

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 11:00 a.m. on Thursday, December 3, 2015, in the Bayport Credit Union Board Room at Two City Center, 11820 Fountain Way, Suite 400, Newport News, Virginia.

Those members present were:

Thomas P. Herbert, Chair
Wendy C. Drucker, Vice Chair
Cary Epes
Cassandra P. Greene
Arthur P. Henderson
C. Gary Minter
Jennifer S. Smith
James M. Bourey, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

None

Legal Counsel:

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

Staff:

Cherry Croushore, Assistant Secretary
Janice Jones, Recording Secretary

Also present:

Ashby Kilgore, Superintendent Newport News Public Schools
Jeff Stodghill, School Board Chair, Newport News Public Schools
Michelle Price, Community Relations, Newport News Public Schools
Patrick Finneran, Director of Corporate & Government Relations, Newport News
Public Schools
Tracy Brooks, Newport News Public Schools, Special Assistant to the Superintendent
Paul Hirsch, Madison Government Affairs
Collins Owens, City Attorney
Robert Pealo, Senior Assistant City Attorney

Mr. Herbert opened the meeting by welcoming everyone.

Newport News Education Foundation Presentation

Mr. Herbert asked for the Newport News Education Foundation Presentation. Ms. Kilgore, Superintendent of Newport News Public Schools (NNPS), thanked the EDA/IDA Board and the Newport News Education Foundation for the opportunity to present and for encouraging the schools, the City and the EDA to collaboratively build a better future for Newport News communities.

Ms. Kilgore advised that the NNPS' mission was to educate all students for college, career, and citizen readiness. She noted that 80% of future jobs would require some post-secondary study in the form of 4-year, 2-year or industrial certification. She reported that in 2015, 89% of Newport News students were enrolled in Honors, International Baccalaureate or AP courses, and in addition, 125 seniors had participated in the Early College initiative, in which they earn 19 college credits from Thomas Nelson Community College. She advised that the NNPS had an on-time graduation rate of 89% last year.

Ms. Kilgore informed the Board that NNPS had expanded its College Ready program to include pre-K through 12th grade. The program introduces elementary students to career groups and offers internships to high school students. She said that almost 2,000 students had achieved industry certifications last year.

Ms. Kilgore stated that NNPS offered a Science, Technology, Engineering and Mathematics (STEM) program as well with the help of the City of Newport News. She cited that these STEM schools would allow career ready opportunities for students to choose programs in various areas of interest, such as the Aviation Academy at Denbigh High School, Marine Sciences at Booker T. Washington Middle School, and Health Sciences at Warwick High School. She noted that the Citizen Ready program focused on involvement in clubs and activities to help students become better citizens through participation and service to the community, developing good leadership qualities.

Mr. Stodghill added to the NNPS report, stating that the growth he had witnessed from the NNPS was not just in the area of academics, but also in the process of how to build children who can be successful beyond high school. He said that the School Board wants Newport News to be the school division that families would choose to send their children to because of the numerous options offered. He said that the NNPS Board and NNPS were committed to positively marketing the merits of NNPS through collaborative efforts with the EDA/IDA.

Mr. Herbert asked if there were any questions for Ms. Kilgore and Mr. Stodghill. They both answered several question from the Board, Mr. Herbert thanked them for their report.

Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston reported that the recent Start! Peninsula 4.0 event, held at the Applied Research Center Building, was a great success! She said that over 100 guests attended, with 23 teams pitching their business ideas in a "Shark Tank"-style weekend competition. She stated that a panel of judges selected 10 teams to advance and those 10 teams developed their business plans with the help of mentoring, coaching and inspiration from business professionals. She noted that during the final round, the teams presented their plans, and three winners were chosen to receive cash prizes ranging from \$2,500 to \$7,500, physical space, and participation in ICorp Lean Startup, an acclaimed business development program. She told the Board that in addition to the EDA and other Peninsula localities, local businesses supported the event generously with food and other sponsorships, including Smoke BBQ Restaurant, Chick-fil-A (Yoder Plaza & Victory Boulevard), Azzurri Italian Restaurant, The Cove Tavern, Starbucks Coffee (Tech Center), Donatos Pizza, Neo Kitchen + Bar, Courtyard Newport News Airport, Tucanos Brazilian Grill, Daily Press Media Group, Scotty Signs and Howell Creative Group. She advised that this Virginia Peninsula region event continues to grow each year and reinforces our economic diversification and entrepreneurial support activities.

Mrs. Kingston reminded the Board that earlier this year, the Board had delegated decision-making authority to the Secretary/Treasurer, to administratively approve data node-related equipment placement requests within City Center. She advised that in September, a request by GDNsites, on behalf of Verizon Wireless, to locate two data node antennas on the EDA-owned parking garage located at 11860 Merchants Walk, had been approved. She said that placement had been approved and lease negotiations were finalized. She requested a motion to authorize the execution of two leases between the EDA and Cellco Partnership, d/b/a Verizon Wireless, for two data node antennas to be placed upon approved locations on the EDA-owned parking garage located at 11860 Merchants Walk, with each lease for a 5-year term, with four 5-year renewal options, an initial annual rental rate of \$7,500 and an annual rent escalation of 3%, subject to review and approval of all necessary documentation by EDA Legal Counsel.

Mrs. Kingston advised that the Peninsula Industrial Finance Corporation (PIFC) Board was the approving body for one of the EDA's loan programs, the Peninsula Revolving Loan Fund. She reminded the Board that PIFC had been restructured some years ago and the administration of the Board was now handled by our Department of Development. She

reminded the Board that Hampton and Newport News EDA/IDA Boards make appointments to the PIFC Board, with Hampton having two members and Newport News having three members. She noted that the term of Sylvia Weinstein would expire at the end of this month and that Ms. Weinstein would be willing to continue to serve on the Board and was eligible to be reappointed. She requested that the Board approve the reappointment of Sylvia Weinstein to the PFIC Board to serve a 2-year term ending on December 31, 2017.

Mrs. Kingston advised that Hollydazzle would be Saturday, December 5th, from 3pm until 8pm and she encouraged the Board to attend this wonderful kickoff to the holiday season!

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 said that she would like to give the City Manager an opportunity to comment. Mr. Bourey reported that the date for Hollydazzle had changed from Friday, December 4th to Saturday, December 5th in order to minimize City Center merchant disruption. He said that the Brooks Crossing grocery store project was progressing very well, with the diligent efforts of Development staff. He explained that the grocery store project would be a catalyst for perception and momentum in Brooks Crossing, especially with the opening of the South Police Precinct in early January.

Mr. Bourey stated that his recent trip to China, in conjunction with Sister Cities, was driven by encouraging businesses to locate to the Tech Center and to develop foreign investment opportunities that would be beneficial to the City. He said that the trip included 6 cities in 10 days, and included meetings with local governments having 5 - 8 million residents, with very strong interests in cooperation and collaboration. He reported that they were also well received by the 5 university technical schools visited and would seek to cultivate partnerships with Christopher Newport University (CNU) and Virginia Tech (VT). He informed the Board that in addition to the University meetings, they had met with port authorities in Shandong to discuss synergies with our port.

Mr. Bourey stated that the outcomes of the Bond Rating meetings held in November were very positive, and that the efforts of the Finance, Budget and Development Departments were crucial in the results. He noted that the City's AA+ rating had been reaffirmed. He said that the Capital Improvement Plan (CIP) would be brought to City Council for adoption in the next few weeks. Finally, he reported that the One City Marathon was targeted to double participation in 2016, with numerous sponsorships already secured. Mr. Bourey noted that the 2016 One City Marathon promised to create another great community event.

Mr. Herbert asked for a motion to authorize the execution of two leases between the EDA and Cellco Partnership, d/b/a Verizon Wireless, for two data node antennas to be placed upon approved locations on the EDA-owned parking garage located at 11860 Merchants Walk, with each lease being for a 5-year term, with four 5-year renewal options, an initial annual rental rate of \$7,500 and an annual rent escalation of 3%, subject to review and approval of all necessary documentation by EDA Legal Counsel. Mr. Minter so moved and Ms. Greene seconded the motion, which was approved unanimously on a roll call vote.

Mr. Herbert asked for a motion to approve the reappointment of Sylvia Weinstein to the PIFC Board, to serve a 2-year term ending on December 31, 2017. 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. She reminded Board Members that the January Board meeting would be on January 8th.

Madison Government Affairs Consultant Report

Mr. Herbert asked for the Madison Government Affairs (MGA) Report. Mr. Hirsch reported that Congress would be voting on numerous upcoming bills, with bipartisan compromises sought to avert a government shutdown. He said that the Senate and House conference had agreed to a 5-year highway bill, which was a 5-year, \$305 billion deal covering federal transportation programs and outlining the policy that would govern highway, transit and rail spending. He emphasized that the main item on Congress' agenda would be passing a government-funding bill before Dec. 11th that requires a \$1.1 trillion omnibus that had been facilitated by House Speaker Ryan.

Mr. Hirsch advised that the House Armed Services Committee announced a deal for a new Defense Authorization bill that is decreased by \$5 billion to meet the criteria of the new 2-year budget deal agreed to by Congress and the White House. He cited that MGA had continued to work with Ken Spirito, Executive Director of the Newport News/Williamsburg International Airport, on development of the Virginia Center for Aeronautics. He said that Ken Spirito and Patrick Finneran, Newport News Public Schools (NNPS), along with representatives of Liberty University, met with Fort Eustis personnel in an effort to begin working through a process that would allow for the creation of a Certification Program in the area of Air Frame and Power Plant accreditation for Army helicopter maintenance/logistics personnel. In addition, he told the Board that he would be attending the Eustis Civic Leaders

Association (ECLA) on December 8th at the Peninsula Chamber of Commerce, discussing topics relative to Fort Eustis and ways to implement programs and projects that would improve the military value of the Fort. He also noted that Dr. Kilgore, Superintendent of NNPS, had met with Major General Funkhouser, the Senior Army Element Commander at Fort Eustis, to discuss education, public relations and the schools in which military dependents were invited to attend. Mr. Hirsch answered questions from Board Members, and Mr. Herbert thanked him for his update.

At 12:25 p.m., Ms. Greene 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 1:12 p.m., the EDA/IDA Board returned to open session following a certification motion by Ms. Greene 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.

Brooks Crossing Project

Mrs. Kingston provided an update to Board Members on various components of the Brooks Crossing Project. She advised that she would be recommending 2 Motions at today's meeting, one related to the grocery store and one related to infrastructure. Mrs. Kingston summarized the required actions. Mr. Minter made a motion that the EDA authorize delegation to Executive Committee approval of a lease of the grocery store in the Brooks Crossing Project to Jim's Local Market, including authority to assign such lease 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. Ms. Greene seconded the motion, which passed unanimously on a roll call vote. Mr. Minter made a motion that the EDA authorize funding in an amount not to exceed \$550,000, and associated transactional documentation, for Brooks Crossing Project infrastructure needs, to include a one-block extension of Brooks Crossing Way, Phase 2 BMP pro rata cost sharing and grocery store project BMP allocation, subject to all necessary documentation being reviewed and approved by EDA Legal Counsel. Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Committee Chair's Reports

Mr. Herbert called for the Committee Reports. Mr. Minter presented the Conference Center Marketing Committee Report, which did not require Board ratification. Mr. Epes presented the Design Review Committee Report, which was ratified by the Board and passed unanimously on a roll call vote. Mr. Herbert presented the Executive Committee Report, which was ratified by the Board with six votes, Ms. Drucker having abstained.

Approval of Minutes of the Regular Meeting of November 6, 2015

Mr. Herbert asked for a Motion that the Minutes of the Regular Meeting of November 6, 2015 be approved. Mr. Minter so moved and Mr. Epes 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.

There being no further business to come before the Board, Mr. Herbert adjourned the meeting at 1:23 p.m.



Florence G. Kingston
Secretary/Treasurer

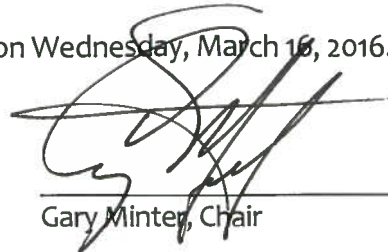


ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Conference Center Marketing Committee
SUBJECT: Chair's Report
DATE: December 3, 2015

The Conference Center Marketing Committee met on December 2nd. Marriott staff presented an overview of conference center marketing efforts for the previous quarter. The Committee also received information on e-commerce efforts, partnerships and participations with local and regional entities and upcoming significant conference center bookings.

The next meeting is scheduled for 8:00 am on Wednesday, March 16, 2016.



Gary Minter, Chair

GM:cum

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Date, Time and Location: December 2, 2015, at 8:00 a.m., Executive Board Room, Newport News Marriott at City Center

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

Members Absent: none

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: December 3, 2015

The Design Review Committee met on Thursday, November 19, 2015. The Committee considered a request by Cardinal Sign Corporation, on behalf of Custom Vinyl Products, for approval of a scaled rendering and digitally-enhanced photograph of a proposed internally-illuminated monument sign, and a scaled rendering and digitally-enhanced photograph of a proposed internally-illuminated, building-mounted sign, both located at 260 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 Langley Federal Credit Union, for approval of a site layout and landscape plan of proposed landscape improvements on property owned by Langley Federal Credit Union at 11742 Jefferson Avenue 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 in this report require Board ratification today.



Cary B. Epes, Chair

CBE:mej

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Date, Time and Location: November 19, 2015, at 8:00 a.m. at 700 Town Center Drive, Newport News, VA

Members Present: Cary B. Epes, Thomas P. Herbert, Robb Mann, Teresa Nettles, Bryan Trainum, Sylvia Weinstein

Members Absent: Jennifer S. Smith, Alonzo Bell, Jr., Alex Delgado, Elizabeth Willis

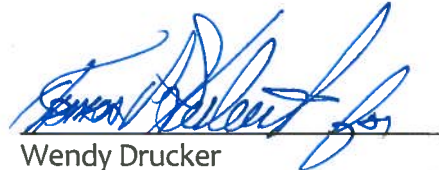
**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: December 3, 2015

The Executive Committee met on November 19th. The Committee received a presentation from Mr. Churchman and Mr. Miller of Cherry Bekaert, LLP on the FY 2015 EDA/IDA Audit, after which the Committee voted to accept the Audit. Mrs. Kingston recognized Zoe Lumpkin for the outstanding job she does in preparing for the audit and providing support for the auditors as they conduct the audit.

The Committee also authorized the EDA Chair, Vice-Chair and/or Secretary/Treasurer to execute any and all transactional documents necessary to effectuate NMTC transaction(s) related to the Brooks Crossing Grocery Store Project, subject to all necessary documentation being reviewed and approved by EDA General and NMTC Legal Counsel.

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



Wendy Drucker

WD:clc

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Date, Time and Location: November 19, 2015, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Arthur Henderson, Tom Herbert, Gary Minter

Members Absent: Wendy Drucker