and the Youth Career Expo. He reported that the Youth Career Expo was scheduled for February 2014 in partnership with the Virginia Peninsula Chamber of Commerce and that all six public school divisions would be participating. Mr. James noted that they were expecting 2,500 to 3,000 students to be in attendance, each one participating in a 20 minute mock interview. Mr. James complimented and thanked Matt Johnson for his assistance with PCFWD's Career Youth Camps.

Mr. James reported that the Governor's Office had provided \$125,000 in funding to Thomas Nelson Community College (TNCC) to explore the possibility of establishing an Advanced Integrative Manufacturing Center, with committee work now underway.

Mr. James reported that PCFWD was preparing a "State of The Workforce Report" for their website to be completed in the near future.

Quarterly Business Retention Report

Mr. Herbert asked for the Quarterly Business Retention Report. Mr. Johnson stated that this had been another active quarter for business retention activities. He reported that there was an increase in companies needing assistance in working with other City departments and that with the assistance of City staff, business owners had been pleased with the outcome.

Mr. Johnson reported that he had been assisting staff in reaching out to Newport News businesses with international operations or corporate headquarters in Germany and Switzerland as part of an ongoing effort to strengthen and deepen existing relationships.

Mr. Johnson reported that staff had been working with the Department of Housing and Community Development in conjunction with their fall Local Zone Administrators Workshop. He reported that he and George Schraudt had the opportunity to attend the workshop and to take attendees on a windshield tour of some of Newport News' Enterprise Zones, showing how the City had leveraged state Enterprise Zone programs to encourage business growth and redevelopment throughout Newport News.

Mr. Johnson reminded the Board that on October 29th from 4:00 to 5:30 p.m., the University of Virginia and the EDA would be sponsoring a panel discussion on crowdfunding. He reported that experts would be brought in to discuss best practices for crowdfunding in the areas of research and education, non-profits and small business.

Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston noted that we could take great pride in the recent announcement by Governor McDonnell that Virginia had been named America's "Best State for Business" by Forbes.com. She noted that the key factors in this selection were Virginia's pro-business regulatory environments, educated workforces, quality of life, incentive offerings, and reasonable business costs. She noted that we continued to maintain excellent relationships with our partners at the Virginia Economic Development Partnership, Department of Business Assistance, and other related State agencies.

Mrs. Kingston advised the Board that the October issue of *Virginia Business* magazine was provided at their seats. She noted that on page 97 was "Jolt of pride and energy," Newport News' feature article, highlighting Brooks Crossing, the Apprentice School, Tech Center at Oyster Point, CNU and other recent announcements. She stated that she was pleased to see the City getting increasingly positive, unsolicited media coverage highlighting the impact of our projects on the region.

Mrs. Kingston reported that Newport News would be hosting the Fall Conference of the Virginia Economic Developers Association October 16th through 18th, with over 200 economic development representatives from around Virginia coming to Newport News. She noted that the theme of the Conference would be "Bringing the Global Economy to Virginia". She reported that the Conference would kick off Wednesday featuring our quality of life and would include an Arts and Education Tour, Walking Tour of City Center, and golf at Deer Run. She reported that the sessions at the Marriott on Thursday and Friday included several prominent speakers and informative topics. Mrs. Kingston reported that networking receptions would also be held both Wednesday and Thursday evenings. She encouraged Board members to participate.

Mrs. Kingston reported that the Mayor's State of the City address/luncheon would be held on Tuesday, October 22nd, at noon at the Marriott. She stated that we looked forward to an exciting program and encouraged Board members to attend.

Mrs. Kingston reported that at its Disability Employment Champions Awards Breakfast, the Peninsula Council for Workforce Development (PCFWD) had recognized the efforts of the Newport News EDA and Development staff in working with PCFWD and the staff at Peninsula Worklink during several employment projects over the past year. She noted that these included hiring efforts to meet the needs of Toby Keith's I Love This Bar and Grill, Tucanos and High Liner Seafood. Mrs. Kingston stated by working with the staff at Peninsula Worklink, our staff was able to not only assist new and expanding businesses find the workforce they needed, but also assist the community by providing hiring opportunities for underutilized populations within Newport News and the region.

Mrs. Kingston reported that staff had recently participated in the annual Business Safari trade show, sponsored by the Virginia Peninsula Chamber of Commerce. She noted that this trade show had historically served as a low-cost way to help build top-of-mind awareness of the services we offer to small businesses. Mrs. Kingston reported that in addition to businesses, staff had the opportunity to network, interact and share best practices with our partner and resource organizations, our counterparts from Hampton, York County and Poquoson, state legislators and members of City Council.

Mrs. Kingston reminded the Board that the Peninsula Industrial Finance Corporation (PIFC) Board was the approval body for one of our loan programs, the Peninsula Revolving Loan Fund. She noted that PIFC was restructured some years ago, the administration of the Board was now handled by our Department of Development and the Hampton and Newport News EDA/IDA Boards make appointments to the PIFC Board. Mrs. Kingston noted that Hampton has two members, currently Jay Joseph (Board Chair) and Ben Williams and Newport News has three representatives. She noted that one of those representatives was Howard Manly, the other members from Newport News were Sylvia Weinstein and Beth Moore.

Mrs. Kingston advised the Board that Beth Moore's term does not expire until December 31, 2014, but Sylvia Weinstein's term would expire at the end of this year. She advised that Ms. Weinstein was willing to continue to serve on the Board and was eligible to be reappointed. She also advised that staff was recommending that Joycelyn Spight, with Old Point National Bank, be appointed to fill Mr. Manly's unexpired term, noting that Ms. Spight had expressed an interest and willingness to serve. Mrs. Kingston stated she was requesting a Motion to approve for the PIFC Board the reappointment of Sylvia Weinstein for a term expiring December 31, 2015, and the appointment of Joycelyn Spight to serve the unexpired term of Howard Manly, which term would expire December 31, 2014.

Mrs. Kingston advised the Board that the Monthly Financial Statements were in their package. She noted a few highlights, and then stated she would be happy to answer any questions. There were no questions.

Mr. Herbert asked for a motion to approve for the PIFC Board the reappointment of Sylvia Weinstein for a term expiring December 31, 2015, and the appointment of Joycelyn Spight to serve the unexpired term of Howard Manly, which term would expire December 31, 2014. Mr. Bell so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Assistant Secretary's Report

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

Madison Government Affairs Consultant Report

Mr. Herbert asked for the Madison Government Affairs Consultant Report. Mr. Hirsch reported that the Transportation, Housing & Urban Development Appropriations (THUD) Bill was being debated in both chambers. He noted that this Bill included funding Community Development Block Grants (CDBG) and HOME Programs. Mr. Hirsch reported that within THUD, the Senate included \$3.15 billion for the Community Development Block Grant (CDBG) program and \$1 billion for the HOME Investment Partnership program. The House THUD bill funds CDBG for FY2014 at \$1.4 billion and HOME at \$700 million.

Mr. Hirsch commented on several other bills in various stages of consideration/approval. He also reported that the Department of Defense civilian furloughs began on July 8th, with most civilian employees facing one day off per week through the end of September for a total of 11 furlough days.

At 8:59 a.m. Mr. Epes moved that the EDA/IDA Board go into closed session in accordance with VA Code Section §2.2-3711.A: Real Estate (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; (5) discussion concerning a prospective business or industry for 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; and/or (7) consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. The motion was seconded by Mr. Minter and it passed unanimously on a roll call vote.

At 9:23 a.m. the EDA/IDA Board returned to open session following a certification motion by Mr. Epes in accordance with VA Code Section §2.2-3712(D) at the conclusion of any meeting, the public body holding such meeting shall immediately reconvene in an open meeting and shall take a roll call or other recorded vote to be included in the minutes of that body. The motion was seconded by Mr. Minter and it passed unanimously on a roll call vote.

Committee Chair's Reports

Mr. Bell presented the Design Review Committee Chair's Report, which was ratified by the Board and passed unanimously on a roll call vote. Ms. Greene presented the Revolving Loan Fund Committee Chair's Report, which was ratified by the Board and passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of September 6, 2013

Mr. Herbert asked for a motion that the Minutes of the Regular Meeting of September 6, 2013 be approved. Mr. Bell so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Special Meeting of September 17, 2013

Mr. Herbert asked for a motion that the Minutes of the Special Meeting of September 17, 2013 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. Mrs. Kingston stated there was no unfinished business.

New Business

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

Mr. Herbert asked if there were any other matters to be considered today. There were no other matters.

There being no further business to come before the Board, Mr. Herbert adjourned the meeting at 9:28 am.



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: October 11, 2013

The Design Review Committee met on Thursday, September 19, 2013. The Committee considered a request by AES Consulting Engineers, on behalf of property owners John R. Lawson II and the United States Government, for approval of a combined site and landscape plan and a color landscape rendering for a proposed access road to be constructed at 11850 Jefferson Avenue and 12000 Jefferson Avenue in Oyster Point of Newport News. Upon review, the Committee voted unanimously to recommend deferral of this request to a future meeting pending presentation of further information regarding traffic safety and landscaping matters.

The Committee also considered a request by the Timmons Group, on behalf of W.M. Jordan Company, Inc., for approval of a combined site and landscape plan and a color conceptual rendering for a proposed access road to be constructed at 690 Oyster Point Road. 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.



Alonzo R. Bell Jr., Chair

ARB:cam

Date, Time and Location: September 19, 2013 at 8:00 a.m., Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo R. Bell, Jr., Cary B. Epes, Thomas P. Herbert, Robb Mann, Elizabeth Smith, Teresa Nettles, Sylvia Weinstein

Members Absent: Michael Carpenter

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: October 11, 2013

The Revolving Loan Fund Committee (Committee) met on Monday, September 30th, 2013. Committee action and staff discussion are highlighted below:

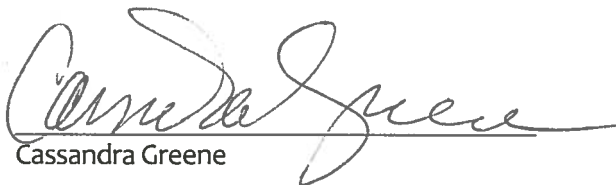
Staff presented two (2) FIG Program requests to the Committee:

- The FIG request for \$30,000 from 321 Main Street, L.P. for parking lot repair and maintenance at 321 Main Street was recommended for approval with a unanimous vote.
- The FIG request for \$17,749 from The Village IMP, LLC for accessibility items, exterior painting, exterior finishes and materials, landscaping improvements, signage and windows/doors at 10234 Warwick Boulevard was recommended for approval with a unanimous vote.

The Committee approved both FIG requests and is asking the Board to ratify Committee actions.

The Committee was informed that The Lunch Bell has satisfied its Newport News Capital Fund loan.

This concludes the Committee Report.


Cassandra Greene

CG:tw

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Date, Time and Location: September 30th at 12:30 PM at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cassandra Greene, Wendy Drucker and Susan Harris

Members Absent: Cary Epes