

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, June 7, 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
C. Gary Minter
Florence G. Kingston, Secretary/Treasurer, ex-officio
Cynthia Rohlf, Interim City Manager, ex-officio

Those members absent were:

Alonzo R. Bell, Jr., excused
Cassandra Greene, excused

Legal Counsel:

Raymond H. Suttle, Jr., Esquire
Conway H. Sheild, III, Esquire
Ralph M. Goldstein, Esquire

Staff:

Cherry Croushore, Assistant Secretary
Sharon Baker, Recording Secretary

Also present:

Jimmy Haggard, Dixon Hughes Goodman, LLP
Jack Zimmerman, Newport News Marriott at City Center
Connie Brewer, Newport News Marriott at City Center
Kathy Cullen, University of Virginia
Melissa Lubin, Virginia Tech
Chief James Fox, Newport News Police Department
Assistant Chief Trent Sturgis, Newport News Police Department
Sergeant Kevin Hartian, Newport News Police Department
Paul Hirsch, Madison Government Affairs
Kaitlyn Bennett, Intern, Department of Development
Derek Perry, Intern, Department of Development

Mr. Henderson opened the meeting by welcoming everyone.

Newport News Marriott at City Center

Conference Center Marketing 2012 Expense Review

Mr. Henderson asked for the Conference Center Marketing 2012 Expense Review. A copy of the Agreed-upon Procedures Report was provided to Board members. Mr. Haggard, Senior Partner, with Dixon Hughes Goodman, LLP, noted that Dixon Hughes Goodman, LLP had applied certain agreed-upon procedures to review the conference center marketing expenses as defined under the Joint Marketing Agreement between the EDA, City of Newport News and Oyster Point Hotel Associates. Mr. Haggard reported that Dixon Hughes Goodman, LLP had identified and validated 98% of the expenditures and found no exceptions noted to any items in accordance with the classifications as outlined in Article 3 of that Agreement. Mr. Haggard stated he would be happy to respond to any questions. Mr. Henderson asked if there were any questions. There were no questions.

Conference Center 2012 Activity Report

Mr. Henderson asked for the Conference Center 2012 Activity Report. A PowerPoint handout was provided to Board members. Mr. Zimmerman, General Manager, Newport News Marriott at City Center, greeted the Board. He reported that the Marriott Hotel and Conference Center was built in 2006. He noted that 2007 had been the best year for the hospitality industry across the world, followed shortly by the worst 3-year economic downturn in the hospitality industry. Mr. Zimmerman reported that 2012 was a year of transitioning. He reported 2013 was fast becoming the best year the hotel and conference center would have in revenue generation. Mr. Zimmerman reported the hotel and conference center had seen a significant increase of inbound traffic into the market from areas such as Washington, Charlottesville, Atlanta and Houston, including a group visiting from England in January. Mr. Zimmerman reported that companies were spending more on travel and training and starting to hold national conferences again.

Mr. Zimmerman reported that the Newport News Marriott at City Center is positioning itself to ride the transition into the millennial market. He reported there is a new customer base: they are younger, they work and play, they spend more, they want more and they are looking for a different space. Mr. Zimmerman reported renovation designs for the property are underway and that they would be moving forward with the renovations later this year. He reported the new space will be more interactive, e-net and social networking-friendly and more modern. Mr. Zimmerman reported they now had 11 employees working in sales and marketing whose main focus was to bring outside business in. He reported they were often competing with hotels in Richmond, Virginia Beach, Charlottesville, Atlanta, Washington and Northern Virginia.

Mr. Zimmerman reported that they had formed a partnership with Busch Gardens for the first time, providing them with a live feed on the Busch Gardens website receiving electronic hits, which would expose them to nearly ½ million more guests visiting the market in 2013. He reported they were selling Busch Gardens tickets at the front desk of the hotel. Mr. Henderson asked if there were any questions. There were no questions.

UVA/VT Center Update

Mr. Henderson asked for the UVA/VT Center Update. Ms. Cullen, Joint Center Director for UVA, reported that she and Ms. Lubin had worked together in Richmond for the past 7 years and had formed a successful partnership of which they were very proud. She stated they were very excited to bring that partnership to Newport News. She reported that they offered a broad range of graduate certificate programs. The programs are offered to individuals or can be offered to organizations for enrollment of a group of people. Ms. Cullen reported the programs were in Project Management, Procurement and Contracts, IT Leadership and Human Resource Management. She reported that in addition, UVA offered one Bachelor's Completion Degree program in cooperation with local community colleges. She reported this program would be offered next year with Thomas Nelson Community College at its Williamsburg campus location. Ms. Cullen reported that the Center's main focus is on graduate programming, and that they offered a wide range of customized professional development opportunities. Ms. Cullen introduced Ms. Lubin, Joint Center Director for VT.

Ms. Lubin stated their mission in the Commonwealth campus centers was to extend the regional focus on the workforce in the area through customizing their professional development programs. Ms. Lubin reported UVA and VT had collaborated on broad categories of focus, their intent being to not duplicate what was already being provided in the area, but rather to fill gaps and enhance existing programs. She reported those broad categories of focus included Leadership and Management, Development, Marketing and Communication Skills, Organizational Development and Human Development. She reported they offered different levels of project management, from an entry level program to programs for team project management, where students could learn the language and understand how to scope a project and perhaps work for a project manager. Ms. Lubin reported that they also had certificated graduate level programming. Ms. Lubin reported UVA and VT were marketing all programming together and stated they were a particularly good fit for the Newport News region given the workforce here.

Ms. Lubin provided the Board with a few highlights of the new UVA/VT campus center located on the 2nd floor of the Wells Fargo Building at the corner of Thimble Shoals Boulevard and Jefferson Avenue. She stated they were very proud of how economically and efficiently they were able to outfit the Center and how beautifully it had turned out. Ms. Lubin invited Board members to come by the new Center to take a tour. Ms. Lubin stated UVA and VT were very committed to each other's success and very committed to partnering with the EDA, business

leaders and the City of Newport News. They thanked the EDA, City and staff for their continued support and for collectively working to bring them here. She noted to the Board that the Grand Opening of the new Center will be held on August 12th. She advised that the President from both UVA and VT would be in attendance.

Mr. Henderson inquired about the average age of the students utilizing the Center. Ms. Lubin responded that the average age was late 30's to early 40's in the graduate programs. She stated they had some students in their 40s', 50's and 60's returning for non-credit programs. Ms. Drucker inquired as to whether there was a website that had all of the offerings. Ms. Lubin responded that there was and that it was in the process of being updated. In the interim, Ms. Lubin provided website links for both universities. Mr. Henderson asked if there were any further questions. There were no further questions.

CCOP Situational Awareness Camera Project

Mr. Henderson asked for the presentation on the CCOP Situational Awareness Camera Project. Mrs. Kingston stated that as we continue to fully use our civic space around the fountain at City Center, staff and the Police Department have collaborated in an effort to elevate security to keep the events in our civic space vibrant, safe and successful. She introduced Sergeant Kevin Hartian, with the Newport News Police Department. Mr. Hartian noted the Situational Awareness Camera Project had started in the Southeast Community in 2009 and provided a brief history of the project. He reported cameras function 24 hours a day, 7 days a week, 365 days a year. He reported the cameras have captured a variety of crimes, and are used by the Narcotics Division for active and enforcement operations, federal agency and case support, covert investigations and operations at both the state and federal levels and provide public event situational awareness. Mr. Hartian stated that these cameras are the "policing of the future" and noted that one officer watching seven cameras was equivalent to having one officer on each of those corners. He reported the Newport News Police Department partnered with the Newport News Public Schools, numerous City Departments, Dominion Power and Verizon Wireless on this project. Mr. Hartian responded to questions from Board members related to the additional cameras being proposed for installation in City Center, and Mrs. Kingston acknowledged Chief Fox and the police team in their efforts to collaborate with the EDA.

Mr. Henderson asked for a Motion to authorize \$50,000 to aid in the funding of the Newport News Police Department's City Center at Oyster Point Situational Awareness Camera project and to delegate authority to the Secretary/Treasurer to execute all necessary documents to implement the project, subject to review and approval of documentation by legal counsel. Mr. Herbert so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

High Liner Foods Expansion Project

Mrs. Kingston noted we had a very good announcement about the High Liner Foods Expansion Project on May 21st. She noted she was now asking the Board to take action for the related performance agreements for the High Liner Expansion Project. She highlighted the terms and conditions of the performance agreements.

Mr. Henderson asked for a Motion to authorize the Governor's Development Opportunity Fund Performance Agreement by and among the EDA, the City of Newport News, and ISF (USA), LLC (High Liner) and the Expansion/Relocation Cost Reduction Incentive Agreement by and between the EDA and High Liner, in connection with High Liner'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. Minter seconded the motion, which passed unanimously on a roll call vote.

Secretary/Treasurer's Report

Mr. Henderson asked for the Secretary/Treasurer's Report. Mrs. Kingston stated she wanted to welcome Cindy Rohlf, our Interim City Manager, who planned to attend our EDA/IDA Board meetings. Mrs. Kingston stated we appreciated Cindy's commitment of time and plan to continue to work closely with her on the myriad of ongoing projects we are advancing. Ms. Rohlf thanked the Board members and stated she looked forward to working with them.

Mrs. Kingston introduced the Department of Development's new interns. She reported Kaitlyn Bennett was a Graduate Student in the Public Administration Program at Old Dominion University. She was also a member of the ODU Public Administration Association and of the American Society of Public Administration. Kaitlyn was now seeking to gain experience in the Economic Development area of local government, where she hoped to make a career. Mrs. Kingston reported that Derek Perry was a Graduate Student pursuing his Masters of Public Administration and Urban Planning at Virginia Tech. Derek was a member of the American Planning Association and the International County/City Management Association. He brought experience from a Research Assistant position with the Virginia Center for Housing Research, and an internship with Angler Environmental at Virginia Tech. She stated we have had great success with our internship program through the years and we are pleased to have both Kaitlyn and Derek join our team. Mrs. Kingston thanked the Board for their continued support of the program.

Mrs. Kingston reported that in 2008, the EDA leased the land and a 16,999 square-foot building (the former State Farm Building) located at 809 Omni Boulevard to Canon Virginia, Inc. for use as a workforce development training center. She reported the existing Lease was due to expire June 30, 2013. Mrs. Kingston reported that Canon had notified EDA staff they wanted to continue to lease the site. Mrs. Kingston stated she was requesting a Motion to

authorize amendment of the existing Lease between the EDA and Canon Virginia, Inc. for the property located at 809 Omni Boulevard to extend the term for a one-year period, through June 30, 2014, with two additional one-year renewal options, subject to review and approval of documentation by legal counsel. All other terms and conditions of the original Lease would remain the same.

Mrs. Kingston stated that another successful Business Appreciation event was in the books. Both the May 7th luncheon and May 17th golf tournament went well and were well-received. She reported that through the two events combined, we were able to reach out to over 350 members of our business community and show our appreciation for their efforts over the past year. She thanked the Board for their continued support of this event.

Mrs. Kingston asked the Board to mark their calendars for the Mayor's State of the City address taking place on October 22, 2013, from 12:00 to 2:00 p.m. at the Marriott. She reported "Great Leadership Great Results" was the theme of this luncheon, presented by Old Point National Bank, in partnership with the Peninsula Chamber of Commerce. She reported a steering committee of City staff was working closely with the Mayor and the Chamber to ensure that the event was a success. Sponsorships are available and additional details will be forthcoming as plans develop.

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

Mr. Henderson asked for a Motion to authorize amendment of the existing Lease between the EDA and Canon Virginia, Inc. for the property located at 809 Omni Boulevard to extend the term for a one-year period, through June 30, 2014, with two additional one-year renewal options, subject to review and approval of documentation by legal counsel. All other terms and conditions of the original Lease to remain the same. Mr. Minter so moved and Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

Assistant Secretary's Report

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 Revolving Loan Fund Committee had a meeting scheduled for June 26th. She reminded the Board that the July Board meeting was scheduled for July 2nd instead of July 5th.

Madison Government Affairs Consultant Report

Mr. Henderson asked for the Madison Government Affairs Report. Mr. Hirsch reported that the Senate had passed the Market Place Fairness Act, which would grant state and local governments the authority to enforce existing sales tax laws by requiring online and catalog retailers to collect sales tax at the time of transaction.

Mr. Hirsch reported that the Republican-controlled House Appropriations Committee had approved a \$967 billion discretionary cap. Democrats who control the Senate have begun to devise their appropriations bills based on a higher funding-level cap of \$1.058 trillion.

Mr. Hirsch reported that the House had passed the MILCON/VA Bill (H.R. 2216) by a 421-4 vote. He reported the Bill appropriates \$73.3 billion for discretionary military construction projects and veterans' programs, of that \$9.95 billion is for military construction and family housing. He reported that the House had approved \$10.65 billion for MILCON and family housing in FY13 and \$14.01 billion in FY 12. Mr. Hirsch reported the Bill fully funds the Advanced Individual Training Barracks Complex, Phase III project at Fort Eustis, as well as the Small Arms Ranges project at NWS Yorktown.

Mr. Hirsch reported that the House Appropriations Committee had approved the FY 2014 defense spending bill. He reported the bill would allocate \$512.5 billion for DOD's base budget. Mr. Hirsch reported the base budget for FY13 was \$516.1 and \$538.9 for FY12.

At 9:05 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 10:50 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 for EDA authorization of a Transportation Services Incentive Agreement (TSA) between Frontier Airlines and the EDA, as fiscal agent for the Regional Air Service Enhancement Committee (RAISE), providing for air service to Denver at a level of service of a minimum of 2 nonstop, roundtrip flights per week commencing in September 2013 and continuing through May 2014, such TSA and associated funding in an amount not to exceed \$500,000 having been approved by RAISE on May 20, 2013 and recommended to the

EDA, with all documentation subject to legal counsel review and approval. Mr. Herbert so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Mr. Henderson asked for a Motion to approve a Memorandum of Understanding (MOU) which defines the roles of various groups involved in air service development, including the EDA, the Peninsula Airport Commission (PAC), the Regional Air Service Enhancement Committee (RAISE), and the Air Service Support Group (ASSG), subject to legal counsel review and approval by all parties. Mr. Epes so moved and Mr. Herbert seconded the motion, which passed unanimously on a roll call vote.

New Horizons Regional Education Center Association ("New Horizons") Special Education Facility Proposal

Mr. Henderson asked for the New Horizons Regional Education Center Association ("New Horizons") Special Education Facility Proposal. Mrs. Kingston asked Mr. Winstead to provide the Board a brief overview. He advised that New Horizons, composed of the school boards of Newport News, Hampton, Poquoson, Williamsburg/James City County, York County and Gloucester County, was preparing to undertake a project to construct a new 52,123-square-foot special education facility and renovate existing facilities. Financing for the project was being coordinated, and the transaction structure was being finalized. The EDA would continue to be briefed as details were refined, as the EDA's development expertise has been requested to assist with the project.

Committee Chair's Reports

Mr. Herbert presented the Executive Committee Chair's Report, which required no ratification by the Board. Ms. Drucker 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.

Resolution of Appreciation – Neil A. Morgan

Mr. Henderson asked for a Motion to approve the Resolution of Appreciation for Neil A. Morgan as presented. Mr. Epes so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes-May 3, 2013 EDA/IDA Board Meeting

Mr. Henderson asked for a motion that the Minutes of the EDA/IDA Board Meeting held May 3, 2013 be approved. Mr. Herbert so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

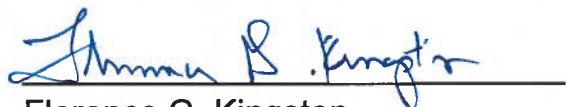
Mr. Henderson asked for any unfinished business. Mrs. Kingston stated there was no unfinished business.

New Business

Mr. Henderson asked for any new business. Mrs. Kingston stated there was no new business. Mr. Henderson advised the Board that he was the Authorities' representative for the Newport News Sister Cities organization and advised that the Sister Cities Breakfast would be held on July 31st at the Christopher Newport University David Student Center from 8:00 to 9:00 a.m. He invited fellow Board members to join him at the event.

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 11:09 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: June 7, 2013

The Executive Committee met on May 21st. The Committee's items were handled in Closed Session.

This report does not require Board ratification.



Thomas P. Herbert, Chair

TPH:clc

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Date, Time and Location: May 21, 2013 at 12:00 p.m. at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo Bell, Arthur Henderson, Tom Herbert, Gary Minter

Members Absent: None

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: June 7, 2013

The Marketing Committee met on May 23, 2013. Staff reported on progress and planning of the Mayor's upcoming State of the City address event, which is scheduled for October 22nd, 2013 at 12:00 p.m. at the Newport News Marriott at City Center. Committee members expressed an interest in assisting with the event as needed.

Howell Creative Group offered branding initiatives updates and presented new information about graphics. Highlights included updated column wraps and graphic displays in production in the Newport News/Williamsburg International Airport Terminal.

Committee members were presented with analytics of the EDA website. New visits have increased and the average duration of time spent on the page is up 20%. Howell is also in the preliminary stages of using Google Ad Words to increase traffic to the website. The Howell staff will keep the Committee apprised on a quarterly basis.

Staff reported information on the success of this year's Business Appreciation events. Committee members echoed the sentiment and were complimentary of the event.

This report does not require Board ratification.



Wendy Drucker, Chair

WD:jwm

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Date, Time and Location: May 23, 2013 at 10:30 a.m. at 11824 Fishing Point Drive, Newport News, VA 23606

Members Present: Wendy Drucker, Tom Herbert, Gary Minter, Faye Gargiulo, Gary Hunter, John Miller

Members Absent: Don Blankenship, Mary Aldrich

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: June 7, 2013

The Revolving Loan Fund Committee (Committee) met on Wednesday, May 22, 2013. Committee action and staff discussion is highlighted below:

The Committee reviewed the Financial Statements for the period ending March 31, 2013. It was noted that the program has never had a defaulted loan.

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

- The FIG request for \$30,000 from Jefferson Investment & Holding for improvements to the parking lot and roofing at 6046 Jefferson Avenue was recommended for approval with a unanimous vote.
- The FIG request for \$30,000 from Master Land Holdings, LLC for improvements to canopy/awning, exterior finishes, lighting, signage, windows, doors and replacement of the side deck at 5875 Jefferson Avenue was recommended for approval with a unanimous vote, with one abstention.

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



Cassandra Greene, Chair

CG:tw

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Date, Time and Location: May 22, 2013 at 12:30 PM at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cassandra Greene, Cary Epes, Susan Harris and Howard Manly

Members Absent: Wendy Drucker