

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, August 2, 2013 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, Vice-Chair
Alonzo R. Bell, Jr.
Wendy C. Drucker
Cary B. Epes
C. Gary Minter
Florence G. Kingston, Secretary/Treasurer, ex-officio
James M. Bourey, City Manager, ex-officio

Those members absent:

Arthur P. Henderson, Jr., Chair, excused
Cassandra P. Greene, excused

Legal Counsel:

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

Staff:

Cherry Croushore, Assistant Secretary
Sharon Baker, Recording Secretary

Also present:

Burrell Saunders, Urban Land Institute (ULI)
Paul Hirsch, Madison Government Affairs
Collie Owens, City Attorney
Robert Pealo, Assistant City Attorney
Jerri Wilson, Management & Legislative Program Analyst
Tom Mitchell, Director of Finance

Mr. Herbert opened the meeting by welcoming everyone.

Mr. Epes informed the Board that on behalf of the Revolving Loan Fund Committee, he had been asked to address the recent passing of Howard Manly. Mr. Epes noted that Mr. Manly was very involved in the City and had chaired the Redevelopment and Housing Authority Board. In addition, Mr. Manly was one of the original members of the Revolving Loan Fund Committee, formed in 1992, and had served over 20 years on the Committee. Mr. Epes stated that the Revolving Loan Fund Committee had benefited a great deal from Mr. Manly's counsel and guidance and the Committee wanted to recognize his service. Mr. Epes requested a moment of silence in recognition of Mr. Manly's service to the City. A moment of silence was observed.

Urban Land Institute (ULI) Reality Check Findings Presentation

Mr. Herbert reported that in May of 2012, the Hampton Roads District Council of the Urban Land Institute (ULI) conducted a program called "Reality Check," a regional program. He reported the City and the EDA were partners in that successful exercise. Mr. Herbert introduced Burrell Saunders, District Council Chairman of the ULI of Hampton Roads, to report on the outcome of the activity held in 2012.

Mr. Saunders greeted the Board and provided a handout. He presented a brief video of highlights of the "Reality Check" event. Mr. Saunders acknowledged Mr. Herbert's service on the steering committee, and reported that to date they had over 4,000 volunteer hours, including a broad base of constituents and great support and participation from communities, businesses and municipalities in all 17 jurisdictions throughout Hampton Roads. He reported that the "Reality Check" program was a tool used in an effort to get communities, interest groups and stakeholders talking to one another to establish common goals and visions. He reported the steering committee was in the process of developing a survey to determine the important values of the citizens, upon which they would build their decision making. Mr. Bourey stated that he thought they had done a very good job engaging people throughout Hampton Roads and encouraged everyone to embrace the process moving forward. Mr. Saunders thanked the Board for their support. Mr. Herbert asked if there were any questions. There were no questions.

Achievable Dream Middle and High School Project Financing Modification

Mr. Herbert asked for the Achievable Dream Middle and High School Project Financing Modification. Mrs. Kingston reported that in 2006, the City, Newport News School Board, An Achievable Dream, Inc. and the EDA entered into a series

of transactions in which the School Board partnered with An Achievable Dream, Inc. to close the former Briarfield Elementary School facility and renovate the dated facilities to create the Achievable Dream Middle & High School located at 5720 Marshall Avenue. She reported the project cost of \$13,000,000 was financed with a TowneBank loan, which included a New Markets Tax Credit (NMTC) component. The tax credits were used to buy down the interest rate to a fixed rate of 3.45% over the initial 7 years of the 20-year loan term. She outlined the history of supporting Agreements and obligations and reported that it was now necessary to modify the original lease and financing documents to reflect a reduction in the annual lease payments from \$960,000 to \$910,000 annually for the remaining 13 years of the lease and loan term.

Mrs. Kingston reported that City Council and the School Board would each be taking actions on August 13th to authorize the City Manager and the Superintendent to execute documents necessary to effectuate this reduction in lease and debt service payments. Mrs. Kingston thanked Mr. Mitchell, Director of Finance, for his assistance with both this project and the New Horizons project. Mr. Herbert asked if there were any questions. There were no questions.

Mr. Herbert asked for a Motion to authorize execution of any and all documents reviewed and approved by EDA counsel to modify the Achievable Dream Middle & High School Project financing and lease documents to reflect a reduction in the EDA's annual lease and debt service payment obligations. Mr. Minter so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

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

Mr. Herbert asked for the New Horizons Regional Education Center Association ("New Horizons") Special Education Facility Project. Mrs. Kingston noted New Horizons is composed of the school boards of Newport News, Hampton, Poquoson, Williamsburg/James City County, York County and Gloucester County. She noted the Association is a non-profit, unincorporated association which provides a variety of regional, federally-mandated education programs including programs serving children with disabilities at its Woodside Lane Campus. Mrs. Kingston reported the regional program had served an increasing population of special education students for over 20 years. Mrs. Kingston reported that the New Horizons Trustees have developed a project to construct a new 52,123-square foot special education facility to replace temporary classrooms at a cost of \$10.2 million and to renovate the existing facilities at a cost of approximately \$3 million. She informed the Board that Newport News Public Schools requested that the EDA assist in the development of

this project based on its prior history in facilitating acquisition, construction, financing and leasing of school facilities and the former City Manager had asked Mr. Mitchell and the EDA to assist in the project. Mrs. Kingston reported that the Association had developed a plan of finance which involved EDA tax-exempt bonds. She reported the New Horizons Board unanimously passed a resolution of support on May 28th which supported the project and the financing plan. She stated that during June and July, each of the six school boards had passed a resolution of support and directed the superintendents to include a debt service component in each annual budget for so long as the project debt is outstanding, subject to annual appropriation. She reported that the goal at New Horizons was to have the new facility open in September of 2015. Mrs. Kingston reported that a competitive RFP process was conducted, negotiations were underway, and it was expected that the lender selection would occur in the next several weeks. Mrs. Kingston recommended that the Board support the New Horizons Project.

Mr. Herbert asked for a Motion to authorize execution of any and all lease and financing documents reviewed and approved by EDA counsel to effectuate the New Horizons Regional Education Center Association Special Education Facility Project as presented. Mr. Epes so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston stated it was her pleasure to welcome our new City Manager, Jim Bourey and noted that the City was very fortunate to have the benefit of his wealth of experience and expertise. Mr. Bourey stated he was happy to be here. He commented that Newport News was a great City, with wonderful people, great assets and great opportunities. He stated he looked forward to working with the Board.

Mrs. Kingston noted significant progress on the new, state-of-the-art Apprentice School, parking garage, residential buildings and retail space. She reported that the parking garage and the leasing office in the West Avenue residential achieved Certificates of Occupancy in July. Mrs. Kingston reported that according to the Developer's phasing plan submitted to the City, the three residential buildings on the West Avenue side of the project site were anticipated to open in August, the two residential buildings with retail on the first floor on the Washington Avenue side of the project site were scheduled to open in the August/September timeframe, and the signature component – the new Apprentice School, should be complete in November. She noted we also now have a confirmed date for the Grand Opening Celebration of the Apprentice School – Friday, December 6th, 10:30 am to 1:00 pm.

She noted Development staff would be working closely with Shipyard staff to plan an event which was sure to be memorable. Mrs. Kingston reported that we had received the second \$5 million grant payment from the Commonwealth.

Mrs. Kingston reported that we had received bids for the latest project under the Transportation Partnership Opportunity Fund (TPOF) grant for the Canon Virginia, Inc. expansion – Canon Boulevard Sidewalks, Phase I. She reported that after a competitive bid process, Engineering had advised that Denbigh Construction was the responsive low bidder. Mrs. Kingston reported that this particular project would install sidewalks along the west side of Canon Boulevard from Middle Ground Boulevard to the Compass Pointe entrance. She reported that in future phases, it would connect to other sidewalks within the Greater Oyster Point area. Mrs. Kingston reported that this project continued the transportation improvements in the vicinity of the Canon expansion, and more broadly, all of Oyster Point, and for which the EDA would receive a total of \$4.8 million from VDOT through the TPOF grant.

Mrs. Kingston noted that the EDA's agreement with VDOT requires EDA front-funding of project costs for which it can request reimbursement on a monthly basis. She reported that to date, over \$3,500,000 (including contingency amounts) had been approved by the EDA Board for design and construction, with all but the most recent invoices having been reimbursed by VDOT. Mrs. Kingston stated she was requesting a Motion to accept the low bid by Denbigh Construction Co., Inc. and authorize a total of \$600,000, which includes a contingency amount, for construction of the Canon Boulevard Sidewalks, Phase I project, subject to all necessary documents being reviewed and approved by legal counsel.

Mrs. Kingston also noted in connection with the Canon Boulevard Sidewalks Project, Phase I, that the City was required by the Department of Environmental Quality to purchase 0.52 wetlands mitigation credits at a cost of \$46,800 due to a small area (about a quarter of an acre) of non-tidal wetlands that will be permanently impacted by the sidewalk's construction. She reported that the EDA would fund the purchase of these wetlands mitigation credits on behalf of the City and then submit for reimbursement from the TPOF grant. Mrs. Kingston reported that City Council is being asked to pass a resolution at its August 13th meeting authorizing the City Manager to sign the Purchase Agreement for the credits. Mrs. Kingston stated she was requesting a Motion to authorize a total of \$46,800 for the purchase of 0.52 wetlands mitigation credits which are required for the construction of the Canon Boulevard Sidewalks Project, Phase I, subject to adoption of a resolution by City Council authorizing the City Manager to execute all necessary

documents associated with the purchase of the credits, which amount would be eligible for reimbursement from the TPOF grant.

Mrs. Kingston reported that Middle Ground Boulevard Extension construction continues moving quickly and on schedule as utility companies make headway on relocations and new facility installations.

Mrs. Kingston advised that the Virginia Economic Developers Association (VEDA) was holding its 2013 Fall Conference at the Newport News Marriott at City Center and noted the VEDA Conference was last here in Newport News in 2007. She reported that the 3-day conference would begin on Wednesday, October 16th and noted the theme of the conference would be "Bringing the Global Economy to Virginia." She encouraged Board members to attend the conference, and advised more program information would be forthcoming.

Mrs. Kingston noted Cathy Grimes with the Daily Press was temporarily covering local government, along with TidewaterBiz, Tara Bozick. She reported she had provided Cathy and Tara with a tour of the City focusing on past and future economic development accomplishments, opportunities and challenges.

Mrs. Kingston reported Joy Robison had transitioned into a new role within the Department, as Administrative Services Manager, elevating her to a management level position. She reported that as Administrative Services Manager, Joy was now supervising the administrative staff and bringing her substantial organization, technology, and management skills to our very busy Development office operations.

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. Herbert asked for a Motion to accept the low bid by Denbigh Construction Co., Inc. and authorize a total of \$600,000, which includes a contingency amount, for construction of the Canon Boulevard Sidewalks, Phase I project, subject to all necessary documents being reviewed and approved by legal counsel. Mr. Bell so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a Motion to authorize a total of \$46,800 for the purchase of 0.52 wetlands mitigation credits which are required for the construction of the Canon Boulevard Sidewalks Project, Phase I, subject to adoption of a resolution by City Council authorizing the City Manager to execute all necessary documents

associated with the purchase of the credits, which amount is eligible for reimbursement from the TPOF grant. Mr. Bell 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 Schedule was in their package and noted all committees were scheduled to meet at regularly scheduled times.

Madison Government Affairs Consultant Report

Mr. Herbert asked for the Madison Government Affairs Consultant Report. Mr. Hirsch reported the Transportation, Housing & Urban Development Appropriations (THUD) bill was being debated in both chambers and noted the bill included funding Community Development Block Grants (CDBG) and HOME Programs. Mr. Hirsch reported that the Senate Bill totaled \$54 billion, and was the first appropriations bill to make it to the Senate floor, while the House Bill was \$44 billion.

Mr. Hirsch reported that on July 24th, the House of Representatives approved the fiscal year 2014 Defense Appropriations bill (H.R. 2397) on a vote of 315 to 109 and noted the bill provides \$512.5 billion for base defense spending and \$85.8 billion for Overseas Contingency Operations (OCO).

Mr. Hirsch reported that Department of Defense civilian furloughs began on July 8th with most civilian employees facing one day off per week through the end of September for a total of 11 furlough days.

At 8:58 a.m. Mr. Minter moved that the EDA/IDA Board go into closed session in accordance with VA Code Section §2.2-3711.A: Real Estate (3) discussion or consideration of the acquisition of real property for a public purpose or of the disposition of publicly held real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body; (5) discussion concerning a prospective business or industry for the expansion of an existing business or industry where no previous announcement has been made of the business or industry's interest in locating or expanding its facilities in the community; and/or (7) consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the

provision of legal advice by such counsel. The motion was seconded by Mr. Bell and it passed unanimously on a roll call vote.

At 10:10 a.m. the EDA/IDA Board returned to open session following a certification motion by Mr. Minter in accordance with VA Code Section §2.2-3712(D) at the conclusion of any meeting, the public body holding such meeting shall immediately reconvene in an open meeting and shall take a roll call or other recorded vote to be included in the minutes of that body. The motion was seconded by Mr. Bell and it passed unanimously on a roll call vote.

Resolution Related to City Center at Oyster Point – Entertainment District Tourism Project

Mrs. Kingston provided a brief overview of the current transaction details related to the CCOP – Entertainment District Tourism Program. Mr. Herbert asked for a Motion to adopt Resolution 8-1, Resolution of the Economic Development Authority of the City of Newport News, Virginia Approving Tourism Zone Incentives for the City Center at Oyster Point – Entertainment District Tourism Project, as presented. Mr. Minter so moved and Mr. Bell seconded the motion, which passed on a 4-1 majority roll call vote.

Committee Chair's Reports

Mr. Bell presented the Design Review Committee Chair's Report, which was ratified by the Board and 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 Revolving Loan Fund Committee Chair's Report, which was ratified by the Board and passed unanimously on a roll call vote. Mr. Minter presented the South Newport News Committee Chair's Report, which required no ratification by the Board.

Approval of Minutes-July 2, 2013 EDA/IDA Board Meeting

Mr. Herbert asked for a Motion that the Minutes of the EDA/IDA Board Meeting held July 2, 2013 be approved. Mr. Minter so moved and Mr. Epes seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

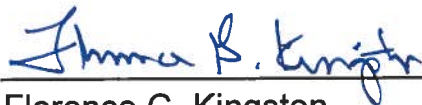
Mr. Herbert asked for any unfinished business. Mrs. Kingston stated there was no unfinished business.

New Business

Mr. Herbert asked for any new business. Mrs. Kingston stated there was no new business.

Mr. Herbert 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. Herbert adjourned the meeting at 10:17 am.



Florence G. Kingston
Secretary/Treasurer

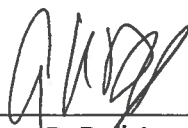


**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: August 2, 2013

The Design Review Committee met on Thursday, July 18, 2013. The Committee considered a request by SignMedia, Inc., on behalf of the property owner, Chesterfield Properties LLC, for approval of a scaled color rendering and digitally enhanced photograph, for refacing of one (1) non-illuminated monument sign for Conley and Associates at 812 Middle Ground 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 item detailed in this report requires Board ratification today.



Alonzo R. Bell Jr., Chair

ARB:keb

P:\IDA\DA13-14\Committees\Design Review\July 2013\CommitteeChair'sDesignReview07.18.13.docx

Date, Time and Location: July 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, Robb Mann, Teresa Nettles, Elizabeth Smith, Sylvia Weinstein

Members Absent: Michael Carpenter

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors

FROM: Chair, Executive Committee

SUBJECT: Chair's Report

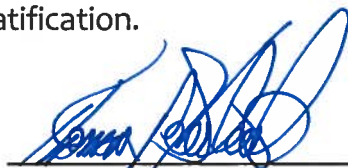
DATE: August 2, 2013

The Executive Committee met on July 16th. The Committee authorized acceptance of an offer by Wells Fargo to extend the Letter of Credit for the Downtown Engineering Facility 2000 Series Bond until July 1, 2016, and authorized the Secretary/Treasurer to execute all documents necessary to facilitate this extension subject to review and approval by legal counsel.

The Committee also authorized a subdivision of Parcel 17, located at 281 Pickett's Line in Oakland Industrial Park, subject to all City codes and regulations, together with waiver of the Industrial Development Authority's Right of Repurchase for the proposed eastern-most resubdivided parcel, as requested by the current owners, Continental Pickett's Line and WLT, LLC, in anticipation of sale of the same parcel and improvements to Plymkraft, Inc., for business expansion purposes.

Finally, the Committee authorized modification of the current Lunch Bell sub-sublease to expire as of August 30, 2013 and approved a lease extension for a period of three (3) years between the EDA and Lunch Bell, Ltd. for \$7,500 per month for the period September 1, 2013 through August 30, 2016 with no escalation during the term and a renegotiation option at the end of the three (3) year term. Documentation to facilitate such lease extension and modification is subject to review and approval by legal counsel.

Items in this report require Board ratification.



Thomas P. Herbert, Chair

Date, Time and Location: July 16, 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: August 2, 2013

The Marketing Committee met on July 18, 2013. Staff provided a status update on the October 22nd State of the City event. Sponsorships were discussed and members were encouraged to share the information with colleagues.

The Committee was informed of staff's involvement in the planning of Newport News Shipbuilding Apprentice School's grand opening event, scheduled to take place on December 6th.

Staff gave an interactive demonstration to show Committee members the collaborative outreach efforts between the City, the Virginia Tech/University of Virginia Center and the local business community to assess training, educational needs and opportunities for developing customized programs.

This report does not require Board ratification.



Wendy Drucker, Chair

WD:rnb

P:\IDA\IDA13-14\Committees\Marketing\Chair Reports\MarketingChair'sReport080213.doc

Date, Time and Location: July 18, 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

Members Absent: Mary Aldrich, Don Blankenship, John Miller

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: August 2, 2013

The Revolving Loan Fund Committee (Committee) met on Wednesday, July 24, 2013. Committee action and staff discussion are highlighted below:

The Committee agreed to ask that the Board observe a moment of silence at its next meeting in honor of Howard Manly's years of devoted service on the Committee since its inception.

The Committee reviewed the financial statements for the period ending June 30, 2013.

Staff presented three (3) FIG Program requests to the Committee:

- The FIG request for \$22,894 from Event Central, LLC for new canopy/awnings, windows and fencing at 9912 Hosier Street was recommended for approval with a unanimous vote.
- The FIG request for \$30,000 from Canavos Holdings, LLC for exterior finishes and materials, paving, signage and windows/doors at 755 Thimble Shoals Boulevard was recommended for approval with a unanimous vote.
- The FIG request for \$30,000 from M KAL Enterprises, LLC for exterior finishes and materials at 13622 Warwick Boulevard was recommended for approval with a unanimous vote.

The Committee approved all three (3) requests and is asking the Board to ratify the Committee's actions.



Cassandra Greene

CG:tw

P:\LoanProg\NCFR\F\Chair's Report 08.02.13.doc

Date, Time and Location: July 24, 2013 at 12:30 PM at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cassandra Greene, Cary Epes, Wendy Drucker and Susan Harris

Members Absent: none

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, C. Gary Minter
SUBJECT: South Newport News Committee Chair's Report
DATE: August 2, 2013

The South Newport News Committee met on Tuesday, July 2, 2013. Port Development Administrator of the Newport News Department of Development, Doreen Kopacz, presented an overview of the operations of the Seafood Industrial Park and the 23rd Street Pier. The presentation contained information about the commercial activities that occur at each of the sites and interesting facts about the Seafood Industrial Park's historical presence in the City. Committee members were pleased to learn of the high volume of business that occurs at the Seafood Industrial Park and the significant contributions that it provides through both tax revenue and job creation.

Following the presentation, staff updated the Committee on the status of ongoing Downtown, Southeast Community, Lower Jefferson Avenue, and Newport News Redevelopment & Housing Authority projects.

There are no items in today's report that require Board ratification.



C. Gary Minter, Chair

CGM:dep

P:\IDA\IDA13-14\Committees\SNN\July 2013\SNNJuly2013Chair'sReport_07-02-2013.docx

Date, Time and Location: July 2, 2013, 4:00 PM, City Hall, Department of Development Conference Room-3rd Floor

Members Present: C. Gary Minter, Alonzo Bell, Jr., Carl Burt, Cassandra P. Greene, Troy Smith, Jr.

Members Absent: Effie Ashe, Richard Coleman