

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 Friday, January 9, 2015, 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
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:

Cherry Croushore, Assistant Secretary
Janice Jones, Recording Secretary

Also present:

Jennifer S. Smith, Pending EDA/IDA Board Member
Steve Cook, Vice President, Hampton Road Economic Development Alliance
Matthew James, President, Peninsula Council for Workforce Development
Collins Owens, City Attorney
Robert Pealo, Assistant City Attorney
Jerri Wilson, Legislative Assistant, City Manager's Office

Mr. Herbert opened the meeting by welcoming everyone.

Quarterly Hampton Roads Economic Development Alliance Report

Mr. Herbert asked for the Quarterly Hampton Roads Economic Development Alliance Report. Mr. Cook welcomed Ms. Smith and said that she will be joining a great team. He noted that the Hampton Roads Economic Development Alliance (HREDA) was the regional marketing group responsible for business recruitment to Newport News, and the other regional localities. Mr. Cook stated that HREDA staff travels nationally and internationally, marketing Hampton Roads and the region's assets. He said that during the fourth quarter, HREDA staff, accompanied by local development staff, conducted ten marketing activities including trips to California, China, Atlanta, Germany and other locations. Mr. Cook explained that these trips resulted in 72 face-to-face meetings with prospects, including over 20 meetings with site selection consultants. He stated that Newport News staff participated in two days of activities in which the Virginia Port Authority and the Virginia Economic Development Partnership (VEDP) hosted seven site selectors to present to them our region's port-related assets. He noted that Mrs. Kingston attended the VEDP Holiday Luncheon in December, which was always a good forum for maintaining the important connection between local, regional, and VEDP staffs. He concluded that he looked forward to working with the EDA/IDA Board in 2015.

Mr. Cook responded to several questions from Board members, and Mr. Herbert thanked him for his report.

Quarterly Workforce Development Report

Mr. Herbert asked for the Quarterly Workforce Development Report. Mr. James distributed the Peninsula Council for Workforce Development's (PCFWD) Annual Report, as well other publications which illustrated the partnerships and programs providing education and job skills for the Peninsula. He stated that the Virginia General Assembly's Joint Legislative Audit and Review Commission's (JLARC) study on Virginia's Workforce Development Programs was recently released. The report featured positive aspects of the Peninsula's model and demonstrated that it was working and successful. Mr. James said the report used PCFWD as a case study, and pointed out some of PCFWD's programs as models for success, including the partnership with schools and the Youth Career Expo. He further stated that PCFWD maintains good relationships with the Peninsula's public schools and local colleges, and recently announced new career readiness modules that would be offered online through WHRO.

Mr. James was pleased to announce that PCFWD had recently received the "Excellence in Virginia Government" award from Virginia Commonwealth University's L. Douglas Wilder School of Government and Affairs. He informed the board of exciting programs coming up in the future, including a Military Maritime Career Fair on February 17th, and a Youth Career Expo on February 18th in which every school division on the Peninsula would be involved. He stated that Senator Warner had agreed to interview one of the students at the Youth Expo and recalled that last year, over 60 companies exhibited at the Expo and over 250 volunteers interviewed students. He concluded by saying that on January 26th, PCFWD would host its first annual fundraiser called "Cocktail and a Movie," with a silent auction.

Mr. James responded to a few questions from Board members, and Mr. Herbert thanked him for his report.

Quarterly Business Retention Report

Mr. Herbert asked for the Quarterly Business Retention Report. Mr. Workman told the Board that they would soon be advertising to fill the vacant Business Retention Coordinator position. He stated that there were several Business Appreciation activities on the horizon to include the annual Business Appreciation BBQ and golf in June, supporting the May LPGA tournament, and serving as host community for the START competition to be held in November in conjunction with the Peninsula Technology Incubator. He said that the START competition would be a great opportunity to showcase the Tech Center and to work with Peninsula Technology Incubator and the other local communities for the fourth year of this entrepreneurial competition. Mr. Workman said that staff would be planning for these events beginning in January, while continuing ongoing business retention activities including visitation and electronic outreach communications. He stated that business roundtables would be planned at Oakland Industrial Park and the Seafood Industrial Park (SIP) during the first half of 2015. He thanked the Board for its active support.

Mr. Workman responded to questions from Board members, and Mr. Herbert thanked him for his report.

Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston introduced Janice Jones, the new EDA/IDA Recording Secretary and thanked Joy Robison for filling in during the time of this position vacancy. She stated that she was delighted today to welcome Jennifer Smith who had been appointed by City Council to fill Alonzo Bell's seat on the Board and that she looked forward to the great value Ms. Smith

would bring to the Board. She noted that Ms. Smith would be formally sworn in to serve on the Board as soon as the City Clerk received the required background check report from the State Police.

Mrs. Kingston informed the Board that on Wednesday, January 7th, Governor Terry McAuliffe announced a \$78 million expansion at Canon Virginia, Inc. (CVI) in Newport News, only to be surprised by Canon's CEO who announced that the investment would be increased to \$100 million. She stated that CVI would be investing in new machinery and equipment to add additional printer cartridge production lines and toner manufacturing lines. She noted that there was tremendous support at the announcement event, with the Japanese Ambassador to the United States, Kenichiro Sasae, Secretary of Commerce and Trade, Maurice Jones, Mayor McKinley Price and Joe Adachi, Chairman and CEO of Canon U.S.A., Inc., all among those who participated. She further noted that Governor McAuliffe had approved a \$3 million performance-based grant from the Virginia Investment Partnership program to facilitate the project. She said that the EDA's support of CVI through its Expansion/Relocation Cost Reduction (ERCR) local Enterprise Zone incentive continued to pay significant dividends for Newport News, and that since 2008, taxable assessments at this facility had nearly tripled. This announcement marked the third major economic development announcement for CVI. Mrs. Kingston stated that staff would bring an amendment to the existing ERCR incentive agreement with Canon, in support of this new expansion project, to the Board's February meeting.

Mrs. Kingston informed the Board that staff received good news from Misty Upson, the Department's point of contact with the VDOT Transportation Opportunity Fund (TPOF) Program. Ms. Upson had informed staff that the Governor signed off on our full \$1 million application request for public transportation improvements to support the Liebherr Mining Equipment expansion project. Mrs. Kingston reminded the Board that staff had originally submitted this request in September 2013 and that the Liebherr staff team had worked diligently since then to overcome several hurdles to achieve the approval, which will allow the project to move forward with all identified and much-needed road improvements for the benefit of not only Liebherr, but also for other businesses within Copeland Industrial Park.

Mrs. Kingston told the Board that staff had been working to complete the Economic/Industrial Development Authority 2014 Annual Report, and looked forward to another comprehensive publication for City Council. She said the plan was to continue to use the Report as a marketing tool for use in strategic communications with the EDA/IDA's partners and prospects. She requested that the Board delegate authority to the Executive Committee to approve the Report at its January meeting, which will allow printing and delivery to City Council no later than its first February

meeting, as required, and to the full Board at its regular February meeting. She stated that a draft of the Annual Report would be delivered to all Board members prior to the Executive Committee meeting.

Mrs. Kingston informed the Board that staff had negotiated a lease for telecommunications with T-Mobile Northeast, LLC (T-Mobile) for equipment to be placed on the rooftop of the EDA-owned Rouse Tower building located at 6060 Jefferson Avenue. She stated that the Lease was for nonexclusive use (other than the actual footprint of the equipment cabinets) of 50 square feet of space in the building's existing attic/penthouse room, along with space for nine (9) antennas on the building's parapet. She said the initial lease term would be for five (5) years, with three (3) five-year renewal options and that the lease rate would be \$24,000 per year, with an annual 3.5% escalation. Mrs. Kingston further explained that, in addition to the above base rent, a one-time payment to the EDA in the amount of five thousand dollars (\$5,000.00) was negotiated for administration fees and that the proposed lease terms, specific equipment requirements, and pricing were negotiated in coordination with a consultant for cell tower issues, and were reflective of current market rates and consistent with existing rooftop lease transactions.

Mrs. Kingston reminded the Board that the Army would be holding a community "Listening Session," at 3:00 p.m., January 13th at the Wylie Theatre, Building 705, on Fort Eustis to hear from elected officials, community leaders, local residents and Fort Eustis workers about the potential impacts of proposed cuts and further sequestration. She stated that the session would be one of 30 to take place at Army installations throughout the country through March. She stated that in support of the "Listening Session" the City Manager's staff had coordinated preparation of background information, along with great assistance from Paul Hirsch. She encouraged Board Members to attend this important session in order to demonstrate the Board's support for the base and its significant positive impacts in Newport News and the region, and told them to contact Joy to register them for the event.

Mrs. Kingston thanked Board members for attending last month's announcement by Governor McAuliffe of the designation of a new Virginia Enterprise Zone for Newport News, offering Newport News businesses and property-owners access to critical state grants for real property improvements and job creation. She stated that the Virginia Department of Housing and Community Development (DHCD) would be hosting a Virginia Enterprise Zone How-to-Qualify Workshop for Grant Year 2014 in Newport News on January 14th. She said that the workshop would be free and open to the public and would detail how to qualify for Virginia Enterprise Zone incentives. She stated that Enterprise Zone investors and business leaders or representatives for firms that created new jobs or made investments to real estate during 2014, as well

as local CPAs, were encouraged to attend to learn more about time-sensitive grant opportunities. She advised that the workshop would be held from 9:00-11:00 a.m. in the James Room at Fountain Plaza Two, 700 Town Center Drive, and that staff from DHCD, as well as our Local Zone Administrator, would be in attendance to assist and meet with attendees individually.

Mrs. Kingston stated that she was pleased to deliver to Board members copies of the final bound FY 2014 EDA/IDA Audit, which had been placed at their seats.

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 the One City Marathon was fast approaching and noted that registrations had increased with over 500 participants so far. He said that the fast paced and attractive course was now certified as a qualifier for the Boston Marathon. He stated that a Marathon celebration would be held at Victory Landing Park on Sunday, March 15th from 10:00 a.m. to 4:00 p.m. and that it was open to the public. He informed the Board that the Wellness Fair being held in conjunction with the Marathon would be hosted at the Marriott on Friday and Saturday, March 13th and 14th culminating with a dinner on Saturday night. Mr. Bourey stated that the City's Capital Improvements Program (CIP) would be voted upon at Tuesday's City Council meeting, and that it would include funding of major projects with economic development impacts, including relocation of the SCOT Center. He said that the opening of City Center Boulevard had been delayed, but that the projected opening date would now be mid-to-late January. He stated that dual City Center Boulevard/Middle Ground Boulevard signs would be posted for a year on City Center Boulevard, and that the name change would be official on Monday, January 12th. He informed the Board that City Council would hold a strategic planning session retreat in January.

Mr. Herbert asked for a Motion to delegate authority to the Executive Committee to approve the EDA/IDA 2014 Annual Report at its January Executive Committee meeting. Mr. Minter so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a Motion to authorize a lease between the EDA and T-Mobile Northeast, LLC for equipment to be placed on the rooftop of the EDA-owned Rouse Tower building located at 6060 Jefferson Avenue with an initial annual lease rate of \$24,000, an annual 3.5% rent escalation, a one-time \$5,000 administration fee, and a term of five (5) years with three (3) five-year renewal options, with all transactional

documents subject to the review and approval of EDA Legal Counsel. Ms. Greene so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Assistant Secretary's Report

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

Madison Government Affairs Consultant Report

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 8:44 a.m., Mr. Henderson 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 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. Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

At 9:30 a.m. the EDA/IDA Board returned to open session following a certification motion by Mr. Henderson 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 Mr. Minter, 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. Ms. Greene presented the Revolving Loan Fund Committee Report, which was ratified by the Board and passed unanimously on a roll call vote.

Resolution of Appreciation for Alonzo R. Bell, Jr.

Mr. Herbert advised the Board that the Resolution of Appreciation for Alonzo Bell was at their places and asked if there were any questions. There were no questions. Mr. Herbert asked for a Motion to adopt the Resolution of Appreciation for Alonzo Bell as presented. Mr. Epes so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Board Appointments to Committees

Mr. Herbert advised that the Committee Appointments had been provided to the Board. He stated that Ms. Smith would replace Mr. Bell on the Design Review Committee, Parking Committee and the South Newport News Committee. Ms. Croushore added that all other returning Board Members were assigned to the same Committees on which they served in 2014.

Citizen Appointments to Committees

Mr. Herbert advised that the Citizen Committee Appointments had been provided to the Board. Ms. Croushore noted that most citizen members on the EDA Committees would remain the same. She noted that we were fortunate that Mr. Bell had asked to continue to serve, in a citizen capacity, on the Design Review Committee and South Newport News Committee, filling existing citizen vacancies on those Committees. She advised that in addition, the Design Review Committee would also welcome new member, Bryan Trainum, with International Communications Group (ICG).

Approval of Minutes of the Regular Meeting of December 9, 2014

Mr. Herbert asked for a Motion that the Minutes of the Regular Meeting of December 9, 2014 be approved. Ms. Drucker 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 and Mrs. Kingston reminded Board members that the HREDA Annual Meeting would be held Thursday, February 5th, at the Marriott at noon. She told the Board they would receive information about the meeting and to advise staff if they wished to attend.

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 9:38 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: January 9, 2015

The Design Review Committee met on Thursday, December 18, 2014. The first item considered was a request by Towne Bank for approval of a site layout plan and photograph of a proposed storage shed 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 Kotarides Developers for approval of a proposed landscape plan depicting 21 new trees within a City of Newport News drainage easement at 736, 740, and 742 Blue Crab Road 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, and subject to the execution of a maintenance agreement between Kotarides Developers and the City of Newport News.

The items detailed in this report require Board ratification today.

Cary B. Epes, Chair

CBE:dep

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Date, Time and Location: December 18, 2014, at 8:00 a.m., Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary B. Epes, Thomas P. Herbert, Robb Mann, Teresa Nettles, Sylvia Weinstein

Members Absent: Alonzo R. Bell, Jr., Beth Willis



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: January 9, 2015

The Executive Committee met on December 16th. The Committee authorized conveyance of a 10-foot-wide utility easement on EDA-owned property at 350 Yorktown Road, totaling approximately 0.63 acres, within the existing Dominion Virginia Power easement and City of Newport News utility easement, to Metro Fiber Networks, Inc., for consideration in the amount of \$4,539.37, for the purpose of construction, installation and use of a private, commercial fiber optic conduit and cable system and related facilities, 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: December 16, 2014 at 12:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Tom Herbert, Arthur Henderson, Gary Minter

Members Absent: Wendy Drucker



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: January 9, 2015

The Revolving Loan Fund Committee (Committee) met on Wednesday, January 7, 2015.

The Committee was briefed by staff regarding a previous loan commitment approved in 2012 for BNNT, LLC. Staff reviewed a summary of the company's operations to date. The company has requested reactivation of the previously approved commitment. The Committee unanimously voted to reactivate and extend the previous \$400,000 loan commitment on the terms and conditions approved in 2012.

The Committee is asking the Board to ratify Committee actions relating to the BNNT, LLC loan commitment reactivation.



Cassandra Greene, Chair

CG:tfw

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Date, Time and Location: January 7, 2015 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