

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, March 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.
Evan Curbeam
Cary B. Epes
C. Gary Minter
Florence G. Kingston, Secretary/Treasurer, ex-officio
Neil Morgan, City Manager, ex-officio

Those members absent were:

Wendy Drucker, excused

Legal Counsel:

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

Staff:

Cherry Croushore, Assistant Secretary
Sharon Baker, Recording Secretary

Also present:

Bruce R. Smith
George Schraudt, Department of Development
Paul Hirsch, Madison Government Affairs
Collins Owens, City Attorney
Robert Pealo, Assistant City Attorney

Mr. Henderson opened the meeting by welcoming everyone.

Resolution of Appreciation – Bruce R. Smith

Mr. Henderson stated the first order of business on the agenda was the presentation of a Resolution of Appreciation to Bruce R. Smith for his service as General Manager of the Newport News Marriott at City Center from 2006 to 2012. Mr. Henderson read the Resolution of Appreciation before formally presenting it to Mr. Smith. Mr. Smith greeted the Board and staff and stated he was happy to be here this morning, and that there in his experience, are very few communities that work together as well as this community. Mr. Smith stated this was a great tribute and thanked Mr. Hudgins, Mrs. Kingston and Mrs. Meredith and the Marriott staff for their support. Mrs. Meredith introduced the guests attending the meeting in support of Mr. Smith.

Façade Improvement Grant (FIG) Program Presentation

Mr. Henderson asked for the Façade Improvement Grant (FIG) Program Presentation. Mrs. Meredith introduced guests attending the meeting to view the presentation, and informed the Board they were members of the FIG Team and the Revolving Loan Fund Committee. She reported the individuals attending had participated and been involved on every level and without their assistance, the program would not be a success. She briefly explained the FIG application, review and approval process, and noted the important roles played by the FIG Team and the Revolving Loan Fund Committee.

Mr. Schraudt thanked Mrs. Meredith, the Board, the FIG Team, Mr. Morgan and Mrs. Kingston for their support. He explained that the FIG program was established to help make aesthetic improvements City-wide, focus on particular targeted areas that generally coincide with our historic districts and our enterprise zones, and help spur private investment. Mr. Schraudt highlighted the eligibility requirements. He reported grants had been approved in the North, Central and South districts of the City. The Board approved the FIG Program on April 6, 2012, following the recommendation of the Revolving Loan Fund Committee. 30 FIG projects have been approved to date, totaling \$590,000 in program funds allocated. Mr. Schraudt reported the average grant was \$19,500 per project and this public investment had leveraged \$3.2 million in private investment.

Mr. Schraudt highlighted improvements of representative projects with before and after pictures and responded to questions from Board members. Mr. Morgan commended Mr. Schraudt on his presentation, congratulated Mrs. Kingston, and acknowledged Development staff and the Board for getting the project implemented and making it a success.

Mrs. Kingston reemphasized to the Board the success of the project by having funded 30 projects in less than a year. She stated the FIG Team offered collaboration and technical assistance that went along with the encouragement of these projects. Mrs. Kingston stated

we had exceeded all of our goals for the program, including alignment with City Council's Community Maintenance Strategic Priority and would continue to aggressively promote the FIG Program. Mrs. Kingston thanked the Board for their support.

Secretary/Treasurer's Report – Mrs. Kingston

Mr. Henderson asked for the Secretary/Treasurer's Report. Mrs. Kingston stated she was happy to provide to the Board the 2012 EDA/IDA Annual Report. She recognized Department staff, as well as our advertising agency, Howell Creative Group, for the talent and many hours which went into making this fresh, new design a success. Mrs. Kingston informed the Board that City Council had received their copies, and informed the Board that should they prefer an electronic copy, it could be emailed to them. Mr. Herbert stated the content was excellent and the graphic design was first-class.

Mrs. Kingston stated she was pleased to report on the success of the recent Governor's announcement for Liebherr Mining Equipment. She reported that staff had collaborated with Liebherr to plan and execute a luncheon to announce the company's \$45 million expansion which will create 174 new jobs, and the Governor's approval of a \$500,000 GOF grant and an \$800,000 performance-based Virginia Investment Partnership grant. Mrs. Kingston reported the event, sponsored by Liebherr, was attended by about 125 people and featured Secretary of Commerce and Trade Jim Cheng, Liebherr President Joachim Janka and Mayor Price. She thanked those who were able to attend.

Mrs. Kingston informed the Board that in connection with Liebherr's expansion, she was asking for authorization to proceed with the remaining portion of Alliance Engineering's design and engineering services contract scope for City Line Road, its intersection with Aluminum Avenue and the intersection of Aluminum Avenue at Chestnut Avenue. She informed the Board it had previously authorized \$51,000, which included a 10% contingency, for Phase I of the scope of services, including 30% plans and preliminary engineering services by Alliance Engineering. Mrs. Kingston reported Alliance was finalizing the 30% plans and that we were ready to proceed to contract for Phase II, which included 100% construction drawings and construction bid administration services leading to construction contract award. Mrs. Kingston advised the Board she was seeking a Motion to authorize up to \$77,000, which included a 10% contingency, to award a contract between the EDA and Alliance Engineering for Phase II of engineering design and construction bid administration services associated with improvements to City Line Road, its intersection with Aluminum Avenue and the intersection of Aluminum Avenue at Chestnut Avenue. Mrs. Kingston complimented staff on their outstanding work on various aspects of this project.

Mrs. Kingston informed the Board that on Wednesday, March 27th, from 8:30 am to 12:30 pm, Newport News would be hosting an Entrepreneur Express workshop in the James Room of the Fountain Plaza Two building at City Center. She informed the Board that Entrepreneur Express is one of the workshops periodically offered by the Virginia Department of Business

Assistance, and is designed to provide information on available business resources and deliver practical, hands-on training covering key elements of business practice. Mrs. Kingston advised this event is offered at no cost to participants, and those interested in participating could sign up at events.vastartup.org. She encouraged Board members to attend.

Mrs. Kingston advised Board members to mark their calendars and informed them that this year's Business Appreciation event would be held, as last year's, in two segments on two different days, with the Business Appreciation luncheon taking place on Tuesday, May 7th, and the golf tournament being held on Friday, May 17th, with a 9:00 shotgun start. She advised Board members that they would be receiving more details in the coming weeks on our signature business appreciation event for existing Newport News businesses.

Mrs. Kingston reported that on February 13th, staff had assisted Mayor Price in hosting a luncheon of business, professional, corporate and military leaders to support the U.S. Army Training and Doctrine Command (TRADOC) Band Memorial Day Concert in City Center. She reported the Monday, May 27th event will be a signature event of the Virginia Arts Festival's (VAF) 2013 season. Mrs. Kingston stated the luncheon provided an opportunity for attendees to learn more about the training and talent of our Armed Forces at TRADOC, as well as the programs and partnerships of the VAF. She reminded the Board to mark their calendars for the 7:00 pm Memorial Day event.

Mrs. Kingston reported that staff had recently made a presentation to the Peninsula chapter of The Capitol Hill Club, affiliated with Bon Secours Hospitals. She reported the group focuses on awareness and legislative action regarding health issues among senior citizens in Hampton Roads. Mrs. Kingston reported the presentation to this group of 50 was held at Mary Immaculate Hospital, and covered various development projects around the City, focusing on Lower Jefferson Avenue, the Apprentice School, City Center Entertainment District, and Upper Warwick Corridor improvements. She reported Joy Robison had given the presentation and commended her for an excellent presentation.

Mrs. Kingston reported that last week, tourism officials from around the Commonwealth gathered in Norfolk for the quarterly meeting of Virginia Association of Convention and Visitors Bureaus. She reported that staff had the opportunity to present a session on the City's implementation of Tourism Zone programs.

Mrs. Kingston reported that on Wednesday, February 27th, she had enjoyed a rewarding experience speaking to an undergraduate Urban Economics class at Christopher Newport University. She reported her presentation focused on a wide variety of City-related topics, such as major economic drivers, attracting and retaining businesses, sustainable development, and redevelopment. Issues concerning workforce, employment, education, quality of life, housing and the like were also discussed. Mrs. Kingston reported the speaking engagement provided an opportunity for students and faculty to learn more about our City and

the great things that are happening here, making it attractive for students to want to stay here when they graduate.

Mrs. Kingston reported that the City Manager had recently submitted a 70-page report entitled "City of Newport News Roadmap to Sustainability" to City Council. She reported that the Department of Public Works led an inter-departmental team of City employees charged with supporting City Council's strategic goal of being an environmentally sustainable local government. Mrs. Kingston reported that Chris Morello and Bryan Witt had represented the Department of Development on the Sustainability Team, and helped develop the Roadmap, along with Matt Johnson, who served on the Sustainability Civic Engagement and Policy Committee. She stated she was proud of the contributions of staff. She advised the Board that the first eight pages of the Roadmap were provided at their places and that they would receive an email with a link to the entire report.

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. Morgan provided a status update on the State and City budget process.

Mr. Henderson asked for a Motion to authorize up to \$77,000, which included a 10% contingency, to award a contract between the EDA and Alliance Engineering for Phase II of engineering design and construction bid administration services associated with improvements to City Line Road, its intersection with Aluminum Avenue and the intersection of Aluminum Avenue at Chestnut Avenue. Mr. Epes so moved and Mr. Bell 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 Congressional leaders were shifting their focus to spending issues after the automatic budget sequester went into effect. He reported the Continuing Resolution would run through March 27th. Mr. Hirsch reported that House Republicans were preparing a bill led by Appropriations Committee Chairman Harold Rogers, which would keep the government funded for the rest of the fiscal year at the post-sequester spending levels of \$974 billion. Mr. Hirsch informed the Board that any actual furlough of federal employees, if determined to be necessary, could not happen for at least 30 days since the law requires a notification period.

Mr. Hirsch reported that as Congress and the Administration continued the debate over the national deficit, federal budget, and tax code reform, two areas appeared to have some bipartisan support:

- removing the tax exemption on interest paid for municipal bonds; and
- legislation (Marketplace Fairness Act) to begin collection of taxes on internet sales.

Mr. Hirsch reported that Madison Government Affairs and the City had drafted a letter to the delegation opposing any attempt to eliminate or limit the tax exemption of municipal bonds, while highlighting the fact that Newport News had issued nearly \$300 million in tax-exempt bonds for nine projects during FY2013.

Mr. Hirsch reported that Fort Eustis had gone through a major facility renaissance since the EDA Board's last visit to the post. He reported that during a visit to Fort Eustis last month by Mayor Price, Mr. Morgan and Mrs. Kingston, the idea of a briefing followed by a tour for the Board was discussed. Mrs. Kingston informed the Board that Robin Boyd had agreed to work with Paul Hirsch to arrange a time/date.

At 8:48 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. Minter and it passed unanimously on a roll call vote.

At 9:44 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. Epes and it passed unanimously on a roll call vote.

Mr. Henderson asked for a Motion to authorize the Chair or Vice-Chair to execute amendments to all Agreement documents between the Economic Development Authority (EDA) and PEOPLEExpress relative to a potential airline acquisition, to extend the date by which the previously approved \$500,000 may remain in the designated Escrow Account to such date as is approved by the Regional Air Service Enhancement (RAISE) Committee at its

March 1, 2013 meeting and no later than July 15, 2013. All other terms and conditions of all referenced documents remained in full force and effect. Amendment documents were subject to approval of EDA counsel. Mr. Bell so moved and Mr. Minter seconded the motion, which 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 Committee Chair's Report, which was ratified by the Board and passed unanimously on a roll call vote.

Approval of Minutes-February 1, 2013 EDA/IDA Board Meeting

Mr. Henderson asked for a motion that the Minutes of the EDA/IDA Board Meeting held February 1, 2013 be approved. Mr. Bell so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

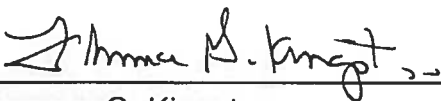
Mr. Henderson asked for any unfinished business. Mrs. Kingston stated there was no unfinished business.

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 9:53 a.m.



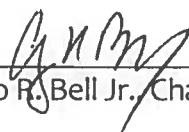
Florence G. Kingston
Secretary/Treasurer

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: March 1, 2013

The Design Review Committee met on Thursday, February 21, 2013. The Committee considered a request by Scotty Signs, on behalf of the property owner, I-Link Properties, LLC, for approval of a photograph, a scaled color rendering, and a digitally enhanced photograph of one (1) ground mounted monument sign and one (1) non-illuminated building mounted sign for IC Distribution at 11860 Fishing Point Drive 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 item detailed in this report requires Board ratification today.



Alonzo R. Bell Jr., Chair

ARB:sz

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Date, Time and Location: February 21, 2013 at 8:00 a.m., Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo R. Bell, Jr., Robert Mann, Teresa Nettles, Elizabeth Smith, Sylvia Weinstein

Members Absent: Michael Carpenter, Cary B. Epes, Thomas P. Herbert

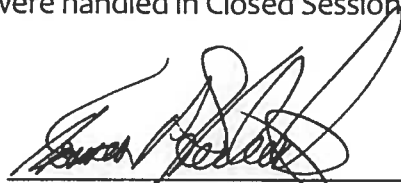
**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

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

The Executive Committee met on February 19th. The Committee authorized the acquisition of 15004 and 15008 Warwick Boulevard at the collective negotiated purchase price of \$84,600, the collective assessed value, from CH&B Associates, L.L.P., Diane S. Marcus and Janet L. Sandler, to facilitate voluntary land assemblage efforts in support of the City's Upper Warwick Boulevard Corridor Initiative, with all necessary documentation subject to EDA legal counsel review and approval. The referenced properties are identified on the attached map.

The Committee also authorized amendment of the existing documents between the EDA and PEOPLExpress related to a potential airline acquisition, to extend the date by which the previously approved \$500,000 may remain in the designated Escrow Account from February 15, 2013 to March 1, 2013. Extension of the date was approved by the Regional Air Service Enhancement (RAISE) Committee. All other terms and conditions of the existing documents remain in full force and effect. Amendments to the existing documents to reflect the referenced extension to March 1, 2013 are subject to EDA legal counsel approval.

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



Thomas P. Herbert, Chair

TPH:clc

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Date, Time and Location: February 19, 2013 at 1:15 p.m. at Two City Center, 11820 Fountain Way, Suite 301,
Newport News, VA

Members Present: Alonzo Bell, Tom Herbert, Gary Minter

Members Absent: Arthur Henderson

ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, Marketing Committee

SUBJECT: Chair's Report

DATE: March 1, 2013

The Marketing Committee met on February 21, 2013. Committee members were presented with the Economic/Industrial Development Authority 2012 Annual Report. Members conveyed that the information contained within the report is valuable for marketing the City.

Staff of Howell Creative Group announced that they were exploring new options for placement of the redesigned Newport News Kiosk at the Newport News/Williamsburg International Airport. Howell also presented plans to adjust the placement of the column wraps in Concourse A to Concourse B during the Airport's upcoming renovations.

Committee members discussed driving momentum back into the myth-busting sub-committees, and goals for the next six months.

This report does not require Board ratification.



Wendy Drucker, Chair

WD:jwm

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Date, Time and Location: February 21, 2013 at 10:30 a.m. at 11824 Fishing Point Drive, Newport News, VA 23606

Members Present: Wendy Drucker, Gary Minter, Gary Hunter

Members Absent: Mary Aldrich, Don Blankenship, Faye Gargiulo, 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: March 1, 2013

The Revolving Loan Fund Committee (Committee) met on Wednesday, February 27, 2013. Committee action and staff discussion is highlighted below:

- The Committee received a request for Loan Extension and Continuation of Decreased Payment for China Buffet from the Director of Development with a recommendation for approval. The Committee considered the request and voted unanimously for the extension and continuation.
- The Committee was updated on the Revised e-Commerce Program and informed that eight businesses had been approved for program funding utilizing five different vendors and four additional applications have been received and are pending approval contingent on additional funding to the program.
- Staff presented one FIG Program request to the Committee. The FIG request for \$30,000 to Masari Enterprises, LLC (KATO Fastening Systems) for exterior finish, lighting, windows and doors to their newly purchased facility at 11864 Fishing Point Drive was recommended for approval with a unanimous vote.
- The Committee was advised that 30 businesses have now been approved for Façade Improvement Grants totaling \$591,043, which has facilitated total improvements throughout the City valued at approximately \$3,832,747. Remaining funds available to the program are \$8,957.

This concludes the Committee report and the Board is asked to ratify the Committee actions relating to China Buffet loan modifications and the FIG approval.



Evan Curbeam, Chair

EC:tfw

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