

MINUTES OF THE ANNUAL 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, November 3, 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.
Jonathan Skinner
Jennifer Smith-Brown
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Jeffrey Verhoef, Excused
Cynthia D. Rohlf, City Manager, ex-officio

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Kearston Milburn, Recording Secretary
Cherry Croushore, Assistant Secretary

Also present:

Sheila McAllister, Director, Department of Planning
Britta Ayers, Manager of Comprehensive Planning, Department of Planning
Brian Pierce, Planner II, Department of Planning
Michael Pack, Newport News Redevelopment and Housing Authority
David Staley, Newport News Redevelopment and Housing Authority
Jerri Wilson, Legislative Liaison, City Manager's Office

Also present (continued):

Paul Hirsch, Madison Government Affairs
Collins Owens, City Attorney
Robert Pealo, Senior Assistant City Attorney

Mr. Minter opened the meeting by welcoming everyone.

Tour of Choice Neighborhood Initiatives Target Neighborhoods and Surrounding Areas

Mr. Minter called on Mrs. Kingston and Ms. McAllister to give an overview of the bus tour being provided related to the Choice Neighborhood Initiatives Planning Grant and Implementation Grant Application. Board members, selected guests and staff then departed for a narrated bus tour of the Choice Neighborhood Initiatives Target Neighborhood, designated as the Marshall-Ridley Choice Neighborhood planning area, bounded by 39th Street to the North, Hampton Roads Harbor to the South, I-664 to the West and Marshall Avenue and the former Chase Bag property to the East, as well as surrounding areas. The group returned to the EDA/IDA Board Room at 9:45 a.m. and Chair Minter reconvened the meeting.

Choice Neighborhood Initiatives Implementation Grant Actions

Mr. Minter called on Mrs. Kingston for the Choice Neighborhood Initiatives Implementation Grant Actions. Mrs. Kingston described the actions required, as well as the content of Resolution 17-6 which detailed the EDA's participation in support of the submission of the Department of Housing and Urban Development's (HUD's) 2017 Choice Neighborhood Initiatives (CNI) Implementation Grant Application, due on November 22nd, for significant funding to implement the Transformation Plan developed with the previously awarded \$500,000 CNI Planning Grant funding. She stated that the Newport News Redevelopment and Housing Authority (NNRHA) would be the lead applicant and that the City of Newport News would be the co-applicant for the submittal. Mrs. Kingston reminded the Board that the Market Analysis funded by the EDA as part of the CNI Planning Grant efforts contributed significantly to the transformation strategies developed for the CNI Marshall-Ridley Choice Neighborhood. She explained further that the EDA's continued partnership with NNRHA and the City in pursuit of the CNI Implementation Grant was integral to the potential success of the application by committing the EDA's property in the 2800 block of Washington Avenue for replacement as well as non-replacement affordable and non-replacement market housing to meet grant requirements. She said that additionally, the EDA would support

implementation of the Transformation Plan through business and economic incentives such as the Façade Improvement Grant Program, workforce job training including apprenticeship and mentorship programs, and facilitating recommendations of the Market Analysis that will serve to strengthen the Marshall-Ridley Choice Neighborhood.

Mrs. Kingston explained that since there was an active lease and deed of trust on a portion of the EDA's property being committed to the project, the timing of conveyance of the property to NNRHA would likely not be necessary until the last phase of the implementation project, after the lease and debt have been settled.

Mr. Minter thanked Mrs. Kingston for her overview. He then 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 CNI Transformation Plan and CNI Implementation Grant Application. Mr. Bell so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Mr. Minter asked for a motion to approve EDA Resolution 17-6, as presented, supporting implementation of the U.S. Department of Housing and Urban Development (HUD) Choice Neighborhood Transformation Plan and authorizing submission of a Choice Neighborhood Initiative (CNI) Implementation Grant and supporting documents to HUD. Mr. Bell so moved and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

Presentation of City's Legislative Priorities Program for the 2018 Virginia General Assembly

Mr. Minter asked for the City's Legislative Priorities Program Presentation. Ms. Wilson stated that the current General Assembly session would be lengthy, as the biennial budget would be crafted. She explained that it would contain several big-ticket demands in the hundreds of millions of dollars, including the re-benchmarking of K-12, as well as requests from the State Council for Higher Education and the Port. She added that the State would also attempt to rebuild the rainy-day fund, as it had dropped 75% over the last seven years and had negatively impacted the State's bond rating. Ms. Wilson advised that the Governor would present the final budget presentation on December 18th.

Ms. Wilson reported that the City's Legislative Package included one Code of Virginia amendment, one budget request, and 12 position statements. She stated that the City was requesting that the Building Permit Affidavit Requirement in Section 54.1-1111 of the Code

of Virginia be amended to streamline the permitting process and allow property owners to obtain building permits without presenting a notarized affidavit. She explained that a \$700,000 budget request was being submitted for improvements to the Fort Eustis Main Gate, which the Joint Land Use Study (JLUS) had identified as a high priority, as the current gate does not meet new anti-terrorism and force protection standards. Ms. Wilson said that the plan was to acquire approximately 30 acres around the gate, move the current inspection station and enlarge the gate so that traffic would not back up onto I-64 during base peak travel times.

Ms. Wilson summarized the City's 12 position statements that would be submitted to the 2018 General Assembly. She noted that first, the City opposed one-size-fits-all legislation that would undermine local authority regardless of the issue. Secondly, she stated that the City supported the establishment of a gas tax floor for the Hampton Roads Transportation Fund, with a state tax price floor at \$3.17 for gas and \$3.36 for diesel, which would guarantee a more stable, consistent revenue source for long-term financing. She advised that the City opposes legislation that would reduce, eliminate or constrain Business, Professional and Occupational License (BPOL) taxes and Machinery and Tools taxes which generate 8.3% of the General Fund and would result in a shift of the tax burden to homeowners.

Ms. Wilson told the Board that Jefferson Lab (JLAB) and several Virginia universities had partnered together on Nuclear Femtography, the science of mapping the position and motion of quarks and gluons in the nucleus of an atom. She reported that funding of \$500,000 was requested to begin development of a Nuclear Femtography Center.

Ms. Wilson said that the City also was recommending amending the Communication Sales and Use Tax (CSUT) to allow taxation of streaming and post-paid calling services in order to level the playing field for cable and cell phone providers. She reported that the City supports amendments to the Virginia Code to enhance penalties up to a Class 6 felony for severe animal abuse. She said the City supported funding at \$50 million in each year of the biennium the Stormwater Local Assistance Fund which provides matching grants to local jurisdictions to reduce polluted runoff. Ms. Wilson stated that increasing State funding for mental health initiatives was supported by the City, as was fully funding the Enterprise Zone Program.

Ms. Wilson also outlined the City's endorsement for the dedicated funding of regional and State public transit and transportation, the funding of an updated study of the Port of Virginia's impact to its host localities and the widening and deepening of the Port of

Virginia's channel to 55 feet in order to allow the Commonwealth to continue to accommodate ultra-large container vessels.

Mr. Minter asked if there were any questions and there were none. Mr. Minter thanked Ms. Wilson for her report.

Secretary/Treasurer's Report

Mrs. Kingston welcomed Jonathan Skinner and stated that he was now official, sworn in and ready to begin his service on the EDA/IDA Board. Mrs. Kingston informed Mr. Skinner that we looked forward to his input and the value we were confident he would bring.

Mrs. Kingston also welcomed Mallory Butler, the Department of Development's new Senior Economic Analyst. She advised that Mallory joined the team on October 30th and that she was a seasoned economic development professional with over 25 years of experience in the field, having served most recently as the Director of Economic Development for the City of Portsmouth. She stated that in addition to this leadership role, Mallory had served in roles ranging from research to marketing, business development, redevelopment, retail attraction and Enterprise Zone administration during her career. Mrs. Kingston noted that Mallory held a BA in Economics from Mary Baldwin College, had achieved the designation of Certified Economic Developer (CEcD) through the International Economic Development Council, and was active in a number of professional organizations. Mrs. Kingston said that Mallory would bring extensive experience and versatility both to our team and the City, and we were delighted to have her join our team.

Mrs. Kingston reminded the Board that the START Peninsula event would begin that evening, November 3rd, and continue through the weekend, at the Stryker Building in Williamsburg. She reported that there were 24 individuals signed up to pitch their business ideas. Mrs. Kingston noted the final pitch reception and pitch competition would begin on November 5th at 4:00 p.m.

Mrs. Kingston reported that on October 18th, she had the privilege of serving as guest lecturer for one of the Public Administration and Policy courses offered as part of Virginia Tech's Graduate Certificate in Local Government Management program. She noted that this particular course titled "Local Economic Development Planning" utilized guest lecturers from throughout Virginia to share different thoughts and viewpoints on economic development and related topics. She stated that she enjoyed having the opportunity to share with students from across the Commonwealth the public-private partnership utilized to

bring about City Center at Oyster Point, and she looked forward to being able to participate in this course when it is offered again next fall.

Mrs. Kingston reported that the Entrepreneurship Forum event took place on October 27th, hosted by Thomas Nelson Community College. She stated that in addition to the EDA serving as a sponsor, a Newport News resource table was set up and staff shared information about some of the services and support we provide to local businesses. Mrs. Kingston stated that about 70 people were in attendance at the Forum and speakers included Kathy Dolan, Director of Business Development with the Virginia Department of Small Business and Supplier Diversity, Cheryl Tan of CherylTanmedia.com and Chris Heivly, Co-Managing Director of The Startup Factory. She noted that several entrepreneurs also spoke to share lessons learned from their entrepreneurial journey.

Mrs. Kingston advised that staff was in the process of coordinating with Planning Department staff to arrange a joint opportunity for the Board and the Planning Commission to view a video production entitled "Another Way of Life: The Story of Reston, VA". She stated that the joint viewing was being planned for Wednesday, November 29th, at 12:30 p.m. at the Cinemark Theater in City Center and to expect an email invitation with additional details.

Mrs. Kingston announced that on December 1st, the Virginia Chamber of Commerce would host the 8th Annual Virginia Economic Summit at the Williamsburg Lodge. She stated that this year's event would be particularly noteworthy as the Chamber would be presenting an update to the long-term statewide economic development plan, Blueprint Virginia 2025, to Virginia's Governor-elect. She stated that over the course of 2017, the Blueprint update had engaged over 6,000 business and community leaders to gather input on priorities for improving Virginia's business climate. She noted that other program highlights would include an update on the National Rankings Initiative Study by VEDP and the Virginia Tech Pamplin School of Business, a November election recap by Dr. Bob Holsworth and Dubby Wynne speaking to represent GO Virginia. Mrs. Kingston advised the Board that they would be receiving an email invitation with additional details on this event.

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.

Mr. Minter thanked Mrs. Kingston for her 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 current Continuing Resolution (CR) would run through December 8th and action must be taken by Congress to either pass a short-term CR, so that the government could remain open, or pass appropriations bills. He stated that a combination of a mini-omnibus for defense, homeland security and veterans, coupled with a CR that keeps all the other departments open was a distinct possibility. Mr. Hirsch stated that even if Congress passed the appropriations bills through a mini-omnibus or major omnibus, the level of funding would exceed the legislative authority contained in the Budget Control Act (BCA) and, therefore, sequestration would be invoked. He pointed out that Congress must raise the funding levels contained in the BCA or severe cuts will be forced upon federal departments.

Mr. Hirsch stated that there was some good news on Capitol Hill, explaining that the National Defense Authorization Act (NDAA) was in House-Senate Conference, with only a few instances where the two bodies disagreed, and it was expected to conclude early next week with passage in late November. He noted that included in both versions of the NDAA was \$34 million for the Helicopter Training/Instruction Building for the Aviation Training Campus on Fort Eustis. Mr. Hirsch reported that Phases One and Two of the large dormitory complexes at Fort Eustis were complete, and that Phase Three would soon be complete. He explained that a future Phase Four would be the final complex and was programmed for FY 2020 at a cost of \$45 million. He stated that a second anchor training facility at a cost of \$83 million, as well as a Maritime Intermodal Training Facility at a cost of \$51 million were programmed for 2024.

Mr. Hirsch reported that the Eustis Civic Leader Association representatives met with Colonel Clayton, Commander at Fort Eustis, to discuss the Eustis Centennial, with next year being the 100th continuous year of operations, and that he would report more information as details emerge.

At 10:35 a.m., Mr. Bell 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 southern 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 an unannounced expansion of an existing business located in the southern section of the City and unannounced prospective businesses interested in locating in the southern section of the City. Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

At 11:00 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Bell, 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. Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Committee 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. Ms. Smith-Brown presented the Revolving Loan Fund Committee Report, which passed unanimously on a roll call vote.

Election of Officers

Chair Minter called for nominations from the floor for Chair of the EDA/IDA for 2018. Ms. Greene moved to nominate Gary Minter for Chair. Mr. Bell seconded the motion. Ms. Aldrich moved to close nominations for Chair. Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote. Chair Minter called for nominations from the floor for Vice-Chair of the EDA/IDA for 2018. Ms. Smith-Brown moved to nominate Ms. Greene for Vice-Chair. Mr. Bell seconded the motion. Mr. Skinner moved to close nominations for Vice-Chair. Ms. Aldrich seconded the motion, which passed unanimously

on a roll call vote. Mr. Bell moved to elect Gary Minter as Chair and Cassandra Greene as Vice-Chair of the EDA/IDA for Calendar Year 2018. Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of October 6, 2017

Mr. Minter asked for a motion that the Minutes of the Regular Meeting of October 6, 2017 be approved. Mr. Bell so moved and Ms. Smith-Brown 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. Mrs. Kingston asked for a Motion that the IDA consent to waiving any potential conflict of interest to allow its legal counsel, Jones, Blechman, Woltz & Kelly, to continue representation of the IDA, as well as to continue representation of Pointe Hope LLC, in connection with a loan to Pointe Hope LLC under the Newport News Capital Fund Loan Program. Mr. Bell so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

There being no further business to come before the Board, Mr. Minter adjourned the meeting at 11:10 a.m.



Florence G. Kingston
Secretary/Treasurer



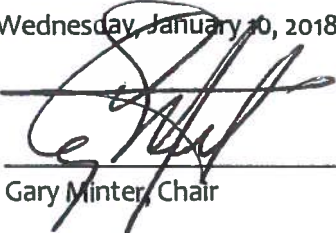
ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Conference Center Marketing Committee
SUBJECT: Chair's Report
DATE: November 3, 2017

The Conference Center Marketing Committee met on October 11th. 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. A major photo shoot, including the Conference Center and City Center, has recently been completed. The high resolution digital images will be used on the Marriott corporate website and will be shared with multiple city and regional hospitality venues. The Committee also discussed Hollydazzle preparations.

The next Committee meeting is scheduled for Wednesday, January 10, 2018.



Gary Minter, Chair

GM:cum

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Date, Time and Location: October 11, 2017, at 8:00 a.m., Executive Board Room, Newport News Marriott at City Center

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

Members Absent: None



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: November 3, 2017

The Design Review Committee met on October 19th. The Committee considered a request by ATCS on behalf of Breeger Properties, LLC for approval of digital renderings of a proposed parking lot addition at 141 Enterprise Drive in Oakland Industrial Park 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 Benjamin Barrett on behalf of Kaoudis Gonny Maria, Trustee for approval of digitally-enhanced photographs of proposed building-mounted signage at 716 Thimble Shoals Blvd. 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 final item considered was a request by WM Jordan Company on behalf of the City of Newport News for approval of a site plan and landscape plan of a proposed sign plaza enhancement at Jefferson Avenue and Hogan Drive. 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.


Jeffrey C. Verhoef

JCV:kpw

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Date, Time and Location: October 19, 2017, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jeffrey C. Verhoef, Mary C. Aldrich, Thomas Herbert, Robert Mann, Teresa Nettles, Bryan Trainum, Sylvia Weinstein, Elizabeth Willis

Members Absent: Alex Delgado



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

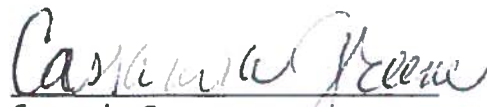
TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: November 3, 2017

The Executive Committee met on October 17th. The Committee was provided a briefing related to an Unmanned Systems and Testing Demonstration Center proposal and application being prepared and supported by the Peninsula localities for submission for funding consideration under the Commonwealth's GO Virginia Program. The governing bodies of each of the Peninsula localities approved Resolutions of Support for the proposed project.

Committee Members were advised that the EDA-managed Downtown Superblock Parking Lot was being upgraded with an automated parking system, repaving and restriping. The improvements will better serve parking customers and allow better utilization of parking personnel.

The Executive Committee engaged in a preliminary discussion related to the multiple and competing requests received on an ad hoc basis for EDA funding support for various business development-related organizations. Based on the discussion, staff will move forward to evaluate priorities and strategy.

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: October 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: November 3, 2017

The Marketing Committee met on October 19th. Committee members were given an update on current and future marketing initiatives involving the City's Comprehensive Plan by Ms. Latoya Jefferson of the City's Communications Department. The Committee welcomed the updates and encouraged the continued collaboration of ideas between departments.

The Committee handled an Item in Closed Session.

This report does not require Board ratification.


Mary Aldrich, Chair

MA:jwm

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Date, Time and Location: October 19, 2017, at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

Members Present: Mary Aldrich, Cassandra Greene, Gary Hunter, Gary Minter, Don Blankenship

Members Absent: Wendy Drucker, Faye Gargiulo



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: November 3, 2017

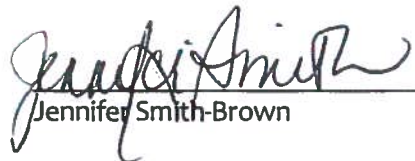
The Revolving Loan Fund Committee met on October 30th. Committee members were provided financial statements for the Newport News Capital Fund (NNCF) for the period ending September 30, 2017. Staff presented one Façade Improvement Grant (FIG) Program request:

- FIG request for \$23,211.50 from Fyllon Properties, LLC for exterior painting, including prep, paving and roofing at 776 J. Clyde Morris Boulevard.

This FIG request was unanimously approved.

Staff also presented a loan request in the amount of \$175,000 from Pointe Hope, LLC. The requested loan funds would be utilized to assist with the support of extensive exterior improvements and tenant improvements, outfitting and buildout, to continue to improve the properties and attract new and retain existing tenants, especially those in the entertainment, hospitality and retail sectors of the City Center at Oyster Point. The Committee voted unanimously to recommend approval of the loan on the terms and conditions described in the Newport News Capital Fund Applicant Fact Sheet attached to this report. The Committee asks that the Board ratify the Committee recommendation, which would include approval of the attached resolution.

This report requires Board ratification.



Jennifer Smith-Brown

JSB:tfw

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Date, Time and Location: October 30, 2017, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo Bell, Jr., Jennifer Smith-Brown, George Knight and Jeffrey Verhoef

Members Absent: Susan Harris, Arthur Henderson and John Lunsford

NEWPORT NEWS CAPITAL FUND (NNCF) APPLICANT FACT SHEET

Borrower Name:

Pointe Hope, LLC

Physical Location:

11818 Rock Landing Drive, Suite 102
Newport News, VA 23606

Principals/Owners of Pointe Hope, LLC:

Joseph C. Ritchie, Sr., Managing Member
William E. King

Summary of Request:

Pointe Hope, LLC (Pointe Hope) is requesting a \$175,000 loan from the Newport News Capital Fund (NNCF) Loan Program to assist with significant investment into Pointe Hope's City Center properties, including exterior improvements and tenant improvements, outfitting and buildout, for the purpose of attracting new and retaining existing tenants. Pointe Hope is set up as a Virginia limited liability company and was established in 2016. In July 2016, Pointe Hope acquired the 574,466 square foot, nine-building office and retail mixed-use portfolio in City Center at Oyster Point. The managing member of the company is Joseph C. Ritchie, Sr. and the company's membership comprises a number of local investors who are committed to expanding the entertainment and retail venues of City Center to build and continue the community's vibrancy.

The Department of Development recommends assisting Pointe Hope with a \$175,000 direct loan through the Newport News Capital Fund Loan Program. We suggest a ten (10) year loan commitment. The annual interest rate will be 3%. Payments of principal and interest will be due monthly and the loan is to be fully amortized over ten (10) years.

Recommended security for the loan includes: a first priority lien on the sound system, kitchen equipment, furniture and business supplies purchased for Boathouse Live LLC, one of the new tenants attracted by the project. The \$175,000 NNCF loan is also relying upon the credit of Pointe Hope, LLC. Pointe Hope is a strong borrowing entity with exceptional liquidity and has demonstrated a long-term commitment to the success and vitality of City Center at Oyster Point and Newport News.

Further conditions of loan approval are also contingent upon, but not limited to the following: (i) a due-in-full clause if there is a sale of any of the buildings in Pointe Hope's City Center portfolio; (ii) a due-in-full clause if there is a major change in ownership or management without prior approval from the IDA; and (iii) verification that necessary local, state and federal permits and approvals have been obtained as is appropriate for the proposed project.

Project Information:

In 2016, Pointe Hope purchased nine buildings in City Center at Oyster Point totaling 574,446 square feet of office, retail and entertainment space. Since the acquisition, Pointe Hope has made significant investments to improve the exterior of the properties and to provide buildouts for new and existing tenants.

Joseph C. Ritchie, Sr. was an original founding partner of City Center, which started in 2000 as a public-private partnership. The original development's focus emphasized a mix of retail and office space. As it has evolved, the emphasis of City Center has shifted to include additional entertainment options, to complement the retail and office space, particularly as consumer spending and shopping patterns have shifted away from brick and mortar locations. After purchasing the buildings and in conjunction with strategic City initiatives, Pointe Hope targeted entertainment options that would contribute to the vibrancy of City Center, while continuing to support, maintain and improve the office properties in the development.

With this shift, Pointe Hope has aggressively sought entertainment options to drive visitation to City Center, particularly outside of the business hours. New businesses locating in City Center include The Lock In and Wine and Design. Pointe Hope was also responsible for attracting the recently announced Boathouse Live LLC, a brewpub and live music venue, to City Center. Pointe Hope will work closely with Boathouse Live LLC to up-fit and adapt the space so that it may be better utilized and be attractive to a broader patron base.

Pointe Hope has made significant investments exceeding \$685,000 benefitting 5 properties and assisting 6 different tenants. Through this project, Pointe Hope plans to continue making exterior improvements to its properties and common areas and assist with tenant improvements, outfitting and buildout for both office and retail/restaurant tenants. This includes assistance to Boathouse Live LLC, and will provide for the purchase of a sound system, kitchen equipment, outfitting the bar area and providing miscellaneous food service items.

Pointe Hope's emphasis and commitment to creating vibrancy complements the activities and entertainment options in the theatre area, making City Center an attractive location for visitors and office workers alike, emphasizing City Center's position as the prime location for office and entertainment on the Peninsula.

Over the first two years, the project is anticipated to create at least sixty-two (62) full-time equivalent jobs, however, for loan documentation purposes we will only require thirty (30) full-time equivalent positions. With continued investment into the properties, Pointe Hope expects that additional jobs would be created. The jobs will be a mix of part-time and full-time positions, and include jobs in clerical and professional positions, as well as in restaurant and hospitality positions.

The proceeds of the \$175,000 NNCF loan will be used as follows:

NNCF Funds:

| | |
|------------|---------------------------------|
| \$ 118,750 | Business Equipment and Supplies |
| \$ 43,750 | Operating Capital and Fees |
| \$ 12,500 | Furnishings and Furniture |

Additional project costs in the amount of \$815,520 will be funded privately (approved bank line and equity), and will more than serve to meet the required minimum one-to-one leveraging ratio of the NNCF program.

Benefits to the City:

- The project improves the properties in City Center through exterior improvements and tenant improvements, buildout and outfitting, and helps to emphasize City Center's position as a location for entertainment, not just office;
- The project will increase professional, clerical, restaurant and hospitality-related employment opportunities for citizens;
- The project will help diversify the current business mix within the City and will provide an additional entertainment and restaurant option in City Center and complement existing businesses; and
- The project will assist in filling a deficiency in live entertainment options in Newport News and is responsive to City strategic priorities.

Conclusions and Summary:

Pointe Hope, LLC and its members have shown a commitment to City Center at Oyster Point and Newport News and have shown the willingness to invest, maintain and improve its assets for the purpose of creating vitality and making City Center not only a premier office location, but also an entertainment destination. Pointe Hope's activities are complementary activities of the surrounding property owners and will build upon the strong foundation contributing to the long-term success of City Center at Oyster Point.

Our loan will assist the property owner willing to utilize its resources and make risks to attract new tenants and make tenant improvements to benefit stable, existing tenants in City Center. In particular, this project and Pointe Hope's effort are instrumental in the

attraction of Boathouse Live LLC, which will repurpose and utilize the former Toby Keith space at 11800 Merchants Walk, Suite 100. The businesses attracted and assisted by Pointe Hope's investments will contribute to the tax base of the City through the generation of food and beverage and admissions taxes. The project will have a positive impact on the City's overall economic development efforts by not only providing job opportunities at a variety of experience levels, but also by increasing tax dollars through equipment purchases, sales tax and real estate taxes. The project will also aid in attracting patrons to the Oyster Point/City Center searching for entertainment options and further expand the primary visitation to City Center beyond typical business hours.

Based on the aforementioned information and the strengths of this project proposal, it is the City's recommendation that financing be provided through the NNCF Loan Program as previously detailed.

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RESOLUTION NO. 17-7

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF NEWPORT NEWS, VIRGINIA APPROVING A NEWPORT NEWS CAPITAL FUND LOAN APPLICATION FOR POINTE HOPE, LLC

WHEREAS, there has been described to the Industrial Development Authority of the City of Newport News, Virginia, (the "Authority") by the Revolving Loan Fund Committee (the "Committee") the plans of Pointe Hope, LLC (the "Company"), to make extensive improvements, including exterior improvements and tenant improvements, outfitting and buildout, for the purpose of attracting new and retaining existing tenants at the Company's properties in City Center at Oyster Point; said plans include the expenditure of loan funds for approximately \$118,750 in business equipment and supplies, approximately \$12,500 in furnishings and furniture, and approximately \$43,750 in operating capital and fees; along with the creation of employment opportunities for at least thirty (30) persons over a three-year period (the "Project"); and,

WHEREAS, the Company has requested loan funding from the Newport News Capital Fund Loan Program (the "Fund") for the Project; and,

WHEREAS, the Authority is the designated agency to administer the Fund and the Committee was established by the Authority to review loan requests from the Fund and make recommendations on loan approval and terms to the Authority; and,

WHEREAS, the Committee utilizes the City of Newport News Department of Development to receive and analyze loan requests from the Fund; and,

WHEREAS, the funds for the Fund are provided, in part, to the City from the Economic Development Administration, U.S. Department of Commerce for economic development purposes and the Authority has determined that the Project is consistent with the Regional Comprehensive Economic Development Strategy; and,

WHEREAS, the Committee met on October 30, 2017 and recommends for approval a loan to the Company through the Fund for \$175,000 at a rate of 3.00% per annum for a term of ten (10) years (the "Loan"); and,

WHEREAS, the Authority will enter into a loan agreement with the Company which incorporates all terms, conditions and reporting requirements in connection with the loan; and,

WHEREAS, the Loan is contingent upon properly executed loan agreements, loan closing documents, and other related documents between the Authority and the Company as prepared by Counsel for the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF NEWPORT NEWS, VIRGINIA THAT:

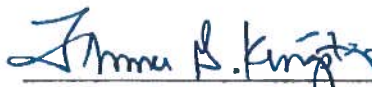
1. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and to deliver all commitments, loan agreements and loan closing documents and all other related documents necessary or desirable in connection with the Loan to the Company.
2. All other acts of the officers of the Authority which are in conformity with the purposes and intent of this resolution and in furtherance of the loan commitments are hereby approved and confirmed.
3. Loan disbursement is subject to the availability of funds from the Economic Development Administration for the Fund, all applicable federal, state and local regulations governing Economic Development Administration grant funds, and final approval by the Authority's legal counsel of all loan related documents.

The undersigned hereby certifies that the above resolution was duly approved by a majority of the directors of the Industrial Development Authority of the City of Newport News, Virginia, at a meeting duly called and held on November 3, 2017 and that such resolution is in full force and effect on the date hereof.

Dated: November 3, 2017



C. Gary Minter, Chairman
Industrial Development Authority of
the City of Newport News, Virginia



Florence G. Kingston, Secretary/Treasurer
Industrial Development Authority of
the City of Newport News, Virginia