

MINUTES OF THE REGULAR MEETING OF THE
ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF NEWPORT NEWS,
VIRGINIA AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
CITY OF NEWPORT NEWS, VIRGINIA

Mr. Herbert called the meeting to order at 8:00 a.m. on Tuesday, December 9, 2014, 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
Alonzo R. Bell, Jr.
Cary Epes
Cassandra P. Greene
Arthur P. Henderson, Jr.
C. Gary Minter
Florence G. Kingston, Secretary/Treasurer, ex-officio
James M. Bourey, City Manager, ex-officio

Legal Counsel:

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

Staff:

Sam Workman, Assistant Director, Department of Development
Joy Robison, Acting Recording Secretary

Also present:

Chris Gullickson, Economic Development Manager, Port of Virginia
Laura Godbolt, Economic Development Manager/Foreign Trade Zone
Administrator, Port of Virginia
Collins Owens, City Attorney
Robert Pealo, Assistant City Attorney

Mr. Herbert opened the meeting by welcoming everyone. He introduced Mr. Chris Gullickson and Ms. Laura Godbolt with the Port of Virginia.

Port of Virginia Presentation

Mr. Gullickson stated that he would like to apprise the Board on three major areas of focus for the Port of Virginia – volumes, trends, and outreach activities. He said that volumes at the Port were at all-time highs, stating that in 2014, the Port was on track to exceed 2013's volumes and was operating efficiently and profitably. Mr. Gullickson next spoke to trends observed at the Port as they relate to the Commonwealth. He noted that Port economic development staff has recently worked on 32 projects with partners throughout the Commonwealth, most in the manufacturing, advanced manufacturing and food production industries – trends which also directly correlate with recent economic development announcements in Newport News such as Continental, High Liner Foods, Liebherr, and Canon Virginia, Inc. Mr. Gullickson said that the Port proactively markets with its partners throughout the Commonwealth, working directly with the Virginia Economic Development Partnership and other state agencies, regional partners such as HREDA, as well as with local communities such as Newport News. He commented that in September of 2014 he participated in HREDA's Germany mission with Carol Meredith and others, attending the world's largest commercial marine manufacturing and repair show. He stated that the group participated in over 30 face-to-face meetings with companies and decision makers to promote the Commonwealth, Hampton Roads and Newport News during this mission

Ms. Laura Godbolt then provided a review of the Aid to Local Ports (ALP) program and the Foreign Trade Zone program. She stated that the ALP is a grant program established by the Commonwealth Port Fund designed to support communities in the reconstruction, repair or build-out of marine facilities to stimulate flow of commerce through the ports of Virginia. Ms. Godbolt stated that she was currently working closely with Sam Workman and Doreen Kopacz to submit an application for funding through the ALP program for much needed bulkhead repairs at Newport News' Seafood Industrial Park. She said that applications are due March 1st and that funds would be dispersed to the successful applicants on July 1st. Ms. Godbolt informed the Board that the administration of the Foreign Trade Zone (FTZ) program was handled by the Port's Economic Development arm, and that zone boundaries had been redrawn to establish the entire Hampton Roads area as a foreign trade zone. She stated that companies throughout Hampton Roads could now receive the benefits of the FTZ program, which include reduced duty payments on imported foreign components. She said that Canon Virginia, Inc. was one of the largest users of the FTZ benefits in the Commonwealth, and on average, Canon saves approximately \$1.5 million per year on duty payments under the program. She stated that Mrs.

Kingston is a champion of the FTZ program and actively promotes the program to existing and prospective companies.

Ms. Drucker asked Ms. Godbolt how our Port compared in size to other east coast ports. Ms. Godbolt answered that the Port of Virginia is 3rd in volume on the east coast, with New York and Savannah as 1st and 2nd, noting that Virginia's Port had the deepest harbor on the east coast.

Mr. Gullickson and Ms. Godbolt responded to additional questions from Board members, and Mr. Herbert thanked them for their informative report.

FY 2014 EDA/IDA Audit Acceptance/Approval

Mr. Herbert asked Mrs. Kingston to present the Audit. Mrs. Kingston reminded the Board that at its November 7th meeting, the Draft FY 2014 Audit was presented, and the Board had delegated acceptance of the audit to the Executive Committee after finalization. Due to ongoing interactions with the City audit review team, however, staff did not have the Executive Committee take action at its November 20th meeting. She stated that, other than a few minor edits, the final version of the Audit delivered to Board members before the meeting was the same as what was presented last month.

Mr. Herbert asked for a motion to accept the FY 2014 EDA/IDA Audit. Mr. Minter so moved and Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston stated that it was with great appreciation that she thanked Mr. Bell for his eight years of outstanding service on the Board, including a term as Chair. She said that while today was technically his last Board meeting, he still had a December committee meeting to attend before his retirement from the board officially began. She stated that she was sure that he would remain engaged with EDA/IDA activities, and of course, there would be a Resolution of Appreciation in his future. Mrs. Kingston informed the Board that an appointment to fill Mr. Bell's seat would be considered by City Council later that day. She heartily thanked Mr. Bell for his service, and said that he would surely be missed.

Mrs. Kingston advised that she had several staff announcements. First, she introduced Janice Jones, soon to join the Department of Development as Administrative Coordinator and the EDA/IDA's new Recording Secretary. She stated

that Janice was making the move to Development from the Finance Department where she had worked since 2004, most recently serving in the position of Benefits Coordinator. She said that Janice's experience assisting the Retirement Board and the Disability Retirement Committee would serve her well in her new role as EDA/IDA Recording Secretary. She welcomed Janice and expressed her thanks to Joy Robison for her terrific efforts filling in as Recording Secretary on an interim basis. Mrs. Kingston next reported that Doug Winstead's former position, Manager of Special Development Projects, had been filled by Bryan Witt. Noting that many very qualified candidates had applied for the position, Mrs. Kingston said she was happy that the most qualified candidate was one promoted from within, and that Bryan's well-deserved elevation to Manager of Special Development Projects was effective December 1st. Lastly, Mrs. Kingston said she was proud to announce that George Schraudt, Economic Analyst, had completed the training program to receive his Economic Development Finance Professional Certification. She noted that in order to acquire this certification from the National Development Council, George completed a rigorous, four-course training series that included business credit and real estate finance analysis techniques, loan packaging procedures, negotiating and problem solving skills, and deal structuring techniques. She congratulated George on his successful completion of the program and for receiving his professional certification.

Mrs. Kingston informed the Board that progress was continuing on the infrastructure improvements within Phase One of the Brooks Crossing Project. She stated that a portion of the infrastructure improvements at the site would be the removal of existing overhead lighting facilities consisting of City-owned light fixtures attached to Dominion Virginia Power (DVP) poles within the Project, which would ultimately be replaced by more suitable, decorative lighting facilities. She said that DVP had provided a fee estimate of \$143,339.66 for the removal of all of the existing overhead facilities within the Project boundaries and installation of new facilities underground to the existing services that need to remain active, and that this approach would secure a base rate for the entire Project, and would allow for the fixtures to continue to light the site and be removed over the multiple phases of the Project. Mrs. Kingston said this work would be outside of the Phase One infrastructure funding and contract previously approved at the October Board meeting, and that she was seeking a Motion today to authorize funding in the approximate amount of \$143,339.66 to Dominion Virginia Power for the phased removal of existing overhead lighting facilities within the Brooks Crossing Project and the installation of new underground facilities to the services which will remain active, with all necessary documentation subject to EDA Legal Counsel review and approval.

Mrs. Kingston told the Board that to assist in the assessment of any redevelopment potential/opportunity for the strategic 26.7-acre vacant and underutilized former Chase Bag site along the waterfront in the Southeast Community, and at the City's request, she was recommending that the EDA participate in cost-sharing in an amount not to exceed \$70,000 for a Phase Two environmental site characterization of the property. She stated that the EDA's share of the funding for the environmental services would come from its existing contractual services budget. She stated that as this was a critically strategic location in the Southeast Community, she was seeking a Motion to authorize cost-sharing, in an amount not to exceed \$70,000, for a Phase Two environmental site assessment of the key 26.7-acre former Chase Bag site in the Southeast Community to assist in the evaluation of redevelopment potential/opportunity with respect to the site, with all associated documentation subject to review and approval of EDA Legal Counsel.

Mrs. Kingston reported that City staff had been working with the Lee Hall Train Station Foundation and CSX to complete the renovation and rehabilitation of the Lee Hall Train Depot. She said that finishing touches were being made on the Depot, and the Foundation wanted to complement it with a hospital car and/or other vintage rail cars. She noted that the EDA owned the property at 75 Yorktown Road, a parcel adjacent to the City-owned Lee Hall Train Depot site. She pointed out on an aerial of the site an approximately 40-foot-wide strip of the EDA property running between the City-owned property and the CSX corridor. She said that use of the area as a site for vintage rail cars would be beneficial to the Foundation's efforts to promote itself as a tourist destination and that CSX had volunteered to donate and install approximately 200 feet of rail on the referenced portion of the EDA-owned property to accommodate vintage rail car additions. She informed the Board that the Lee Hall Train Station Foundation was requesting use of an approximately 0.38-acre portion of the adjacent EDA-owned property to both install rail and site a refurbished, vintage hospital car, as well as other vintage railroad cars in the future. She advised that this could be achieved with a non-exclusive license agreement between the EDA and the Lee Hall Train Station Foundation, and that access off Elmhurst Street to the remainder of the EDA property would not be precluded by any use or by any improvements installed by the Foundation. Mrs. Kingston said that she was seeking a Motion to authorize execution of a license agreement between the EDA and the Lee Hall Train Station Foundation (the Foundation) for the non-exclusive use of a portion of EDA-owned property at 75 Yorktown Road, totaling approximately 0.38 acres, between adjacent City-owned property on which the Lee Hall Train Depot was located and the CSX corridor, for the purpose of installing rail for the siting of vintage rail cars for the benefit of the Lee Hall Train Station and its visitors. She stated that this license agreement would be granted with no consideration, and would provide for an initial period of five (5) years, with automatic renewal every five (5) years unless either party gave 90-day

notice of termination, and with all necessary licensure and liability insurance amounts and documentation subject to EDA Legal Counsel review and approval.

Mrs. Kingston next discussed the Peninsula Industrial Finance Corporation (PIFC) Board, the approval body for one of the Board's loan programs, the Peninsula Revolving Loan Fund. She stated that PIFC was restructured several years ago with the administration of the Board handled by the Department of Development. She reminded the Board that both Hampton and Newport News EDA/IDA Boards make appointments to the PIFC Board, Hampton having two members and Newport News having three. She noted that Newport News representatives were currently Sylvia Weinstein, Joycelyn Spight and Beth Moore, with Beth Moore currently serving as Chair. She said that the terms of Beth Moore and Joycelyn Spight would expire at end of December, but both were willing to continue to serve on the Board and were eligible to be re-appointed. She was, therefore, asking the Board today for a Motion to approve for the PIFC Board the reappointment of Beth Moore and Joycelyn Spight, each to serve a three (3) year term ending on December 31, 2017.

Mrs. Kingston informed the Board that she was pleased to announce that recent changes to federal fishery regulations would result in the probable return of millions of dollars of indirect economic activity to our Seafood Industrial Park (SIP). She stated that on November 20th, our Port Development Administrator, Doreen Kopacz, successfully represented Newport News at the New England Fisheries Management Council meeting in Rhode Island. The purpose was to advocate for an option that would allow Virginia and North Carolina sea scallop vessels to return to port south of New Jersey without the current severe financial burden that has resulted in a dramatic decline in Virginia landings. She explained that many SIP tenants, along with other Virginia and North Carolina scallop vessels that may land their catches in Newport News, found it financially disadvantageous to bring their catch into Newport News due to current federal fishing regulations. She stated that the scallop fishery industry was highly regulated, and with this change in the federal management plan, the City looked forward to the likely increase in economic activity at its Seafood Industrial Park.

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

Mrs. Kingston stated that she would like to give the City Manager an opportunity to comment. Mr. Bourey stated that he did not have anything to add.

Mr. Herbert asked for a Motion to authorize funding in the approximate amount of \$143,339.66 to Dominion Virginia Power for the phased removal of existing overhead lighting facilities within the Brooks Crossing Project and the installation of new underground facilities to the services which will remain active, with all necessary documentation subject to EDA Legal Counsel review and approval. Mr. Minter so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a Motion to authorize cost-sharing, in an amount not to exceed \$70,000, for a Phase Two environmental site assessment of the strategic 26.7-acre former Chase Bag site in the Southeast Community to assist in the evaluation of redevelopment potential/opportunity with respect to the site, with all associated documentation subject to review and approval of EDA Legal Counsel. Mr. Bell so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a Motion to authorize execution of a license agreement between the EDA and the Lee Hall Train Station Foundation (the Foundation) for the non-exclusive use of a portion of EDA-owned property at 75 Yorktown Road, totaling approximately 0.38 acres, between adjacent City-owned property on which the Lee Hall Train Depot is located and the CSX corridor, for the purpose of installing rail for the siting of vintage rail cars for the benefit of the of the Lee Hall Train Station and its visitors. This license agreement would be granted with no consideration, and would provide for an initial period of five (5) years, with automatic renewal every five (5) years unless either party gives 90-day notice of termination, and with all necessary licensure and liability insurance amounts and documentation subject to EDA Legal Counsel review and approval. Mr. Bell so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a Motion to approve for the PIFC Board the reappointment of Beth Moore and Joycelyn Spight, each to serve a three (3) year term ending on December 31, 2017. Mr. Bell so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Assistant Secretary's Report

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

Madison Government Affairs Consultant Report

Mr. Herbert advised the Board that the Madison Government Affairs Report was in written format and asked if there were any comments or questions. There were no comments or questions.

At 8:45 a.m., Mr. Minter moved that the EDA/IDA Board go into closed session in accordance with 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 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 a potential unannounced existing business expansion of a business located in the southern section of the City, prospective businesses interested in locating in the southern section of the City, and prospective businesses interested in locating in the central section of the City. Ms. Drucker seconded the motion, which passed unanimously on a roll call vote, with Mr. Henderson having stepped out of the meeting momentarily.

At 9:38 a.m. the EDA/IDA Board returned to open session following a certification motion by Mr. Minter in accordance with to 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. The motion was seconded by Ms. Drucker, which passed unanimously on a roll call vote.

Committee Chair's 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. Mr. Minter presented the Marketing Committee report which was ratified by the Board and passed unanimously on a roll call vote. Ms. Greene presented the Revolving Loan Fund Committee report, which was ratified by the Board and passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of November 7, 2014

Mr. Herbert asked for a Motion that the Minutes of the Regular Meeting of November 7, 2014 be approved. Mr. Epes so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business


Mr. Herbert asked for any unfinished business. Mrs. Kingston stated there was one item of business that she would like for Ms. Meredith to present. Ms. Meredith presented Board members with "One City Marathon" t-shirts, and briefly discussed the planning momentum.

Mr. Bell expressed his thanks to the members of the Board, to staff and the City Manager for the invaluable opportunity of serving on the EDA/IDA Board. He said that he would continue to follow closely the Authority's activities and successes.

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 9:30 a.m.



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: December 9, 2014

The Design Review Committee met on Thursday, November 20, 2014. The first item considered was a request, by Sign Media, Inc., for approval of a scaled color rendering and digitally enhanced photograph of a proposed sign refurbishment at 1 Old Oyster Point Road. 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 Short & Company, CPAs, PC, for approval of digitally enhanced photographs of proposed building and monument sign exterior renovations at 734 Thimble Shoals Boulevard in City Center at Oyster Point. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The third item considered was a request, by W.M. Jordan Company, Inc., for approval of a resubmittal of scaled color architectural elevations for Pump Station #188 at 699 Hogan Drive. Upon review, the Committee voted 3-0, with three abstentions, to recommend approval of the request, subject to all applicable City codes and regulations.

The committee received a report from staff about three administrative approvals granted in October and November by the Secretary/Treasurer. The first administrative approval was for a building-mounted tenant sign replacement panel for BBG Granite at 11850 Canon Boulevard in Oyster Point of Newport News. The second administrative approval was for an awning replacement package for Eastern Virginia Bank at 11801 Merchants Walk in City Center at Oyster Point. The third administrative approval was for a signage replacement package for Eastern Virginia Bank at 11801 Merchants Walk and 670 Town Center Drive in City Center at Oyster Point.

Design Review Committee
Chair's Report
December 9, 2014
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The items detailed in this report which were voted upon by the committee require Board ratification today.



Cary B. Epes, Chair

CBE:dep

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Date, Time and Location: November 20, 2014, at 8:00 a.m., Fountain Plaza II, 700 Town Center Drive, Suite 200, Newport News, VA

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

Members Absent: Sylvia Weinstein

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: December 9, 2014

The Executive Committee met on November 20th. The Committee received an update on the FY2014 EDA/IDA Audit, which the Board approved earlier in today's meeting. The Committee also authorized conveyance of a 10-foot-wide water main easement on EDA-owned property at 165 Yorktown Road to the City of Newport News for the purpose of properly documenting existing waterline locations, with all necessary documentation subject to review and approval of legal counsel.

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



Wendy Drucker, Chair

WD:clc

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Date, Time and Location: November 22, 2014 at 12:30 p.m. at Drucker & Falk Training Room, 11824 Fishing Point Drive, Newport News, VA

Members Present: Wendy Drucker, Arthur Henderson, Gary Minter

Members Absent: Tom Herbert



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: December 9, 2014

The Marketing Committee met on November 20, 2014. Committee Members were presented with the new design of the Newport News City website. Members praised the new design for being a marked improvement in accessibility and visual design over the previous site.

Howell Creative presented current website metrics and statistics for the Economic Development Authority website. Committee members were encouraged by the increase in traffic and made recommendations for further optimizations of the website and social media outreach.

The Committee reviewed and unanimously passed the Marketing line-item budget for fiscal year 2015.

This report does require Board ratification.



Gary Minter, Chair

GM:jwm

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Date, Time and Location: November 20, 2014 at 10:30 a.m. at 11824 Fishing Point Drive, Newport News, VA 23606

Members Present: Gary Minter, Mary Aldrich, Don Blankenship, Wendy Drucker, Faye Gargiulo, Cassandra Greene, Gary Hunter

Members Absent: John Miller



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: December 9, 2014

The Revolving Loan Fund Committee (Committee) met on Friday, December 5, 2014. Committee action and staff discussion are highlighted below:

The Committee reviewed a loan request in the amount of \$630,000 from Eagle Land II, LLC to assist in funding the acquisition and related costs of 7505 Warwick Boulevard (the former Daily Press newspaper production site) and after some discussion, the loan was recommended for approval with a 4:1 vote.

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

- The FIG request for \$30,000 from Spooncat, LLC for exterior finishes and materials, exterior lighting, exterior painting and prep, landscaping, paving, roofing, windows/doors and window/cornice flashing at 734 Thimble Shoals Boulevard was recommended for approval with a 4:1 abstaining vote.
- The FIG request for \$18,446 from W.C. Powers III for accessibility/ADA compliant projects, exterior painting and prep, paving, roofing, signage and windows and doors at 9701 Warwick Boulevard was recommended for approval with a unanimous vote.

The Committee recommends approval of all three (3) requests and is asking the Board to ratify Committee actions relating to the loan and FIG requests.



Cassandra Greene, Chair

CG:tfw

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Date, Time and Location: December 5, 2014 at 8:30 AM at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA
Members Present: Cassandra Greene, Cary Epes, George Knight, Arthur Henderson and Susan Harris
Members Absent: none