

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

Ms. Drucker called the meeting to order at 8:00 a.m. on Friday, December 9, 2016, in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

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

Absent:

C. Gary Minter, Vice Chair

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Janice Jones, Recording Secretary  
Cherry Croushore, Assistant Secretary

Also present:

Paul Hirsch, Madison Government Affairs Representative  
Collins Owens, City Attorney  
Alonzo Bell, Incoming 2017 Board Member  
Jeffrey Verhoef, Incoming 2017 Board Member

Ms. Drucker opened the meeting by welcoming everyone.

### Secretary/Treasurer's Report

Ms. Drucker asked for the Secretary/Treasurer's Report. Mrs. Kingston stated that it was with much appreciation that she thanked Mr. Henderson, Ms. Drucker and Mr. Herbert for their years of outstanding service on the Board. She noted that Mr. Henderson had served 10 years, Ms. Drucker and Mr. Herbert had each served 8 years, and each had served as Chair. She noted that individually and collectively, their service had an immeasurable impact on the Authority and the City. She noted that today would be their last Board meeting, but that each still had December committee meetings to attend and that they would be back to receive Resolutions of Appreciation. She again thanked Mr. Henderson, Ms. Drucker and Mr. Herbert for their service, stating that they would be missed, and they received a standing ovation from everyone present.

Mrs. Kingston told the Board that she was pleased to have present two of the three people who will be filling the seats of those whose terms were expiring. She noted that incoming Board Members Alonzo Bell and Jeff Verhoef were in attendance, but that Mary Aldrich had an unavoidable conflict and was unable to attend. She welcomed back Mr. Bell and welcomed Mr. Verhoef, stating that she looked forward to the value they would bring to the Board. She advised that all three of the incoming Board Members had an orientation and tour of the City.

Mrs. Kingston reported that START Peninsula 2016 was held November 4<sup>th</sup> – 6<sup>th</sup>, in Hampton, and had been very well-received by both participants and attendees, with over 100 people attending. She advised that Anup Ghosh, founder of a Fairfax-based cybersecurity company called Invincea, had been the Friday keynote speaker, after which 28 participants pitched their ideas to the judges, with ten teams selected for final presentations. She noted that after the weekend work of developing their pitches, and final presentations on Sunday, the winners were chosen. The first place winner was Unmanned Aerial Propulsion Systems, designers of a quiet and safe drone with no external spinning propellers, winning a prize of \$10,000. Second place went to Harper, an interactive learning toy that helps children tell their own stories, winning a \$7,500 prize, and third place to AnswersNow, a mobile app designed to provide assistance to parents of children with autism, winning a \$5,000 prize. She told the Board that as START continued to grow and gain momentum each year, we continued to see an increase in the quality of presentation proposals and in overall interest, with marketing largely driven through social media. She said that next year, Williamsburg would serve as the host location, and that the START Core

Planning Team would remain intact. She advised that 2016 START T-shirts were available if anyone wanted one.

Mrs. Kingston advised that Hollydazzle 2016 had been a resounding success, delighting the 35,000 people who were in attendance. She advised that the decision to change the event to Saturday had worked very well for both City Center Merchants and attendees.

Mrs. Kingston informed the Board that the Monthly Financial Statements were in their packages and noted a few highlights and offered to answer questions. There were no questions.

Mrs. Kingston offered the City Manager an opportunity to comment. Mr. Bourey reported that there were two exciting announcements this week. He stated that beginning in March 2017, Elite Airways would offer service out of Newport News/Williamsburg International Airport with two planes based in Newport News, offering flights from Newport News to Newark and Islip/Long Island at an initial cost of \$99 each way. He said that the airline has plans to expand service to Florida in the near future and may potentially expand routes further. He stated that the other significant announcement this week was a collaborative effort which will result in construction of a 95,000-square-foot building at Brooks Crossing. Huntington Ingalls would lease 80,000 square feet to house approximately 600 employees. He stated that approximately 15,000 square feet of the building will be leased by the Authority to be used for collaboration space focused on strategic workforce training, entrepreneurial activities, STEM educational opportunities and partnerships between the community and the Shipyard.

Mr. Bourey advised that the Capital Improvements Plan (CIP) would be discussed at the Council Work Session on December 13<sup>th</sup>. He stated that the Hampton Roads Economic Development Alliance (Alliance) Board of Directors had held its meeting on December 8<sup>th</sup> and reported that several new institutions and businesses had recently joined the Alliance, which was a positive result of the new leadership and strategic focus. He said that the Board approved a budget with aggressive targets and measurable outcomes adopted for the next five years. In addition, he reported that he had been elected as Chairman of the Alliance Board for 2017.

Ms. Drucker thanked him for his report and asked if there were any questions. There were none.

### Assistant Secretary's Report

Ms. Drucker 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

Ms. Drucker asked for the Madison Government Affairs Report. Mr. Hirsch reported that the House passed a stop-gap spending bill on December 8<sup>th</sup> to avoid a government shutdown. He noted that the Senate could follow course as soon as December 9<sup>th</sup>. He said that the continuing resolution, which maintains current funding and policy for the government through April 28, 2017, must be passed by December 9<sup>th</sup> at midnight. He stated that the continuing resolution provided extra money for overseas war operations, including \$5.8 billion for the Defense Department and \$4.3 billion for the State Department and United States Agency for International Development.

Mr. Hirsch advised that President-elect Trump had asked Congress to pass a continuing resolution which would allow him to weigh in on the FY17 Appropriations process. He stated that it would be important to discuss with base leadership, the Army, and congressional delegates as to how the continuing resolution might affect Fort Eustis.

Mr. Hirsch said that on May 18, 2016, the House of Representatives approved its version of the annual National Defense Authorization Act (NDAA – H.R. 4909), that would authorize \$610.5 billion in defense spending for the 2017 fiscal year. He noted that the allotment of \$35.7 billion in Overseas Contingency Operations (OCO) funds for operations would be a point of contention since traditionally, the OCO account would be used for overseas war related operations. He noted that Senior Defense officials were starting to express concerns about returning to sequester level funding in FY 2018 because the Department of Defense cannot maintain operational readiness with the current force structure, make necessary upgrades and improvements to antiquated systems and assets, nor make the needed investments to modernize forces to meet the new threats. He said that \$31 million had been allotted for the Fort Eustis Helicopter Maintenance Training Facility in the FY 2018 budget and that officials had called on military communities to urge their Members of Congress to strike a reasonable compromise to prevent these catastrophic cuts from going into place.

Mr. Hirsch told the Board that the Senate and House defense authorizing and appropriating bills all include prohibitive language banning the use of funds for a new base realignment and closure (BRAC) process. He concluded his report by stating that Mayor Price, City

Manager Bourey and he had met with Ft. Eustis leaders, Colonel Clayton, Mr. Stenglein, and Sgt. Major Herrington on November 22<sup>nd</sup> to discuss general issues affecting the base and the community. He stated that Colonel Clayton had invited representatives of the City and the Authority for a briefing and tour of the installation. He told the Board that the impression by some incoming personnel that the Newport News school system was not of the highest standard had been addressed as well, and that the Superintendent of Newport News Public Schools and the Fort had been working closely to develop a strategy to combat the misconception.

Ms. Drucker thanked him for his report and asked if there were any questions. There were none.

At 8:26 a.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), 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 central and southern sections 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 prospective businesses interested in locating in the northern, central and southern sections of the City. Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

At 8:54 a.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. Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

#### Committee Chair's Reports

Ms. Drucker called for the Committee Reports. Ms. Meredith presented the Conference Center Marketing Committee Report, which did not require Board ratification. Mr. Herbert presented the Executive Committee Report, which passed unanimously on a roll call vote.

Ms. Greene presented the Marketing Committee Report, which did not require Board ratification. Ms. Smith-Brown presented the South Newport News Committee Report, which did not require Board ratification.

Approval of Minutes of the Regular Meeting of November 4, 2016

Ms. Drucker asked for a motion that the Minutes of the Regular Meeting of November 4, 2016 be approved. Mr. Epes so moved and Mr. Henderson seconded the motion, which passed on a roll call vote with a majority five votes, Ms. Drucker abstaining.

Unfinished Business

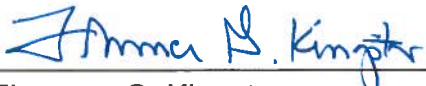
Ms. Drucker asked for any unfinished business. Mrs. Kingston advised that she had previously reported that staff had conducted a mini FAM Tour presentation for the Virginia Economic Development Partnership and the Alliance that highlighted Newport News business and industrial parks, and noted that this presentation had been included in the New Board Member packets. She said that there had been some transition in the Virginia Economic Development Partnership leadership and that the Authority would continue to support their efforts.

New Business

Ms. Drucker asked for any new business. There was none.

As it was the last Board meeting for Mr. Henderson, Ms. Drucker and Mr. Herbert, each made brief parting comments, all agreeing that they had been honored to serve and had thoroughly enjoyed all their years of service. They spoke of the pride they had in the accomplishments achieved during their time on the Board, and complimented Department of Development staff for being extremely capable and hard-working.

There being no further business to come before the Board, Ms. Drucker adjourned the meeting at 9:10 a.m.

  
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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 9, 2016

The Conference Center Marketing Committee met on November 16<sup>th</sup>. Lori Coyne, Marriott Director of Sales and Marketing, provided an overview of completed marketing efforts, including group highlights, social catering and e-commerce.

The Committee reviewed recent regional marketing initiatives and was provided an overview of 2017 bookings.

The next Committee meeting is scheduled for Wednesday, February 22, 2017.

  
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Gary Minter, Chair

GM:cum

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Date, Time and Location: November 16, 2016, at 8:00 a.m., Executive Board Room, Newport News Marriott at City Center

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

Members Absent: Cindy Brouillard



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, South Newport News Committee  
SUBJECT: Chair's Report  
DATE: December 9, 2016

South Newport News Committee Members were offered the opportunity to participate in a tour of the Seafood Industrial Park on November 9<sup>th</sup>. The tour was conducted by Doreen Kopacz, the City's Harbormaster, and was very informative and educational. The tour included a driving tour of the City's 23<sup>rd</sup> Street Pier and the SIP, as well on-site visits with several SIP business owners and entrepreneurs. A particularly interesting component was touring Chesapeake Bay Packing's state-of-the-art processing facility.

Everyone who participated in the tour thoroughly enjoyed the experience and was very hungry after seeing the fresh scallops and fish off-loaded that morning. Fortunately, another part of the tour was an on-site visit with Jim Casey of Casey Seafood, who advised that he would soon be opening a retail store on-site to sell fresh seafood to the public.

Subsequently, we were advised by staff that the Little Boat Harbor Market opened December 2<sup>nd</sup>, with planned hours of operation of Tuesday - Thursday from 11:00 am to 6:00 pm and Friday - Saturday from 10:00 am to 6:00 pm. The market is located at 801 Jefferson Avenue. Opening day saw fresh fish, oysters, crabs, scallops, shrimp and much more in the display cases.

The SIP is clearly a valuable asset of the City, providing employment in the community, and for anyone who has not yet had the opportunity, I highly recommend getting a first-hand look at the business activity occurring there. Also, support the retail store. This report does not require Board ratification.

Jennifer Smith-Brown

JSB:mar

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Date, Time and Location: November 9, 2016, 8:30 a.m. at City Hall, 3<sup>rd</sup> Floor Development Conference Room

Members Present: Jennifer Smith-Brown, Cassandra Greene, Carl Burt

Members Absent: Gary Minter, Alonzo Bell, Richard Coleman, Troy Smith, Jr.





ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Executive Committee  
SUBJECT: Chair's Report  
DATE: December 9, 2016

The Executive Committee met on November 21<sup>st</sup>. Based on the authority delegated to it by the Board, the Committee accepted the FY2016 EDA/IDA Audit, as presented, following a presentation by Mr. Churchman and Mr. Miller of Cherry Bekaert, LLP. Zoe Lumpkin was given high praise by all involved in the audit process. It is anticipated that a copy of the final, bound Audit will be provided at the January Board meeting.

Also based on the authority delegated to it by the Board, the Executive Committee authorized the EDA to enter into a contract with Atria Planning, LLC to conduct the market analysis and feasibility study for the Choice Neighborhood Initiative, in an amount not to exceed \$58,520, which includes a 10% contingency, of which \$50,000 will be funded by the EDA and costs exceeding \$50,000 will be funded by other sources.

The Committee also authorized the transfer of ownership of the Sherwood Properties (13785, 13795, 13795B, 13781 and 13783B Warwick Boulevard, 360 Tabbs Lane and 13771 Warwick Boulevard) from the IDA to the EDA for purposes of facilitating the finalization of a financing package with TowneBank, subject to all documentation being reviewed and approved by EDA legal counsel.

Finally, the Committee authorized conveyance of a 0.0699-acre, non-exclusive utility easement on EDA-Owned Property at 15401A Warwick Boulevard to the City in connection with the Atkinson Boulevard Extension Project, subject to review and approval of all necessary documents by EDA legal counsel.

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



Gary Minter

GM:clc

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Date, Time and Location: November 21, 2016, at 1:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Wendy Drucker, Cassandra Greene, 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: December 9, 2016

The Marketing Committee met on November 17<sup>th</sup>. Committee members engaged in a discussion regarding its goals and objectives and established a plan for the December meeting. Howell Creative Group will present a draft of the redesigned EDA website at next month's meeting.

This report does not require Board ratification.

  
Cassandra Greene, Chair

CG:sdj

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Date, Time and Location: November 17, 2016 at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

Members Present: Cassandra Greene, Faye Gargiulo

Members Absent: Gary Minter, Wendy Drucker, Mary Aldrich, Don Blankenship, Gary Hunter