

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, May 3, 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
Wendy Drucker
Cary B. Epes
Cassandra Greene
C. Gary Minter
Florence G. Kingston, Secretary/Treasurer, ex-officio
Neil Morgan, City Manager, ex-officio

Those members absent were:

Alonzo R. Bell, Jr., excused

Legal Counsel:

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

Staff:

Cherry Croushore, Assistant Secretary
Sharon Baker, Recording Secretary
Robin Boyd, Department of Development

Also present:

Kathy Howell, Howell Creative Group
Tiffany Reaves, Howell Creative Group
Gary Hunter, Marketing Committee
Paul Hirsch, Madison Government Affairs
Robert Pealo, Assistant City Attorney
Jerri Wilson, Management & Legislative Program Analyst, City Manager's Office

Mr. Henderson opened the meeting by welcoming everyone.

Demonstration of Upgrade/Enhancement of EDA/IDA Website – Ms. Boyd, Ms. Howell and Ms. Reaves

Mr. Henderson asked for the EDA/IDA website presentation and introduced Robin Boyd with the Department of Development. Ms. Boyd greeted the Board and stated that one of several methods employed for marketing outreach was our EDA/IDA website. Ms. Boyd introduced Kathy Howell, President and Creative Director with Howell Creative Group, the EDA's ad agency and the organization instrumental in helping the EDA/IDA transform the way it reaches its target audiences.

Ms. Howell thanked Ms. Boyd and greeted the Board. She stated that Howell Creative Group very much appreciated having the opportunity to work with the EDA team. Ms. Howell informed the Board that one of their core focus areas was to help build the brand through different types of marketing communication materials and tools. Ms. Howell thanked the members of the Marketing Committee team for all of their support, and introduced Tiffany Reaves, Senior Account Director.

Ms. Reaves informed the Board that she would highlight the new website while looking at three different categories, branding and messaging, user experience, and efficiency. Ms. Reaves stated that branding and messaging was something that was very prevalent on the front page of the website. She stated that the team had built upon the message "*Where Great Things Are Happening*". Ms. Reaves reported that the team had also focused on and demonstrated hotlinks which related to the messages relevant to various target audiences. She then presented a series of examples using the website. Ms. Reaves reported that the overall goal of the website was to enable people to find information as quickly and easily as possible. Ms. Reaves highlighted statistics since the launch of the new website, and reported there had been a 600% increase in visitor traffic and an average time of six minutes spent on several areas of the website.

Mr. Henderson asked if there were any comments or questions. Ms. Drucker stated on behalf of the Marketing Committee, that it had been a pleasure working with Howell Creative Group. Mrs. Kingston stated there was a very noticeable difference in the appearance of the EDA/IDA's Annual Report since starting with Howell Creative Group and concurred they had been a real pleasure to work with. Mr. Henderson thanked Howell Creative Group and noted that he appreciated that they were allowing staff to have web access to update the website. Mr. Henderson asked if there were any further comments or questions. There were no further comments or questions.

Secretary/Treasurer's Report – Mrs. Kingston

Mr. Henderson asked for the Secretary/Treasurer's Report. Mrs. Kingston stated she was delighted to welcome Cassandra Greene, as City Council had supported the Board's recommendation and appointed her to serve the unexpired term arising from Evan Curbeam's relocation out of Newport News. She reported that Ms. Greene had just this week received her official appointment letter from the City Clerk. Mrs. Kingston stated we were extremely pleased to have Cassandra begin her service with us today.

Mrs. Kingston stated that today her report was covering both ends of the spectrum – welcoming Cassandra, and saying farewell to Neil Morgan, as today was the last Board meeting for him as City Manager. She stated that words could not express our gratitude for his many years of service to the EDA/IDA and the City. The Board and staff gave Mr. Morgan a standing ovation. Mr. Morgan thanked everyone and said his involvement with the EDA had been a lengthy and rewarding one. He noted he was very proud of the things that had been accomplished over the years.

Mrs. Kingston reminded the Board that the Annual Business Appreciation luncheon would be held this coming Tuesday, May 7th, at the site of the former Pavilion at the Newport News Golf Club at Deer Run. She informed them that networking would begin at 11:00, with food service starting at 11:45. Mrs. Kingston reminded the Board that the golf tournament portion of this year's events would be held at the Deer Run golf course on Friday, May 17th. She informed the Board that the driving range would open at 8:00 a.m., before the 9:00 shotgun start. She advised the Board that if they had not signed up for one or both of these events and wanted to join us, to contact Matt Johnson.

Mrs. Kingston reported that staff had provided a briefing on the City's Local Tourism Zone program to the Partnerships & Education Manager of the Virginia Tourism Corporation. She reported following the presentation at the Virginia Convention and Visitors Bureau Winter Meeting, the VTC had fielded a number of questions from localities around the Commonwealth, inquiring how to implement the 2006 Tourism Zone legislation. Mrs. Kingston reported that the VTC had requested our assistance as they developed an informational outreach campaign to assist communities.

Mrs. Kingston reported that staff continued to collaborate and share knowledge and experiences with localities throughout the region and the Commonwealth. She reported that over the past month staff had been working with elected officials from the City of Danville as they explored the possibility of creating tourism zones within their locality. She reported that in addition, staff had the opportunity to make a presentation on the history of Oyster Point to city officials and property owners in the City of Poquoson as they endeavor to embark on a large scale development.

Mrs. Kingston reported that the Middle Ground Boulevard Extension project was 35% complete and was still on schedule to be fully completed by December 2014. She reported the Jefferson Avenue intersection and new infrastructure east of the CSX tracks continued on a faster track toward completion, with the Jefferson intersection improvements already at 75% completion. Mrs. Kingston reported that a new traffic pattern between Fishing Point Drive and Jefferson Avenue was in place to begin the hardscape realignment there, and north on Jefferson, Haverty's had received a new direct entrance because the original service road entrance would be closed during construction. She reported that fill for the bridge approach ramps had been set and would settle over a six-month period. Mrs. Kingston reported that demolition of the Sunbury Condominiums at Nettles had begun, and would soon be followed by buildings along Lackey Drive, including two Mariners Green apartment buildings. Mr. Morgan stated it was exciting to see the project moving along and that he thought everyone understood all the ways this project will have a positive impact on the Peninsula.

Mr. Morgan reported that the City's Engineering Department and consultants had done an impact study on how the bridge construction by Fort Eustis would impact traffic and that the project had been successful, with no complaints and no significant backups.

Mr. Morgan reported that the budget process was now complete. He reported about 40 attendees spoke at two public meetings. He highlighted several ideas he had suggested moving forward and stated that if the budget submitted was approved in the form presented, the City's financial position would be strong.

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.

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 noted that the committee assignments for existing Board members had not changed, but that Cassandra Greene would now be serving on the committees Evan Curbeam previously served on. She will now be chairing the Revolving Loan Fund Committee, with the next meeting scheduled for May 22nd, at 12:30 p.m. in the EDA/IDA Board Room.

Madison Government Affairs – Mr. Hirsch

Mr. Henderson asked for the Madison Government Affairs Report. Mr. Hirsch reminded the Board that last month he had discussed House Members circulating a letter requesting \$3.3 billion for the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) program in FY2014. He reported that Congressman Bobby Scott had signed the CDBG letter, HOME and public housing letters.

Mr. Hirsch reported the HOME program provides gap financing for low-income families to obtain housing, to include veterans, persons with disabilities, and seniors. He reported that HOME was currently funded at \$1 billion and that sequestration had further reduced HOME to \$950 million. Mr. Hirsch reported that in Newport News, HOME had assisted in the development of 116 single family homes for first-time buyers and with renovations of apartments for disabled adults. He reported that Madison Government Affairs, with the help of Karen Wilds and Tricia Wilson, had drafted letters supporting adequate funding for CDBG, HOME and Section 8 programs for the Mayor's signature. Mr. Hirsch reported that HUD had proposed cutting the CDBG program by \$280 million from \$3.07 billion in FY2013 to \$2.79 billion FY2014. He reported that also proposed are statutory changes to establish a minimum grant threshold for CDBG.

Mr. Hirsch reported that Representative Scott Rigell had introduced the Virginia Jobs and Energy Act (H.R. 1782) on Friday, April 27th to open the Outer Continental Shelf (OCS) off the coast of Virginia for energy development. He reported the original co-sponsors of the bill included Virginia Representatives Rob Wittman, Robert Hurt and Morgan Griffith. Mr. Hirsch reported that Governor Bob McDonnell and Virginia's U.S. Senators Mark Warner and Tim Kaine, had signaled their support for similar legislation.

Mr. Hirsch reported that the Pentagon would be seeking additional reprogramming authority from Congress in the coming weeks so that they could deal with sequestration, specifically, furlough issues. He reported that at present, the Navy and Air Force have resources to reprogram and eliminate the furloughing of civilian employees, but that the Army may not have that flexibility in their funding sources.

Mr. Hirsch reported that in the FY2014 President's Budget Request (PBR), Fort Eustis was scheduled to receive funding in the amount of \$50 million for the Advanced Individual Training (AIT) Barracks, which is contained in the Military Construction program.

At 8:40 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 9:54 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.

Committee Chair's Reports

Mr. Minter presented the Conference Center Marketing Committee Chair's Report, which required no ratification by the Board.

Mr. Herbert presented the Design Review Committee Chair's Report. Based on the handout and graphics provided to Board members, Mr. Henderson asked for a motion to approve a request by SignMedia, Inc., on behalf of the property owner, Goodfarb Family Virginia Virby, for approval of a scaled color rendering and digitally enhanced photograph of one illuminated building mounted sign for Gibbs & Cox at 700 Thimble Shoals Boulevard, Suite 100, in Oyster Point of Newport News, subject to all applicable City codes and regulations. Mr. Herbert so moved and Mr. Minter seconded the motion, which 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. Ms. Drucker presented the Marketing Committee Chair's Report, which required no ratification by the Board. Mr. Epes presented the Parking Committee Chair's Report, which required no ratification by the Board.

Approval of Minutes-April 5, 2013 EDA/IDA Board Meeting

Mr. Henderson asked for a motion that the Minutes of the EDA/IDA Board Meeting held April 5, 2013 be approved. Mr. Bell so moved and Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

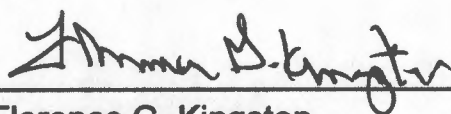
Mr. Henderson asked for any unfinished business. Mrs. Kingston stated she was extremely pleased to report that we received word this week that BNNT secured the investment capital it was seeking from a small, local investment group. Roy Whitney, President and CEO of BNNT, LLC, advised that the funding secured was sufficient to eliminate the need for the loan from the EDA. He emphasized that the loan commitment was greatly appreciated and highly impactful in opening critical doors that ultimately led to the successful financing. She noted that BNNT had leased, as of May 1st, approximately 3,500 square feet of space in Oyster Point across from Jefferson Lab (300 Ed Wright Lane, Suite A) and stated we looked forward to witnessing BNNT successfully commercialize cutting-edge technology in the field of boron nitride nanotubes (discovered through the collaborative research efforts of Jefferson Lab, NASA and the National Institute of Aeronautics) right here in the City of Newport News.

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 10:03 a.m.



Florence G. Kingston
Secretary/Treasurer

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors

FROM: Chair, Conference Center Marketing Committee

SUBJECT: Chair's Report

DATE: May 3, 2013

The Conference Center Marketing Committee met at 8:00 a.m. on Tuesday, April 23, 2013 at the Marriott. The meeting was called to order by the Chair, Gary Minter.

Jack Zimmerman, General Manager of the Marriott, and Connie Brewer, Director of Sales and Marketing of the Marriott, provided an overview of marketing efforts completed during the prior six months, including the rollout of an updated comprehensive plan to recruit trade shows from new markets outside the state of Virginia. They discussed the trend of corporate outsourcing of meeting planner functions, and noted 16% growth in that area. Marketing efforts for 2013 focus on groups, social catering, eCommerce, and partnering with Busch Gardens Vacations and City Center at Oyster Point Fridays at the Fountain.

The Committee was provided with a list of year-to-date 2013 events that each generated more than \$75,000 in revenue and required large conference spaces. Ms. Brewer also discussed large events which are scheduled for the next two quarters, including the American Society of Naval Engineers, DuPont Regional Conference, the AME Church Annual Conference and the Treasurers Association of Virginia. All of these organizations are holding events in Newport News for the first time.

The Marriott conference center staff continues to partner with the City's Tourism Development Office, the Newport News Hospitality Association, Christopher Newport University, Ferguson Enterprises, Crestline, the Hampton Roads Chapter

of the International Special Events Society, and the New Kent and Fredericksburg Visitors' Centers.

The meeting was adjourned at 9:40 a.m.



C. Gary Minter, Chair

[CGM:cum]

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Date, Time and Location: April 23, 2013 at 8:00 a.m., Newport News Marriott at City Center

Members Present: Gary Minter, Jack Zimmerman, Bill Hudgins, Neil Burns, Maureen Coon

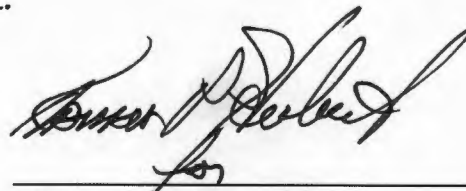
Members Absent: Cindy Brouillard

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: May 3, 2013

The Design Review Committee met on Thursday, April 18, 2013. The Committee considered a request by SignMedia, Inc., on behalf of the property owner, Goodfarb Family Virginia Virby, for approval of a scaled color rendering and digitally enhanced photograph associated with a proposed illuminated building mounted sign for Gibbs & Cox at 700 Thimble Shoals Boulevard, Suite 100, in Oyster Point of Newport News.

It was the consensus of the Committee members present to recommend approval of the request. Since a quorum was not present, however, this item will require the consideration and vote of the full Board. Staff has provided Board members at their places with a copy of the proposed sign request. A motion to approve the request will need to follow this report, in lieu of Board ratification of this report.



Alonzo R. Bell Jr., Chair

ARB: cam

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Date, Time and Location: April 18, 2013 at 8:00 a.m., Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo R. Bell, Jr., Cary B. Epes, Thomas P. Herbert, Robert Mann

Members Absent: Michael Carpenter, Teresa Nettles, Elizabeth Smith, Sylvia Weinstein

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: May 3, 2013

The Executive Committee met on April 29th. The Committee authorized additional budgeted funding in the amount of \$25,000 for the EDA/IDA's e-Commerce Website Matching Grant Program.

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: April 29, 2013 at 12:00 p.m. at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo Bell, Gary Minter, Tom Herbert

Members Absent: Arthur Henderson

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

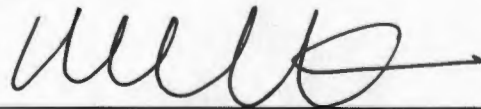
TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: May 3, 2013

The Marketing Committee met on April 18, 2013. Howell Creative Group offered a myth-busting update and presented new promotional cards highlighting the strength of the local workforce and the variety of recreational and cultural activities available. Possibilities for distribution of the cards include apartment communities, the Newport News Visitors' Welcome Center, Business Appreciation luncheon and electronically on the EDA website.

Committee members were presented with analytics of the newly-redesigned EDA website. There has been a 600% increase in visitor traffic and an average time of six minutes spent on tax, utility and healthcare pages. The Howell staff will continue to study the analytics of the site and will review with the Committee on a quarterly basis.

Staff reported information shared by the Hampton Roads Chamber of Commerce regarding the logistics and planning process for State of the City events held on the Southside. Committee members expressed an interest in establishing a similar event in Newport News.

This report does not require Board ratification.



Wendy Drucker, Chair

WD:rnb

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Date, Time and Location: April 18, 2013 at 10:30 a.m. at 11824 Fishing Point Drive, Newport News, VA 23606

Members Present: Wendy Drucker, Tom Herbert, Mary Aldrich, Don Blankenship, Faye Gargiulo, Gary Hunter, John Miller

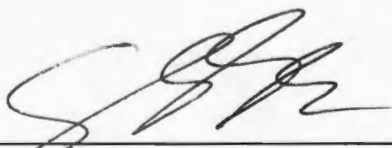
Members Absent: Gary Minter

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Parking Committee
SUBJECT: Chair's Report
DATE: May 3, 2013

The Parking Committee met on Monday, April 22, 2013. The Committee received staff reports on Downtown parking assets, including vacancy rates and vehicular tows, and the Committee received a presentation on the new Apprentice School Parking garage nearing completion, as well as associated surface parking assets planned for construction. The Committee also reviewed fiscal summaries for the nine (9) months ended March 31, 2013 and the recently adopted Fiscal Year 2014 EDA Parking Fund Operating Budget.

This report does not require board ratification today.



Cary B. Epes, Chair

CBE:cam

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Date, Time and Location: April 22, 2013 at 11:45 p.m. in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301.

Members Present: Cary Epes, Arthur Henderson, John Lunsford, Jim MacDougall

Members Absent: Gene Soud