

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 8:02 a.m., on Friday, April 5, 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 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
Conway H. Sheild, III, Esquire

Staff:

Cherry Croushore, Assistant Secretary
Sharon Baker, Recording Secretary

Also present:

Steve Cook, Hampton Roads Economic Development Alliance
Matthew James, Peninsula Council for Workforce Development
Matthew Johnson, Department of Development
Paul Hirsch, Madison Government Affairs
Collie Owens, City Attorney
Robert Pealo, Assistant City Attorney

Mr. Henderson opened the meeting by welcoming everyone.

Quarterly Hampton Roads Economic Development Alliance Report – Mr. Cook

Mr. Henderson asked for the Quarterly Hampton Roads Economic Development Alliance Report. Mr. Cook greeted the Board and reported that as of the end of February 2013, the Hampton Roads Economic Development Alliance (HREDA) had hosted 6 prospect visits to the Hampton Roads region. He reported that HREDA had conducted marketing mission activities in New England, Japan, Orlando, Germany and New Orleans, resulting in one-on-one appointments with 43 corporate decision makers, 15 meetings with site selection consultants and 34 corporate contacts. Mr. Cook reported that, year-to-date, HREDA had opened 16 new projects. He reported that HREDA had one announcement, Project Superwatt, locating in the City of Suffolk, a company that builds industrial generators. He reported the project represented a \$10 million capital investment, providing 50 new jobs over the next three years for the region. Mr. Cook reported that HREDA had also participated in the announcement for the Liebherr expansion. Mr. Cook reported HREDA had recently held its Annual Meeting at Canon Virginia, Inc. Mrs. Kingston noted they had good attendance from the Southside. Mr. Cook reported after the meeting, attendees were taken on a tour of the facility. He reported HREDA had hosted a quarterly business update breakfast in Richmond for VEDP and stated it was a well-attended and informative event. Mr. Henderson asked if there were any questions. There were no questions.

Quarterly Business Retention Report – Mr. Johnson

Mr. Henderson asked for the Quarterly Business Retention Report. Mr. Johnson greeted the Board and reported that Spring was always a busy time for business retention activities and this year had been no exception. He reported that in addition to the normal course of business visits and association events, the Department had been working diligently to prepare for Business Appreciation 2013. Mr. Johnson reported that this year the Business Appreciation event was being divided into two dates, with the luncheon being held on Tuesday, May 7th, and the golf tournament being held on Friday, May 17th. He reported both events will be held at the Newport News Golf Club at Deer Run and that the Department anticipated close to 300 business leaders will attend. He reported that City and State resource personnel who provide assistance to businesses would also be in attendance at this year's events.

Mr. Johnson reported that in conjunction with the Business Appreciation events, the Department had worked with Mayor Price's office to have the month of May declared "Business Appreciation Month" in Newport News. He reported that at the April 23rd City Council meeting, Mayor Price will present the proclamation to a group of business attendees who will accept the Proclamation on behalf of the City's business community as a whole.

Mr. Johnson reported during the first quarter the Department had the opportunity to assist some of our businesses in unique ways. He reported one of our Copeland Industrial Park companies had recently received notification that the census tract it is located within would no longer be a qualified census tract under the HUBZone program. The Department had been working with the business, the Small Business Administration (SBA) and the Department of Housing and Urban Development (HUD) to confirm the information in order to help the company chart a course of action. Mr. Johnson reported another one of our Newport News businesses had a need for short-term assistance related to a new supply contract the company had negotiated with a major, Fortune 500 company. He reported that with the assistance of Tricia Wilson and the Newport News Redevelopment and Housing Authority, the Department was able to provide the assistance necessary for the company to start work under the new contract.

Mr. Johnson reported that going forward there were several business-related issues on the horizon that the Department was keeping close tabs on, including the potential impact of federal budget issues on local businesses, both that directly supply goods and services under government contracts and also those which could be indirectly affected by a potential loss of income by employees and government workers. The Department also continued to monitor our business community directly affected by ongoing traffic infrastructure improvements in the Port Eustis area. Mr. Johnson stated he would be happy to answer any questions. Mr. Henderson asked if there were any questions. There were no questions.

Quarterly Workforce Development Report – Mr. James

Mr. Henderson asked for the Quarterly Workforce Development Report. Mr. James reported that the Peninsula Council for Workforce Development (PCFWD) had been very busy in the first quarter. He reported PCFWD had received several grants, one from Bank of America, one from SunTrust Bank and a \$125,000 Department of Labor grant to train veterans within our region. Mr. James reported PCFWD held its quarterly Customer Training Sessions at which 200 people were in attendance and received customer training instruction. Mr. James reported PCFWD had hosted the Disney Institute's professional development course, "Disney's Approach to Business Excellence", at the Hampton Roads Convention Center on March 7th and that over 250 area professionals were in attendance, some from as far away as California. Mr. James reported PCFWD, in partnership with Thomas Nelson Community College, had conducted an Educational Seminar on the William & Mary campus, with over 200 participants attending, including the President of William & Mary. He thanked those who attended. Mr. James reported PCFWD had hosted the Career Expo 2013 at the Hampton Roads Convention Center on March 26th. Over 2500 11th and 12th graders were in attendance. He reported students were encouraged to wear appropriate business attire for the interviews and to bring their resumes. Mr. James reported there were 250 volunteer interviewers from the public and private sector, who conducted 20-minute interviews with the

students. He reported there were various workshops that provided students with lessons in skills such as dressing for success, effective interviewing and time management. Mr. James reported there were over 60 business exhibit booths and representatives from all seven school districts on the Peninsula participating, including superintendents. Finally, Mr. James reported that PCFWD was working on developing a grid listing the various agencies involved in workforce development/training and providing specific information on what they do to effectively assist businesses and to help people find what they need. Mr. Henderson asked if there were any questions. There were no questions.

Secretary/Treasurer's Report – Mrs. Kingston

Mr. Henderson asked for the Secretary/Treasurer's Report. Mrs. Kingston stated she was excited to report that she and her family were departing later that day for a 2-week vacation in Italy. She informed the Board that in her absence, Carol Meredith would serve as Acting Director of the Development Department April 6th through April 13th and Sam Workman would serve as Acting Director April 14th through April 21st. She stated she had great confidence in her entire staff.

Mrs. Kingston reported staff recently participated in the Youth Career Expo, sponsored by the Peninsula Chamber of Commerce and the Peninsula Council for Workforce Development. She reported that in addition to being a sponsor, staff assisted in mock interviews with high school students from across the Peninsula. She reported in addition to supporting our partner organizations, it also gave students the opportunity to learn from the experience of our professional staff and other interviewers.

Mrs. Kingston reported over 25 people attended this month's "Entrepreneur Express" event hosted in Newport News by our Department of Development. She reported the attendees represented a mix of entrepreneurs and small business owners. In addition to networking opportunities, those in attendance were able to benefit from the various presentations on topics such as how to write, implement and evaluate a business plan, how entrepreneurs and small businesses can best market themselves, and utilizing available state and local business resources. Mrs. Kingston reported this workshop was part of a series of Department of Business Assistance seminars being cross-promoted by several Peninsula localities. She reported discussions are already taking place to develop a similar workshop series this Fall.

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.

Mrs. Kingston stated she was delighted to announce that our own Recording Secretary, Sharon Baker, had recently been notified that she had been selected to receive a "2013 Hampton Roads Volunteer Achievement Award" presented by VOLUNTEER Hampton Roads, a regional non-profit resource center based in Norfolk. She reported Sharon was being

recognized for her tireless and committed work with the CASA (Court Appointed Special Advocates) Program, where she had made a significant positive impact in the lives of a number of children. Mrs. Kingston stated that as if we were not proud enough, we had just learned that Sharon was also selected to receive a "2013 Child Welfare Certificate of Appreciation Award" presented by the Family & Children's Trust Fund of Virginia, Virginia Department of Social Services. She reported both award presentations would take place this month.

Mr. Morgan provided a status update on the City budget. He advised the Board they could find the entire budget, a 26-page City Manager Memo highlighting details about the recommended budget and a 12-minute video, on the City's website. He informed the Board about the two budget public hearings coming up, one in City Council Chambers on April 9th at 7:00 p.m. and one at Mary Passage Middle School on April 11th at 7:00 p.m. and encouraged them to attend.

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. She reminded Board members that the Executive Committee meeting was on April 29th at 12:00 p.m. and that the date/time for the Conference Center Marketing Committee meeting had been confirmed for Tuesday, April 23rd at 8:00 a.m., in the 10th floor board room at the Marriott.

Madison Government Affairs – Mr. Hirsch

Mr. Henderson asked for the Madison Government Affairs Report. Mr. Hirsch reported that before adjourning for a two week recess, Congress had passed a continuing resolution (CR) to keep the government funded through the rest of the fiscal year. Mr. Hirsch reported that on March 20th, the Senate had approved the short-term measure, which included 5 appropriations bills at FY 2013 levels which were: Defense Appropriations, Military Construction/Veterans Affairs, Agriculture, Commerce Justice and Science (CJS), and Homeland Security. He reported the short-term measure also maintained funding for the remaining seven appropriations bills at FY 2012 levels. Mr. Hirsch reported that the House had passed the Senate version of the measure on March 21st and the President had signed the Bill into Law on March 26th. He reported the previous CR was due to expire on March 27th.

Mr. Hirsch reported that both the House and Senate had approved budget resolutions prior to adjournment for recess. He reported that on March 21st, the House of Representatives had passed their budget resolution offered by Budget Committee Chairman Paul and on March 23rd, the Senate had approved the budget proposed by Senate Budget Chairwoman Murray. Mr. Hirsch reported that President Obama was set to submit his budget request to Congress on Wednesday, April 10th.

Mr. Hirsch reported that a significant effort was underway to request \$3.3 billion for the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) program in FY2014. He informed the Board that the Community Development Block Grant program was enacted in 1974 to provide funding for community development programs that assist urban, suburban and rural communities, improve housing and living conditions, and expand economic opportunities for low and moderate income persons. Communities use the flexibility of CDBG to partner with private and nonprofit sectors to address local community and economic development, housing, water, infrastructure and human service needs. He reported that CDBG had been drastically reduced in recent years, having been cut by nearly 25 percent or \$1 billion since FY2010. CDBG is currently funded at close to \$3.08 billion for FY2013, which included cuts under sequestration.

Mr. Hirsch reported that Fort Eustis had gone through a major facility renaissance over the most recent past. He reported that Colonel Wetherington, the Fort Eustis Commander, will be retiring in June. Mr. Hirsch reported that Robin Boyd, on behalf of the IDA, had been working closely with Colonel Wetherington's office and that they had scheduled a May 14th base meeting and tour for Board members and others.

Mr. Hirsch reported that Mayor Price and City Manager Morgan met with TRADOC last month (Major General Mark MacCarley, Deputy Chief of Staff) to discuss the need for an Emergency Access Gate. He reported that the TRADOC representative was provided a letter with three emergency gate access points for their consideration and the matter has been passed to Colonel Wetherington for action.

Mr. Henderson asked for the report on the Liebherr Expansion Project. Mrs. Kingston provided the Board with a brief background summary and advised that she was seeking a Motion to authorize that certain Governor's Development Opportunity Fund Performance Agreement by and among the EDA, the City of Newport News, and Liebherr Mining & Construction Equipment, Inc., d/b/a Liebherr Mining Equipment Newport News Co. (Liebherr) and that certain Expansion/Relocation Cost Reduction Incentive Agreement by and between the EDA and Liebherr, together with any and all documentation necessary to facilitate an application and/or grant from the Transportation Partnership Opportunity Fund, Economic Development Access Program, and any other federal or state incentives or programs available to provide transportation and infrastructure improvements for the benefit of Liebherr and Copeland Industrial Park in connection with Liebherr's planned expansion and significant investment in the City of Newport News, subject to the prior review and approval of all documentation by EDA legal counsel.

Mr. Henderson asked for a Motion to authorize that certain Governor's Development Opportunity Fund Performance Agreement by and among the EDA, the City of Newport News, and Liebherr Mining & Construction Equipment, Inc., d/b/a Liebherr Mining Equipment Newport News Co. (Liebherr) and that certain Expansion/Relocation Cost Reduction Incentive Agreement by and between the EDA and Liebherr, together with any and all documentation

necessary to facilitate an application and/or grant from the Transportation Partnership Opportunity Fund, Economic Development Access Program, and any other federal or state incentives or programs available to provide transportation and infrastructure improvements for the benefit of Liebherr and Copeland Industrial Park in connection with Liebherr's planned expansion and significant investment in the City of Newport News, subject to the prior review and approval of all documentation by EDA legal counsel. Mr. Epes so moved and Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

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. Bell 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. Bell and it passed unanimously on a roll call vote.

Committee Chair's Reports

Mr. Herbert presented the Executive Committee Chair's Report, which was ratified by the Board and passed unanimously on a roll call vote. 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-March 1, 2013 EDA/IDA Board Meeting

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

Unfinished Business

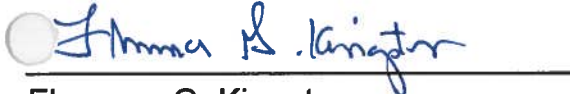
Mr. Henderson asked for any unfinished business. Mrs. Kingston stated there was no unfinished business.

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 9:50 a.m.



Florence G. Kingston
Secretary/Treasurer

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: April 5, 2013

The Executive Committee met on March 19th. The Committee authorized the appropriation of \$450,000 in unexpended EDA-issued bond proceeds previously identified for public infrastructure improvements in the City's Operations Center area, to fund such improvements, to include design services and construction costs for an emergency roadway for public ingress/egress connecting Freedom Way and Operations Drive, as well as design services for a new City Operations Center Warehouse.

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



Thomas P. Herbert, Chair

TPH:clc

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Date, Time and Location: March 19, 2013 at 12:00 p.m. at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo Bell, Arthur Henderson, Gary Minter

Members Absent: Tom Herbert

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Acting Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: April 5, 2013

The Revolving Loan Fund Committee (Committee) met on Thursday, March 21, 2013. Committee action and staff discussion is highlighted below:

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

- The FIG request for \$30,000 from J R Wang, LLC for replacement and upgrading of exterior finishes and materials, exterior lighting, and parking lot striping at 10011 Jefferson Avenue was recommended for approval with a unanimous vote.
- The FIG request for \$27,540 to Goldkress Corporation for fencing and parking lot repair and maintenance at 11116 Jefferson Avenue was recommended for approval with a unanimous vote.

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



Cary Epes, Acting Chair

CE:tw

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Date, Time and Location: March 21, 2013 at 1:30 PM at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary Epes, Susan Harris and Howard Manly

Members Absent: Wendy Drucker and Evan Curbeam