

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. Henderson called the meeting to order at 8:00 a.m., on Friday, February 1, 2013 in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

Arthur P. Henderson, Jr., Chair
Tom Herbert, Vice-Chair
Alonzo R. Bell, Jr.
Wendy C. Drucker
Cary B. Epes
C. Gary Minter
Florence G. Kingston, Secretary/Treasurer, ex-officio
Neil Morgan, City Manager, ex-officio

Those members absent were:

Evan Curbeam, excused

Legal Counsel:

Raymond H. Suttle, Jr., Esquire

Staff:

Cherry Croushore, Assistant Secretary
Sharon Baker, Recording Secretary

Also present:

Aaron Brooks, Principal, Tidewater Partners Property & Development, LLC
Lou Haddad, President & CEO, Armada Hoffler
Chris Harvey, Armada Hoffler
Joe S. Frank, Esquire
Paul Hirsch, Madison Government Affairs
Collins Owens, City Attorney
Robert Pealo, Assistant City Attorney

Mr. Henderson opened the meeting by welcoming everyone.

Secretary/Treasurer's Report – Mrs. Kingston

Mr. Henderson asked for the Secretary/Treasurer's Report. Mrs. Kingston reported that with respect to the Apprentice School Project, Armada Hoffler Construction Company, in coordination with IDA and City Engineering staff, had identified and competitively bid the components related to necessary public infrastructure and streetscaping improvements. She reported that the bid amounts, plus a small contingency, totaled \$750,000 and were within the amount the City had appropriated for public infrastructure, streetscape and utility improvements/relocations related to the Project. Mrs. Kingston advised the Board she was requesting a Motion to authorize up to \$750,000, which included a 3% contingency, for public infrastructure and streetscape related to the Apprentice School Project, and award a contract between the IDA and Armada Hoffler Construction Company, subject to review and approval of legal counsel.

Mrs. Kingston stated she was pleased today to deliver to Board members copies of the final bound FY2012 EDA/IDA Audit, which had been placed at their seats.

Mrs. Kingston reported that staff had recently attended a professional development seminar titled "(Re) Branding: It's Not Just a Logo," sponsored by the Society for Marketing Professional Services. She reported the seminar highlighted brand considerations, the impact of rebranding on a firm, how to increase brand strength, and brand-building strategies. She stated that workshops such as these were especially helpful as we continued to expand the use of our *Newport News Where Great Things Are Happening* brand and tagline.

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

Mr. Henderson asked for a Motion to authorize up to \$750,000, which included a 3% contingency, for public infrastructure and streetscape related to the Apprentice School Project, and award a contract between the IDA and Armada Hoffler Construction Company, subject to review and approval of legal counsel. Mr. Bell so moved and Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

Assistant Secretary's Report – Ms. Croushore

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

Madison Government Affairs – Mr. Hirsch

Mr. Henderson asked for the Madison Government Affairs Report. Mr. Hirsch reported that to date, no legislation was being considered to avoid sequestration which would go into effect March 1, 2013. He reported that the Continuing Resolution (CR) funding the government since last Fall expires on March 27, 2013. Mr. Hirsch reported that Congress would need to dictate discretionary spending for the final 6 months of this budget year through either a continuance of the CR or by enacting appropriations bills.

Mr. Hirsch reported that the debt ceiling issue had been delayed by Congress passing and the President signing a bill, setting the formal debt limit issue aside until May 18, 2013.

Mr. Hirsch provided a handout to the Board highlighting infrastructure and Military Construction (MILCON) projects completed and currently underway at Fort Eustis. He reported that Mayor Price, accompanied by City Manager Neil Morgan and Director of Development Florence Kingston, had visited Fort Eustis on January 29th, where they received a State of the Fort briefing. Mr. Hirsch briefly highlighted completed and current military construction projects:

- FY 08 through FY 15 – \$533 Million of Military Construction;
- FY 11 – \$6 Million in Non-Appropriated Funds (NAF) & United States Air Force (USAF) base operating support projects;
- FY 12 – \$71 Million in Medical Command (MEDCOM), Defense Commissary Agency (DECA), and Army & Air Force Exchange Service (AAFES) projects;
- FY12/13 – \$22 Million for Marseilles Village Family Housing:
 - Balfour Beatty RCI Privatized Housing
 - 84 new quarters and a 9th G.O. quarters.

Mr. Hirsch reported that operations and activities on the FY13 budget had been constrained by the CR. He reported that there would be no funding for MILCON projects, although a significant number of projects would be completed.

Mr. Hirsch reported that in 2020, the Army would be reducing its troops from 562,000 to 490,000. He reported a Programmatic Environmental Assessment had been released, providing few specifics other than eliminating a number of Brigade Combat Teams (BCT). He noted it would have a relatively small impact on Fort Eustis, Virginia (FEVA) since a number of already realized reductions would be counted.

Mr. Hirsch reported that the Route 105 bridge construction, a two-year project, was planned to start in March 2013 and that Fort Eustis was coordinating with the City and VDOT on this project.

Mr. Morgan commented that the City should feel good about what's been achieved in terms of Fort Eustis and the community. He briefly highlighted some of the projects at Fort Eustis and noted that the nature of the base has changed and will continue to change.

Mr. Morgan told the Board about the FY 2014 Budget television production airing on the Newport News public channel and available on the web, and encouraged Board members to watch the program in order to get a sense of the challenges and opportunities with which the City is dealing. He reported that budget hearings with the individual departments were underway and that the budget would be released to City Council the last week of March.

Mr. Morgan reported that City Council had received a briefing and update on the status of the Brooks Crossing project, development agreement and what actions the City would be requested to take in support of the project. He reported to the Board that City Council members were unanimously supportive of the project. Mr. Morgan reported that City Council had taken action at its January 22, 2013 City Council meeting to adopt a resolution authorizing the City Manager to take the necessary steps to move the project forward.

Mrs. Kingston stated it was exciting to see the Brooks Crossing project progressing, and reminded the Board that they had been provided a copy of the Executive Summary of the Development Agreement.

Brooks Crossing Mixed-Use Development Presentation

Mr. Henderson asked for the Brooks Crossing Mixed-Use Development Presentation. Mr. Brooks greeted the Board and thanked them for their continued support. He stated it was a joy to see progress being made. He acknowledged Mr. Morgan and Mrs. Kingston for their support and thanked his development partners, Armada Hoffler, for their commitment to the project. He introduced Mr. Haddad.

Mr. Haddad greeted the Board and provided a presentation briefly highlighting important aspects of the project, including Mr. Brooks' efforts in advocating passionately for this project. Mr. Haddad stated he thought everyone would be proud of what ultimately got built in the Southeast Community. He reported that Armada Hoffler had been engaged in 22 public/private joint ventures, with the Apprentice School project being the 20th and the Marriott Hotel and Conference Center being the 16th. He stated it would be a challenging project, but that we had the right team to make it a success.

Mrs. Kingston provided a highlight of some of the project milestones achieved to date and advised the Board she was seeking a Motion to authorize execution of the Development Agreement.

Mr. Henderson asked for a Motion to approve a Development Agreement between the EDA and Southeast Commerce Center Associates, L.L.C. (SECCA), providing for a significant mixed-use redevelopment project in the City's Southeast Community, master-planned on a broad scale to include a high quality mixed-use community containing retail, office and market-rate residential products on an approximately 29-acre site generally bounded by 28th Street, Jefferson Avenue, 35th Street and Terminal Avenue (the Project), which Project is an approximately \$48 million undertaking. The EDA's authorization of the Development Agreement and documents related thereto was subject to final review and approval of legal counsel, and the lender(s) selected to provide SECCA financing for the Project. Mr. Bell so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

At 9:04 a.m. Mr. Herbert moved that the EDA/IDA Board go into closed session in accordance with VA Code Section §2.2-3711.A: Real Estate (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; (5) discussion concerning a prospective business or industry for 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; and/or (7) consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. The motion was seconded by Mr. Bell and it passed unanimously on a roll call vote.

At 9:25 a.m. the EDA/IDA Board returned to open session following a certification motion by Mr. Herbert in accordance with VA Code Section §2.2-3712(D) at the conclusion of any meeting, the public body holding such meeting shall immediately reconvene in an open meeting and shall take a roll call or other recorded vote to be included in the minutes of that body. The motion was seconded by Mr. Minter and it passed unanimously on a roll call vote.

Committee Chair's Reports

Mr. Bell presented the Design Review Committee Chair's Report, which was ratified by the Board and passed unanimously on a roll call vote. Mr. Herbert presented the Executive Committee Chair's Report, which was ratified by the Board and passed unanimously on a roll call vote. Mr. Minter presented the Marketing Committee Chair's Report, which required no ratification by the Board. Mr. Epes presented the Revolving Loan Fund Chair's Report, which was ratified by the Board and passed unanimously on a roll call vote. Mr. Epes commented that as you drive through the City, the positive impact of the Façade Improvement Grant program was very visible. He stated the FIG program had been very successful.

Presentation and Approval of FY2014 EDA/IDA Budget

Mr. Henderson asked for the Presentation of the FY2014 EDA/IDA Budget. Mrs. Kingston provided an overview of the FY2014 EDA/IDA Budget. She noted salient points of the Budget spreadsheet provided to Board members in their package. She also advised that the Budget had previously been presented to the Executive Committee at its January 22nd meeting, with the Committee supporting approval of the budget being presented to the Board today. She provided the Board with a timeline on the adoption of the budget by City Council. Mrs. Kingston offered to answer any questions. There were no questions. Mr. Minter moved approval of the FY2014 EDA/IDA Budget as presented and Ms. Drucker seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes-January 11, 2013 EDA/IDA Board Meeting

Mr. Henderson asked for a motion that the Minutes of the EDA/IDA Board Meeting held January 11, 2013 be approved. Mr. Bell so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

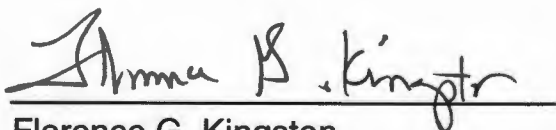
Mr. Henderson asked for any unfinished business. Mrs. Kingston stated there was no unfinished business.

New Business

Mr. Henderson asked for any new business. Mrs. Kingston stated there was no new business.

Mr. Henderson asked if there were any other matters to be considered today. There were no other matters.

There being no further business to come before the Board, Mr. Henderson adjourned the meeting at 9:38 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

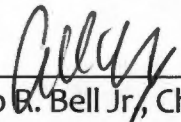
DATE: February 1, 2013

The Design Review Committee met on Thursday, January 17, 2013. The first agenda item was a request by Michael Henry Architect, PC, on behalf of the property owner, Masari Enterprises, LLC, for approval of scaled color renderings and a site location plan for proposed façade renovations and exterior improvements to three (3) buildings for KATO Fastening Systems, Inc., at 11864 Fishing Point Drive in Oyster Point. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The second agenda item was a request by SignMedia, Inc., on behalf of the property owner, Cedar Enterprises, LLC, for approval of a scaled color rendering and digitally enhanced photograph of one (1) illuminated building mounted sign for Keller Williams Realty at 804 Omni Boulevard in Oyster Point. Upon review, the Committee voted 5-0, with one abstention, to recommend approval of the request, subject to all applicable City codes and regulations.

The final agenda item was a resubmittal by SignMedia, Inc., on behalf of the property owner, B and H Thimble Shoals Properties, for approval of a scaled color rendering and digitally enhanced photographs for the proposed addition of two (2) non-illuminated building mounted signs for James River Eye Physicians at 704 Thimble Shoals Boulevard in Oyster Point. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The items detailed in this report require Board ratification today.



Alonzo R. Bell Jr., Chair

ARB:sz

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Date, Time and Location: January 17, 2013 at 8:00 a.m., Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo R. Bell, Jr., Michael Carpenter, Cary B. Epes, Robert Mann, Teresa Nettles, Elizabeth Smith, Sylvia Weinstein

Members Absent: Thomas P. Herbert

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

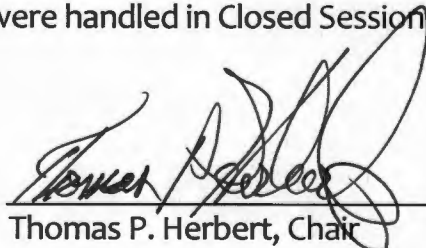
TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: February 1, 2013

The Executive Committee met on January 22nd. Pursuant to the authority delegated to it by the Board, the Committee approved the EDA/IDA 2012 Annual Report. The final version of the report is in the process of being printed and bound, and will be provided to City Council by its required deadline of February 12. It will concurrently be provided to Board members.

The Committee received a presentation on the EDA/IDA FY 2014 Budget, which the Board will receive later in today's Agenda. Based on the presentation received, the Executive Committee is recommending approval of the Budget. Formal action on the Budget by the Board, however, will follow presentation of the Budget to the Board, rather than take the form of ratification of this item in the Executive Committee Report.

The Executive Committee was also briefed on a restroom renovation project associated with the EDA-owned Rouse Tower building. The Committee authorized funding, not to exceed \$340,000, for Thalhimer Management Company to have all 37 restrooms in the building completely renovated, subject to legal counsel review and approval of all necessary documents.

The Committee's remaining items were handled in Closed Session. Items in this report require Board ratification.



Thomas P. Herbert, Chair

TPH:clc

Date, Time and Location: January 22, 2013 at 12:00 p.m. at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo Bell, 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: February 1, 2013

The Marketing Committee met on January 25, 2013. Members toured the EDA's advertising displays at the Newport News/Williamsburg International Airport including column wraps in Concourse A, as well as the newly-redesigned kiosk near the entrance.

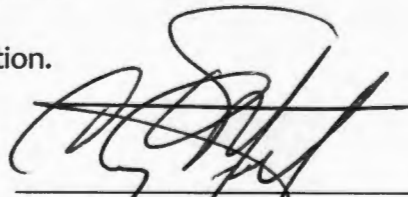
Howell Creative Group announced the re-launch of the EDA/IDA website and reviewed highlights. Members commented on the ease of use, clean design and helpful tools, such as the cost-of-living calculator. The agency recently hosted a training session, enabling Development staff to make future updates.

The Committee received an update on myth-busting efforts. Drafts of two soon-to-be published cards were reviewed, touting Newport News as a "new blue collar" environment of highly-skilled and certified professionals with an abundant quality of life.

Staff shared preliminary information regarding the upcoming sponsorship of the LPGA Kingsmill Championship.

Committee members thanked and complimented staff and Howell Creative for their work and dedication to making EDA marketing efforts a success. Members also expressed a concern and an ongoing desire for City leadership to urge all City departments to adopt the Where Great Things Are Happening brand to ensure consistency in branding and promotional efforts throughout Newport News.

This report does not require Board ratification.



Wendy Drucker, Chair

WD:rn

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Date, Time and Location: January 25, 2013 at 10:30 a.m. at 900 Bland Boulevard, Newport News, VA 23602

Members Present: Gary Minter, Mary Aldrich, Don Blankenship, Faye Gargiulo, Gary Hunter

Members Absent: Wendy Drucker, Tom Herbert, John Miller

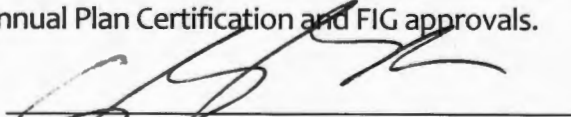
**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: February 1, 2013

The Revolving Loan Fund Committee (Committee) met on Wednesday, January 23, 2013. Committee action and staff discussion is highlighted below:

- The Committee reviewed the Newport News Capital Fund (NNCF) Financial Statements and was provided a copy of the 2012 Annual Plan Certification.
- The Committee recommended approval of the 2012 Annual Plan Certification Resolution stating that the NNCF is operating in accordance with established policies and procedures.
- Staff presented two (2) FIG Program requests to the Committee. All FIG requests were recommended for approval and details are as follows:
 - Cornwell Holdings, LP - 712 Gum Rock Court to power wash the façade, improve landscape, repair roof and signage. A \$14,189 grant was approved with a 4-0 vote having one abstention.
 - Maritime Square, LLC – 2600 Washington Avenue for exterior painting. A \$30,000 grant was unanimously approved.
- The Committee was advised that 29 businesses have now been approved for Façade Improvement Grants totaling \$561,043, which has facilitated total improvements throughout the City valued at approximately \$3,703,747.

This concludes the Committee report and the Board is asked to ratify the Committee actions relating to the NNCF Annual Plan Certification and FIG approvals.



Evan Curbeam, Chair

EC:tfw

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