

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. Herbert called the meeting to order at 8:00 a.m. on Friday, November 6, 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
Arthur P. Henderson
Jennifer S. Smith
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

James M. Bourey, City Manager, ex-officio
Cassandra P. Greene, excused
C. Gary Minter, 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, Senior Assistant City Attorney
Jerri Wilson, Legislative Assistant, City Manager's Office

Mr. Herbert opened the meeting by welcoming everyone.

Draft FY 2015 EDA/IDA Audit

Mr. Herbert asked for the Draft FY 2015 EDA/IDA Audit. Mrs. Kingston reported that the presentation of the FY 2015 Draft Audit by Cherry Bekaert, LLP had been scheduled for today, but since their Partner review had not yet been completed, they would like to delay the presentation. She requested that in order to give Cherry Bekaert, LLP more time to complete their review of the audit specifics, the Board delegate authority to the Executive Committee to approve the Audit at its November 19th Meeting. She stated that the Draft Audit, upon completion, would be forwarded to the Board for review and invited those Board Members who were not on the Executive Committee to attend the meeting to see the presentation.

Mr. Herbert asked for a motion to delegate authority for approval of the FY 2015 EDA/IDA Audit to the Executive Committee. Ms. Smith so moved and Ms. Drucker seconded the motion, which passed unanimously on a roll call vote.

Video Presentation START! Peninsula 4.0

Mr. Herbert asked for the START! Peninsula 4.0 item. Mrs. Kingston reported that staff was excited to be hosting this year's START! Peninsula Event, beginning Friday, November 13th through Sunday, November 15th. She said that the newly carpeted and painted space in the Applied Research Center would show well to participants and prospective lessees. She advised that the kick-off would be Friday night at 6:00 pm, with SMOKE providing the food, and William Donaldson of Christopher Newport University's Luter School of Business as the keynote speaker. She encouraged the Board to attend any part of the weekend's activities and noted that the Awards Dinner would be on Sunday, when Jim Flowers, Executive Director of the Virginia Tech KnowledgeWorks, would be the keynote speaker. She explained that ten teams would have the opportunity to present their final pitches, and cash prizes of \$7,500 for 1st place, \$5,000 for 2nd place and \$2,500 for 3rd place would be awarded. The winners would also be able to participate in a local business incubator or accelerator of their choice, and the top ten could participate in DC I-Corps' Lean Startup Program at no cost. Mrs. Kingston played a 3-minute video promoting START! Peninsula 4.0, and it was well-received. She advised the Board that START! Peninsula had been

advertised in a variety of mediums including email blasts, Facebook features, flyers and a *Daily Press* web site feature. She noted that while Newport News was the host community this year, participating localities also included James City County, York County, Williamsburg, Hampton and Poquoson.

Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston thanked the Board for its strong turnout at the State of the City luncheon. She stated that the presentation should have made attendees more aware of the powerful role the work the Board does has on the City's present and future. In addition, she noted that many of the City Manager's staff and Development staff had worked diligently on the presentation, particularly Jared Midkiff and Telly Whitfield. She believed that the presentation at the State of the City was a great way to make other localities aware of the great things happening in Newport News.

Mrs. Kingston said that on October 21st, the "dynamic duo" of Johnson and Johnson (Matt and Shakir from our staff) participated in the annual Tour of Hampton Roads event. She noted that this event, sponsored by the Hampton Roads Networking Super Group, brought together a select group of commercial brokers, developers, land owners and business owners, to share time with economic development representatives from localities throughout the region. She reported that many individuals visited the Newport News table to learn more about the City in general, as well as specific projects such as Brooks Crossing and Tech Center. She advised that several of the individuals who visited either already had a presence in Newport News or plan to have one in the near future.

Mrs. Kingston said that she and Jim Scanlon had continued taking their "Jim's Local Market" show on the road. She noted that they had presented to the Virginia Community Capital/Food Trust Feed More Healthy Food Retail Summit in Richmond on October 28th, the Newport News Redevelopment and Housing Association (NNRHA) staff on October 29th and the VA First Cities on October 30th.

Mrs. Kingston told the Board that Hollydazzle would take place on Saturday, December 5th, from 3pm until 8pm. She said that this unique holiday event would fill the Fountain Plaza with spectacular fireworks, holiday entertainment, kids' activities

and food vendors. She urged the Board to mark their calendars today to attend this wonderful kickoff to the holiday season!

Mrs. Kingston said that the City Manager sent his regrets for his inability to attend the Board Meeting as he was out of town.

Mrs. Kingston noted that Sister Cities had re-printed the *US Airways* article into a separate booklet to be used as a marketing tool for national and international prospect visitation, with Financial support from the EDA. She distributed copies to the Board and noted that additional copies would be available should they be needed.

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.

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. She advised that the Virginia Economic Summit (VEC) had been announced for Friday, December 4th in Williamsburg, 9:00 am until 2:00 pm, creating a scheduling conflict with the regularly scheduled December Board Meeting. She said that staff would be working with them to move the December Board meeting to Thursday, December 3rd at 11:00 am, and noted the importance of the full Board attendance at the December Board meeting so that an updated Board photograph could be taken for the Annual Report.

Madison Government Affairs Consultant Report

Mr. Herbert asked for the Madison Government Affairs (MGA) Report. Mr. Hirsch reported that Republican Paul Ryan of Wisconsin had become the 54th Speaker of the House of Representatives. Mr. Hirsch said that on October 27th, the House and Senate unveiled a two-year budget agreement that was negotiated by then House Speaker John Boehner, House Minority Leader Nancy Pelosi, Senate Majority Leader Mitch McConnell, and Senate Minority Leader Harry Reid. He advised that the package included raising the debt limit until March 2017, called for an increase of \$80

billion in federal spending over two years that would be divided between defense and domestic programs and a \$32 billion increase for the Overseas Contingency Operations account. He reminded the Board that there would be remaining work to complete the allocation of the \$1.067 trillion in discretionary dollars the budget deal provided for Fiscal Year 2016 among the 12 appropriations subcommittees. He also noted that the Appropriations Committee would begin to craft an omnibus (compilation) spending bill that must be signed into law by Dec. 11th to keep the government open.

Mr. Hirsch told the Board that on November 2nd, the House Armed Services Committee announced a deal for a new National Defense Authorization Act (NDAA) bill that had been decreased by \$5 billion to meet the criteria of the new two-year budget deal agreed to by Congress and the White House. He said that the House had passed a revised version of the NDAA, 370-58 on November 5th and that the Senate vote on the NDAA would be pending.

Mr. Hirsch reminded the Board that MGA has continued to work with Ken Spirito, Executive Director of the Newport News/Williamsburg International Airport (NNWIA), on development plans for making the Virginia Center for Aeronautics a reality. He advised that MGA, Ken Spirito, Pat Finneran and Colonel William Galbraith had met with General Funkhouser on September 28th to discuss Army participation in the Virginia Center for Aeronautics which would provide the potential for helicopter maintenance certification. He also stated that they had met with Colonel Braddom and Colonel Smith with the 128th and AATD to discuss the Virginia Center for Aeronautics. He reported that subsequent to the recent meetings, Ken Spirito would meet with U.S. Army Training and Doctrine Command Deputy Commanding General/Chief of Staff Lieutenant General Kevin Mangum to discuss the Virginia Center for Aeronautics further. He said that the NNWIA would be seeking TRADOC support for this initiative.

Mr. Hirsch told the Board that the Army still had not determined how its civilian workforce would be affected by its latest round of restructuring that is slated to shrink its active-duty end strength from 490,000 to 450,000 soldiers. He said that in July, when officials outlined the impact by installation of the force reductions that would be carried out over the next several years, they said the cuts in military personnel would be accompanied by a reduction of 17,000 Army civilians over the same timeframe.

Mr. Hirsh answered questions from Board Members, and Mr. Herbert thanked him for his update.

At 8:30 a.m., Mr. Henderson 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 acquisition and 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. Ms. Drucker seconded the motion, which passed unanimously on a roll call vote.

At 10:00 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Henderson 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. 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 and passed unanimously on a roll call vote. Ms. Drucker presented the Executive Committee Report, which

was ratified by the Board and passed unanimously on a roll call vote. Ms. Drucker presented the Marketing Committee Report, which did not require Board ratification. Mr. Henderson presented the Parking Committee Report, which did not require Board ratification. Ms. Smith presented the South Newport News Committee Report, which did not require Board ratification.

Election of Officers

Chair Herbert called for nominations from the floor for Chair of the EDA/IDA for 2016. Mr. Henderson moved to nominate Wendy Drucker for Chair. Ms. Smith seconded the motion. Mr. Epes moved to close nominations for Chair. Ms. Smith seconded the motion, which passed unanimously on a roll call vote. Chair Herbert called for nominations from the floor for Vice-Chair of the EDA/IDA for 2016. Ms. Drucker moved to nominate Gary Minter for Vice-Chair and Mr. Henderson seconded the motion. Ms. Smith moved to close nominations for Vice-Chair. Mr. Epes seconded the motion, which passed unanimously on a roll call vote. Mr. Henderson moved to elect Wendy Drucker as Chair and Gary Minter as Vice-Chair of the EDA/IDA for Calendar Year 2016. Ms. Smith seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of October 2, 2015

Mr. Herbert asked for a Motion that the Minutes of the Regular Meeting of October 2, 2015 be approved. Mr. Henderson so moved and Ms. Drucker 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.

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There being no further business to come before the Board, Mr. Herbert adjourned the meeting at 10:13 a.m.

A handwritten signature in blue ink, appearing to read "Florence G. Kingston", is written over a horizontal line.

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: November 6, 2015

The Design Review Committee met on Thursday, October 15, 2015. The Committee considered a request by LandTech Resources, Inc., on behalf of Huntington Ingalls Incorporated, for approval of a site layout and landscape plan of proposed parking lot and landscape improvements at 182 Enterprise Drive in Oakland Industrial Park. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The second item considered was a request by Verizon Wireless, for approval of a site layout, scaled rendering and digitally enhanced photographs of a proposed cellular antenna array installation on an existing electrical transmission tower on City-owned property at 161 Picketts Line in Oakland Industrial Park. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The items in this report require Board ratification today.



Thomas P. Herbert, Acting Chair

TPH:mej

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Date, Time and Location: October 15, 2015, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Tom Herbert, Alonzo Bell, Jr., Robb Mann, Teresa Nettles, Bryan Trainum, Elizabeth Willis

Members Absent: Cary Epes, Jennifer Smith-Brown, Alex Delgado, Sylvia Weinstein



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: November 6, 2015

The Executive Committee met on October 19th. Following a briefing from staff on the condition and specifics of the aging air handling unit (Govenair) and related roof components at the Applied Research Center (ARC) building, the Committee authorized funding for and execution of all necessary documents for the ARC Building Govenair and Roof Replacement Project, in an amount not to exceed \$2,350,000 for the air handling system replacement and \$350,000 for roof replacement, subject to all necessary documentation being reviewed and approved by EDA Legal Counsel.

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

A handwritten signature in blue ink, appearing to read 'Wendy Drucker', is written over a horizontal line.

Wendy Drucker

WD:clc

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Date, Time and Location: October 19, 2015, at 12:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

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

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: November 6, 2015

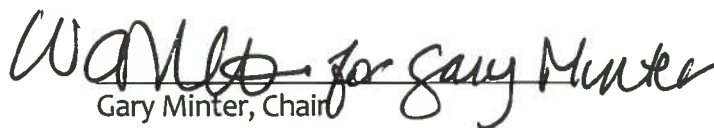
The Marketing Committee met on October 15, 2015. Staff aired a promotional video and reminded members about the upcoming Start! Peninsula 4.0 event, to be hosted by the City of Newport News, November 13-15 at the Applied Research Center.

The Committee was briefed on a recent Newport News Enterprise Zone mailing as well as on highlights of the Virginia Chamber's "2015 Virginia Workforce Conference" held in Richmond.

Other upcoming events mentioned were the State of the City (October 20), Tour of Hampton Roads networking reception (October 21), Newport News Oyster Roast at City Center (October 23), Virginia Tech/University of Virginia Lunch & Learn (November 4) and the One City Marathon (March 13).

Committee members and staff offered congratulations to Tiffany Reaves of Howell Creative Group for being a 2015 *Inside Business* "Top Forty Under 40" honoree.

This report does not require Board ratification.


Gary Minter, Chair

GM:rnb

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Date, Time and Location: October 15, 2015 at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

Members Present: Mary Aldrich, Faye Gargiulo, Cassandra Greene, Gary Hunter, John Miller, Gary Minter

Members Absent: Wendy Drucker, Don Blankenship



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Parking Committee
SUBJECT: Chair's Report
DATE: November 6, 2015

The Parking Committee met on October 26, 2015. The Committee received a briefing from Mrs. Kingston on the new parking asset associated with Brooks Crossing, and staff to the Committee gave an update on vacancy rates and vehicular tows. The Committee also reviewed fiscal summaries for the three months ending on September 30, 2015.

This report does not require ratification by the Board.


Arthur P. Henderson, Chair

APH:cam

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Date, Time and Location: October 26, 2015, at 12:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Arthur Henderson, Cary Epes, John Lunsford, James MacDougall

Members Absent: Jennifer Smith



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, South Newport News Committee
SUBJECT: Chair's Report
DATE: November 6, 2015

The South Newport News Committee met on October 6, 2015. The Committee was given an informative presentation by Mr. Jim Scanlon, the future operator of Jim's Local Market, the imminent grocery store under construction at the Brooks Crossing development project. Mr. Scanlon described his background and diverse grocery store management experience, as well as his overall vision for Jim's Local Market, including its emphasis on fresh fruits and vegetables, together with a deli, bakery, fresh cut meats, community room and BayPort Credit Union presence. Mr. Scanlon outlined his plan for incorporating nutrition and financial literacy classes as one component of advancing skills amongst employees. Mr. Scanlon expressed his enthusiasm for watching the progress of the grocery store taking shape at such a rapid pace. His excitement for the much-needed grocery store was matched by all of those in attendance.

The Committee also received staff updates on ongoing Downtown, Southeast Community and Newport News Redevelopment & Housing Authority projects.

This Report does not require Board ratification.



Jennifer Smith, Chair

JSS:mar

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Date, Time and Location: October 6, 2015, 4:00 p.m. at City Hall, 3rd Floor Development Conference Room

Members Present: Jennifer Smith, Gary Minter, Cassandra Greene, Alonzo Bell, Robert Coleman and Troy Smith

Members Absent: Carl Burt