

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, June 5, 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
Arthur P. Henderson, Jr.
C. Gary Minter
Jennifer S. Smith
Cassandra P. Greene
Florence G. Kingston, Secretary/Treasurer, ex-officio
James M. Bourey, City Manager, ex-officio

Legal Counsel:

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

Staff:

Sam Workman, Assistant Director, Department of Development
Janice Jones, Recording Secretary

Also present:

Stephen Johnson, Troutman Sanders LLP, Bond Counsel
W. William Austin, Jr., Vice President and CFO, Riverside Health System
Keith Percic, Vice President of Finance, Riverside Health System
Diane Washington, Finance Analyst, Riverside Health System
Elisabeth Williams, Vice President of Marketing, Strategy, and Development,
Riverside Health System
Jason Houser, In-House Counsel, Riverside Health System
George Consolvo, Kaufman & Canoles, P.C., EDA Bond Counsel
Doug Hornsby, CEO, Christopher Newport Real Estate Foundation

Also present: (Continued)

Niketa Bailey, Dixon Hughes Goodman, LLP
Brittney Gregerson, Dixon Hughes Goodman, LLP
Matthew Manning, Newport News Marriott, Director of Operations
Lori Coyne, Newport News Marriott, Director of Sales and Marketing
Collins Owens, City Attorney
Robert Pealo, Assistant City Attorney

Mr. Herbert opened the meeting by welcoming everyone.

Request by Riverside Healthcare Association, Inc. and Related Entities (Riverside) for IDA Issuance of Revenue Bonds in an Amount Not to Exceed \$125,000,000 for the Benefit of Riverside and Recommending City Council Approval of the IDA Bond Issue

Mr. Herbert opened the joint Public Hearing of the Industrial Development Authority of the City of Newport News, Virginia (the "Authority"), on behalf of the City of Newport News, Virginia, Gloucester County, Virginia and James City County, Virginia, for the purpose of receiving comments on a proposed Bond Issuance by the Industrial Development Authority of the City of Newport News, Virginia, for the benefit of Riverside Healthcare Association, Inc. and related entities to facilitate the financing for renovation and expansion of existing facilities located in Newport News, James City County and Gloucester County. He advised that Notices advertising the Public Hearing appeared in the Daily Press on Friday, May 22, 2015 and Friday, May 29, 2015.

Mr. Herbert called on Mr. Johnson, Bond Counsel for Riverside, to comment. Mr. Johnson explained that the matter before the Board was to request that the IDA approve Resolution 15-1 authorizing issuance of Tax-Exempt Industrial Development Revenue Bonds in an amount not to exceed \$125,000,000, the proceeds of which will be used to finance all or a portion of the projects (collectively, the "Projects for various Riverside Healthcare Facilities located in Newport News, Gloucester County and James City County").

Mr. Johnson explained that a public hearing is required for such bond issues. He further explained that the Bond Issuance would be private placements with Deutsche Bank in the amount of \$100,000,000 and Towne Bank in the amount of \$25,000,000. He noted that James City County's and Gloucester County's Boards of Supervisors, as

well as Newport News City Council, must approve the Bond issuance after the IDA Board approval.

Mr. Herbert asked for comments from the public. There were no comments.

Mr. Herbert asked for a motion to close the Public Hearing. Mr. Epes so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a motion approving IDA Resolution Number 15-1 as presented. Mr. Minter so moved and Ms. Smith seconded the motion, which passed unanimously on a roll call vote.

Request by Christopher Newport University Real Estate Foundation and Christopher Newport University Education Foundation for EDA Issuance of its Revenue and Refunding Bonds in an Amount Not to Exceed \$7,000,000 for the Benefit of Christopher Newport University

Mr. Herbert asked for the presentation of the request by Christopher Newport University Real Estate Foundation and Christopher Newport University Education Foundation (Foundations) for an EDA Issuance of Its Revenue and Refunding Bonds in an amount not to exceed \$7,000,000 for the benefit of Christopher Newport University.

Mr. Consolvo of Kaufman & Canoles, EDA Bond Counsel, greeted the Board and briefly summarized Resolution 15-2. He explained that in 2006, the Foundations had bonds issued to finance a variety of capital projects for the benefit of the University with City Council's approval. Mr. Consolvo reviewed the terms of the existing Bond and noted that the refinance of this Bond through Union Bank and Trust would result in a substantial savings to the University's Foundations. He answered questions from the Board regarding the current Bond's features and Mr. Doug Hornsby, CEO of Christopher Newport Real Estate Foundation, further explained that the savings involved for the Bonds were over four percent.

Mr. Herbert asked for a motion approving EDA Resolution Number 15-2 as presented. Mr. Epes so moved and Ms. Drucker seconded the motion, which passed unanimously on a roll call vote.

Newport News Marriott at City Center

Mr. Herbert asked for the Conference Center Marketing 2014 Expense Review. Ms. Bailey, Managing Partner, Dixon Hughes Goodman, LLP greeted the Board and introduced Brittney Gregerson, Audit Associate, who assisted with the Expense Review Report. Ms. Bailey reported that Dixon Hughes Goodman, LLP reviewed documentation that supported 98% of the expenditures and found no exceptions noted to any items.

Mr. Herbert asked for the Conference Center 2014 Activity Review. Mr. Matthew Manning, Newport News Marriott Director of Operations, provided an update of conference center activities, most notably a significant increase in bookings. He further reported that business group activity had increased, noting the synergy of the Entertainment District offerings. Mr. Herbert asked if there were any further questions. Mr. Manning answered questions and Mr. Herbert thanked him for his report.

Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston reported that Development has experienced great success in the past with college interns, which were funded within the EDA/IDA budget each year. She introduced this summer's interns, Beth Geiger, a rising senior and accounting major at Christopher Newport University, and Collin Taylor, a rising senior majoring in Economics at Yale University. She noted that Beth and Collin both started working in the Department of Development the first week of June and that staff planned to involve them in a variety of areas so they can achieve broad and meaningful experiences to supplement their academics.

Mrs. Kingston introduced Shakir Johnson to the Board and said that he would be joining Development on June 16th as our new Business Retention Coordinator. She said that Shakir held an Undergraduate Degree in Mass Communications with a Major in Public Relations from Hampton University and had over ten years of experience in the area of workforce development, including positions with Peninsula Worklink and the Virginia Employment Commission, working with individual clients, the business community, and job trainers in these roles. She asked the Board to please extend an early "welcome" to Shakir.

Mrs. Kingston noted that the City's Department of Development had successfully obtained grant funding from the Virginia Port Authority to supplement CIP funding for replacement of the West Bulkhead Mooring Facility at the City's Seafood Industrial Park (SIP). She advised that the Aid to Local Ports Program, sponsored by the Virginia Port Authority (VPA), was a State program to promote and enhance facilities that support commercial activities in the Port of Hampton Roads. She said that VPA awarded the City of Newport News \$638,292 of the available \$1 million in VPA funding for 2015 due to SIP's support of industrial marine activity at Newport News Marine Terminal and beyond. She stated that the project design would include modifications to the existing facility to accommodate larger industrial and commercial fishing vessels. She informed the Board that the total for the West Bulkhead project was estimated at \$2.6 million and that this project would also provide alternate mooring for smaller vessels utilizing VPA terminals during severe weather events or port congestion. She stated that project design was underway and that the grant funds would be available beginning July 1, 2015.

Mrs. Kingston informed the Board that the Monthly Financial Statements were in their packages. She noted a few highlights and there were no questions.

Mrs. Kingston said that she would like to give the City Manager an opportunity to comment. Mr. Bourey commented that the Port Authority's grant for the Seafood Industrial Park's West Bulkhead project would save the City money dollar for dollar, and he was grateful to the Port Authority's Board in granting this much-needed funding.

Mr. Bourey informed the Board that the World Arts Festival at City Center on May 30, 2015 had been a success and had featured musical groups and performers from around the world. He stated that he hoped this event would be an annual occurrence as it demonstrates the great diversity of cultures in our City. Mr. Bourey explained that the Newport News Transportation Center at Bland Boulevard would be fully-funded thanks to the Virginia Department of Rail and Public Transportation's ability to fund a major portion of the total cost and keep it on track. He also stated that the Transportation Planning Organization of the Hampton Roads Planning District Commission approved funding of a Transit Corridor Study in the amount of \$1.9 million which would begin later in 2015, and that the City would be working closely with HRT on the scoping of that project.

Mr. Bourey noted that the South Police Precinct was well under construction. He stated that Florence and her team were working very hard to facilitate the opening of the new Brooks Crossing grocery store.

Mr. Bourey indicated that the City Budget had been approved and that he was very pleased that the Department of Development would gain two new positions which he felt were very important to ensure adequate staffing for the significant levels of current and future development activity. Mr. Bourey announced that the 2016 One City Marathon would be held March 11th - 13th, with Newport News Shipbuilding, W.M. Jordan, and Towne Bank recommitted as sponsors and many others expressing interest.

Assistant Secretary's Report

Mr. Herbert asked for the Assistant Secretary's Report. Mr. Workman advised the Board that the Committee Meeting Schedule was in their package and noted relevant details. He reminded the Board that the Business Appreciation Luncheon would be Tuesday, June 23rd from 11am to 1 pm at Deer Run and that the Business Appreciation Golf Tournament would be held June 30th, also at the Deer Run Golf Course.

Madison Government Affairs Consultant Report

Mr. Herbert advised the Board that the Madison Government Affairs Report had been provided and asked if there were any comments or questions. There were no comments or questions.

At 8:45 a.m., Ms. Greene moved for the Authority to go into a closed meeting pursuant to VA Code Section §2.2-3711.A: Real Estate (3), Prospective Business (5), Competition (6) 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 a proposed property disposition located in the northern 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 central section of the City; and (6) Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected, the subject of which is a grocery store and a new business use in the southern section of the City. Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

At 9:32 a.m., the EDA/IDA Board returned to open session following a certification motion by Ms. Greene in accordance 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. Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Action Coming Out of Closed Session

Mr. Herbert asked for a motion to authorize expenditure of \$30,000 for the purpose of ordering Steel Shop Drawings for the Jim's Local Market Grocery Store Project at Brooks Crossing. Mr. Minter so moved and Ms. Greene seconded the motion, which passed on a roll call vote with a majority of six votes in support, with Ms. Drucker abstaining.

Mr. Herbert called for the Committee reports.

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.

Approval of Minutes of the Regular Meeting of May 1, 2015

Mr. Herbert asked for a Motion that the Minutes of the Regular Meeting of May 1, 2015 be approved. Mr. Minter so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

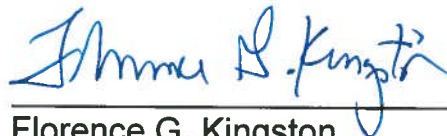
Unfinished Business

Mr. Herbert asked for any unfinished business. There was none.

New Business

Mr. Herbert asked for any new business. There was none.

There being no further business to come before the Board, Mr. Herbert adjourned the meeting at 9:40 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: June 5, 2015

The Design Review Committee met on Thursday, May 21, 2015. The first item considered was a request by T-Mobile Northeast, LLC, on behalf of Newport News-Oyster Point Hotel, LLC, for approval of a location layout, elevation detail, and digitally enhanced photographs of nine proposed building-mounted telecommunication antennas at 740 Town Center Drive 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.

The second item considered was a request by Artlite Sign Company, Inc., on behalf of 720 Thimble Shoals, LLC and Century 21 / Nachman Realty, for approval of a color rendering and digitally enhanced photographs of two proposed internally-lit, building-mounted tenant signs at 720 Thimble Shoals Boulevard in Oyster Point of Newport News. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The Committee also received a report from staff concerning an administrative approval granted in April by the Secretary/Treasurer for two building-mounted tenant signs, requested by The Perfect Setting at 704 Mariners Row, Suite 100 in City Center at Oyster Point.

The items detailed in this report which were voted upon by the Committee require Board ratification today.



Cary B. Epes, Chair

CBE:dep
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Date, Time and Location: May 21, 2015, at 8:00 a.m., Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary B. Epes, Jennifer S. Smith, Alonzo Bell, Jr., Robb Mann, Teresa Nettles, Bryan Trainum, Sylvia Weinstein, Elizabeth Willis

Members Absent: Thomas P. Herbert, Randy Carnell



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: June 5, 2015

The Executive Committee met on May 19th. The Committee approved a recommendation that the Board delegate authority to the Secretary/Treasurer to use discretion to approve requests related to the installation of data node antennas and related equipment, for the purpose of allowing short-range cellular data-only communication connected with major carrier networks, on a case-by-case basis, and solely on properties within Oyster Point of Newport News, City Center at Oyster Point, Jefferson Center for Research and Technology, Patrick Henry Commer Center and Oakland Industrial Park, which the EDA or IDA regulate in accordance with covenants and restrictions.

The Committee also authorized funding in the amount of \$14,700 for EDA-solicited appraisals for 7 properties, and a contract with the lowest responsible bidder, Valbridge Property Advisors/Axial Advisory Group, LLC.

Finally, the Executive Committee was briefed on the START Peninsula 4.0 event to be hosted this year at the Applied Research Center over the weekend of November 13-15.

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

Wendy Drucker, Chair

WD:clc

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Date, Time and Location: May 19, 2015 at 12:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Wendy Drucker, Arthur Henderson, Gary Minter

Members Absent: Tom Herbert



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: June 5, 2015

The Revolving Loan Fund Committee met on May 27, 2015.

Staff presented three (3) Façade Improvement Grant (FIG) requests:

- The FIG request for \$30,000 from 11105 Warwick, LLC (Newport News Animal Hospital – Dr. Les Sekut) for exterior finishes and materials and signage at 11105 Warwick Boulevard was recommended for approval with a unanimous vote.
- The FIG request for \$30,000 from H. R. Ashe (Denbigh Self Storage) for paving and signage at 15458 Warwick Boulevard was recommended for approval with a unanimous vote.
- The FIG request for \$3,375 from NSS Warwick Boulevard, LLC (The Safe Place Mini Storage) for signage replacement at 15900 Warwick Boulevard was recommended for approval with a unanimous vote.

The Committee is asking the Board to ratify Committee action relating to the three (3) FIG approvals.



Cassandra Greene, Chair

CG:tlc

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Date, Time and Location: May 27, 2015 at 12:30 PM at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary Epes, Cassandra Greene, George Knight and Arthur Henderson

Members Absent: Susan Harris