

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, July 11, 2014 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  
Alonzo R. Bell, Jr.  
Cary B. Epes  
Cassandra P. Greene  
Arthur P. Henderson, Jr.  
C. Gary Minter  
Florence G. Kingston, Secretary/Treasurer, ex-officio  
James M. Bourey, City Manager, ex-officio

Legal Counsel:

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

Staff:

Cherry Croushore, Assistant Secretary  
Sharon Baker, Recording Secretary  
Sam Workman, Assistant Director, Department of Development

Also present:

George Consolvo, Kaufman & Canoles, IDA Bond Counsel  
Jimmy Haggard, Dixon Hughes Goodman, LLP  
Tim Bailey, Newport News Marriott at City Center  
Connie Brewer, Newport News Marriott at City Center  
Darryl Gosnell, Hampton Roads Economic Development Alliance  
Matthew James, Peninsula Council for Workforce Development  
Collie Owens, City Attorney  
Jerri Wilson, Legislative Analyst, City Manager's Office

Mr. Herbert opened the meeting by welcoming everyone.

IDA Issuance of its \$12,700,000 Parking Facilities Revenue Bond (Taxable), Series 2014, related to the Acquisition of Parking Facilities Leased by the IDA in the Apprentice School Mixed-Use Development in Downtown Newport News

Mr. Herbert asked for the IDA Issuance of Its \$12,700,000 Parking Facilities Revenue Bond (Taxable), Series 2014, Related to the Acquisition of Parking Facilities Leased by the IDA in the Apprentice School Mixed-Use Development in Downtown Newport News. Mrs. Kingston reported that City Council had already taken action authorizing the Payment Agreement, noting it is for a \$12.7 million bond that would allow the IDA to acquire the parking garage, exercising its purchase option, at a 3.8% fixed interest rate over a 13-year period. She also noted projected savings of approximately \$2 million.

Mr. Consolvo of Kaufman & Canoles, IDA Bond Counsel, greeted the Board and briefly summarized the Resolution and material terms of the bond issuance. He explained that Resolution 14-2 authorized IDA execution and delivery of a Loan Agreement between the IDA and TowneBank, and Payment Agreement between the IDA and the City, which established the arrangement whereby the City agreed to, subject to appropriation, annually budget sufficient funds to pay the annual debt service on the bonds. Mr. Consolvo informed the Board that TowneBank would be a third-party beneficiary to the Payment Agreement. Mr. Herbert asked if there were any questions. There were no questions.

Mr. Herbert asked for a motion authorizing the IDA's exercise of its option to purchase the parking facilities under the Parking Structure Lease. Mr. Bell so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a motion to adopt Resolution 14-2 as presented. Mr. Bell so moved and Mr. Minter 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 2013 Expense Review. Mr. Haggard, Managing Partner, Dixon Hughes Goodman, LLP, provided a copy of the Agreed-upon Procedures Report to Board members. Mr. Haggard 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, Oyster Point Hotel Associates, L.L.C. and the City of Newport News. Mr. Haggard reported that Dixon Hughes Goodman, LLP reviewed documentation that supported 96% of the expenditures and found no exceptions noted to any items.

Mr. Herbert asked for the Conference Center 2013 Activity Review. Mr. Bailey, General Manager, Newport News Marriott at City Center, reported that the hotel's room renovations had been completed. He noted that lobby renovations were underway and were expected to be completed by Labor Day. He reported that Conference Center renovations were slated to commence in late 2015. Mr. Bailey also provided an update on conference center activities and noted a significant increase in social bookings, particularly weddings and reunions.

Mr. Herbert asked about business group activity. Mr. Bailey responded that the business group activity from a corporate standpoint was down this year and professional associations were up. He noted the addition of a manager for association activities. Mr. Bell asked about the Hotel's relationship with the new Paragon Theaters. Mr. Bailey replied that they have embarked upon a very effective partnership with Paragon Theaters. Mr. Herbert asked if there were any further questions. There were no further questions.

#### Quarterly Hampton Roads Economic Development Alliance Report

Mr. Herbert asked for the Quarterly Hampton Roads Economic Development Alliance (HREDA) Report. Mr. Gosnell reported that HREDA plans to hold its annual meeting this year at the Marriott. He reported activity had picked up significantly in the 2<sup>nd</sup> quarter with 145 current active project working files, 20 of which were added in the 2<sup>nd</sup> quarter. Mr. Gosnell reported that HREDA had coordinated 13 prospect visits into the region in the 2<sup>nd</sup> quarter, a total of 21 for the first six months. Mr. Gosnell reported that they had conducted 11 outreach marketing activities to targeted markets in the 2<sup>nd</sup> quarter, a total of 23 this year, meeting with 105 corporate executives and on-site selection consultants. Mr. Herbert asked if there were any questions. There were no questions.

#### Quarterly Peninsula Council for Workforce Development Report

Mr. Herbert asked for the Quarterly Peninsula Council for Workforce Development (PCFWD) Report. Mr. James reported that it had been a very busy quarter and thanked the Board for its support with the State of The Workforce event at the Marriott at City Center, which was a very successful event featuring the Secretary of Commerce and Trade as the keynote speaker. Mr. James stated they were very excited about the youth summer employment initiative, and that they were working closely with the City Manager. He noted it was a way to connect and provide workforce experience for young people. He reported they were also excited about PCFWD's summer camp opportunities. Mr. James reported that the One Stop Café had received a comprehensive certification, one of only a few to receive this certification in the State.

Mr. James reported PCFWD had partnered with Opportunity Inc. on the Southside to work on a Regional Healthcare Pathways project and that all of the local hospitals were involved as well. He reported that an employer survey was underway to determine future needs and how his organization could assist.

Mr. James reported that they would be conducting a regional career and technical education meeting, specifically looking at ways to establish apprenticeship and technical programs and career pathways, as part of the Governor's initiative. Mr. Herbert asked if there were any questions. There were no questions.

#### Quarterly Business Retention Report

Mr. Herbert asked for the Quarterly Business Retention Report. Mr. Workman stated that the spring quarter was an active and exciting time for business retention activities. He reported that there were a number of companies, small and large, throughout the City that were either in the midst of expanding or preparing for possible growth in the near future. He informed the Board that staff was working with the companies to make them aware of state and local incentives, assist with potential site identification and provide guidance through City processes.

Mr. Workman reported that over the past quarter, staff had been involved in a number of collaborative efforts with local partners. He reported that the University of Virginia had partnered with us in offering two workshops – one on ethics in the workplace and the other on the value of using project management best practices, as part of their ongoing commitment to provide no-charge learning opportunities to the local business community. He noted that in addition, the University of Virginia and Virginia Tech were finalizing plans for a joint leadership training program in which employees from several Newport News companies would be participating.

Mr. Workman reported that staff was meeting with our neighboring localities and other partners, in preparation for this year's START Peninsula 3.0 event. He noted that the November event is designed to attract local entrepreneurs for a weekend of working on collaborative teams to further business ideas to the point where they may become viable projects. He advised that this year's event would be held at William & Mary, and that we would provide additional details as the time for START Peninsula 3.0 drew closer.

Mr. Workman reported that staff was planning several Business Roundtable events. He noted that one would be held at Oakland Industrial Park in August, and the other would be a general Business Roundtable discussion held at City Center in September.

Mr. Workman reported that the Oakland roundtable would give an overview of projects throughout the City, an update on incentives available to businesses, and provide discussion on any other topics specific to the companies in Oakland. He reported that the September roundtable for all businesses would take a similar format, and would include a speaker to discuss the importance and “how-to” of leveraging the free resources of social media to grow business. He thanked the Board for its continued support, and offered to answer any questions. There were no questions.

### Secretary/Treasurer’s Report

Mr. Herbert asked for the Secretary/Treasurer’s Report. Mrs. Kingston informed the Board that this was Doug Winstead’s last Board meeting and noted that he would be retiring to Blacksburg at the end of the month. She expressed that Doug would be sorely missed, but that she knew everyone here wished him a long, healthy, happy retirement. She thanked Doug for his many years of service to the City and EDA/IDA, and added “Go Hokies”!

Mrs. Kingston reported that she had had the pleasure of serving as the featured speaker on July 10<sup>th</sup> at the Virginia Peninsula Chamber of Commerce Outstanding Women’s Exchange Pink Bag Luncheon. She noted that the event was held at the Chamber office in Hampton. She reported that the topic of discussion was “Building a Network of Resources.” She noted that the well-attended luncheon provided an opportunity for Peninsula professionals to engage and reflect on successful business practices. She stated the event was very well-received.

Mrs. Kingston reminded the Board to mark their calendars for the 2014 Newport News State of the City luncheon, being presented by Old Point National Bank, on Tuesday, September 30<sup>th</sup>, at 12:00 p.m. at the Marriott. She noted that our staff was working with the Mayor and Manager’s staff, as well as the Peninsula Chamber of Commerce. She advised the Board that sponsorship information was at their places.

Mrs. Kingston reminded Board Members that the recently announced Newport News One City Marathon would take place on March 15, 2015. She noted that the Marathon would follow a path spanning the length of Newport News (from Newport News Park to the Victory Arch Downtown). She also noted that the race weekend would feature a health fair and expo. She explained that while Newport News Shipbuilding had agreed to serve as the presenting race sponsor, sponsorships would be available to other businesses and organizations and sponsorship information was at Board Members’ places. Mrs. Kingston reported that a steering committee of staff from across the City was working with the Manager’s office and Flat Out Events, the race management vendor, to plan the event. She noted that Robin Boyd would serve as our Department’s representative to the steering committee.

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.

Mrs. Kingston offered the City Manager an opportunity to comment. Mr. Bourey noted that the One City Marathon had generated a lot of interest. He noted Newport News Shipbuilding and Ferguson Enterprises had agreed to be sponsors, and that Riverside would be providing medical support. Mr. Bourey informed the Board that the US Airways magazine coverage had received great response from the community, noting that the publication reaches more than 3 million onboard readers. He advised there would be hard copies and electronic copies available.

Mr. Bourey reported that PEOPLExpress had done very well in the first month of service. He reported that on July 14<sup>th</sup> they planned to begin 6-day per week service to West Palm Beach, and 7-day per week service to Atlanta on August 1<sup>st</sup>. Further, he noted that on August 28<sup>th</sup> they planned to commence service to New Orleans and St. Petersburg, Florida.

#### Assistant Secretary's Report

Mr. Herbert asked for the Assistant Secretary's Report. Ms. Croushore advised the Board the Committee Schedule was in their package and noted relevant details. She informed the Board that the Department would be hosting a retirement celebration for Mr. Winstead on Wednesday, July 30<sup>th</sup>, in the EDA Board Room. She advised that plans were underway and further details would be forthcoming.

Mr. Henderson informed the Board that, as the Authorities' representative to the Newport News Sister Cities organization, he would like to invite fellow Board members to join him in support of the Sister Cities Breakfast on July 30<sup>th</sup> at the Christopher Newport University David Student Center Ballroom. He noted the keynote speaker would be Aubrey Layne, Secretary of Transportation. He stated that he hoped there would be a good turnout, and that they had received strong support in past years. He advised Board Members that they would receive invitations.

#### Madison Government Affairs Consultant Report

Mr. Herbert advised the Board that the Madison Government Affairs Report was in written format and asked if there were any questions. There were no questions.

At 8:42 a.m. Ms. Drucker moved that the EDA/IDA Board go into closed session in accordance with VA Code Section §2.2-3711.A: Real Estate (3), Prospective Business (5) for the following purposes and subjects: 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 was three separate property acquisitions, one located in the northern section of the City, one located in the central section of the City and one located in the southern 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 was three separate unannounced existing business expansions, one business located in the northern section of the City and the other two located in the central section of the City. The motion was seconded by Mr. Minter and it passed unanimously on a roll call vote.

At 9:36 a.m. the EDA/IDA Board returned to open session following a certification motion by Ms. Drucker in accordance with VA Code Section §2.2-3712(D) (i) only public business matters lawfully exempted from open meeting requirements under this chapter; and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body. The motion was seconded by Mr. Minter and it passed unanimously on a roll call vote.

#### Actions Coming Out of Closed Session

Mr. Herbert asked for a motion for the EDA, as fiscal agent of the Regional Air Service Enhancement Committee (RAISE), to enter into an addendum to an existing Transportation Services Agreement between Frontier Airlines and the EDA dated July 31, 2013, for provision of continuing Denver air service for the period September 10, 2014 through April 30, 2015 with a revenue guarantee not to exceed \$400,000, with all necessary documentation subject to legal counsel review and approval. Mr. Bell so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert asked for a motion to authorize the acquisition of 89 Nelson Drive at a purchase price of \$1,600,000, from record owner Par Investments, LLC, and a 2.03-acre parcel to be subdivided from 420 Export Circle for a purchase price of \$900,000, from record owner Camp Morrison Associates, LP, to facilitate parking expansion of the IDA-owned parcel located at 11008 Warwick Boulevard, with all necessary documentation subject to legal counsel review and approval. Mr. Bell so moved and Mr. Epes seconded the motion, which passed 6-0 on a roll call vote with one abstention.

Committee Chair's Reports

Ms. Drucker presented the Executive Committee Chair's Report, which was ratified by the Board and passed unanimously on a roll call vote. Mr. Minter 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.

Approval of Minutes of the Regular Meeting of June 6, 2014

Mr. Herbert asked for a motion that the Minutes of the Regular Meeting of June 6, 2014 be approved. Mr. Minter so moved and Mr. Bell seconded the motion, which passed 6-0 on a roll call vote with one abstention.

Unfinished Business

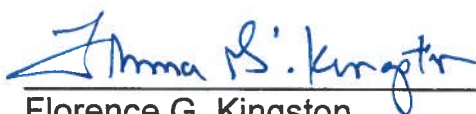
Mr. Herbert asked for any unfinished business. Mrs. Kingston stated there was no unfinished business.

New Business

Mr. Herbert asked for any new business. Mrs. Kingston noted that Effie Ashe had recently passed away. She noted that Mrs. Ashe was one of the original members of the Oyster Point Development Corporation Board, was well known by the EDA/IDA Board, and a supporter of many initiatives in the community. Mrs. Kingston stated Mrs. Ashe would be missed, and provided details about her memorial service to Board members.

Mr. Herbert asked if there were any other matters to be considered today. Mr. Winstead thanked the Board for its support and stated that he had enjoyed serving as staff over his many years with the City. Mr. Winstead was given a standing ovation by Board Members and fellow staff.

There being no further business to come before the Board, Mr. Herbert adjourned the meeting at 9:46 am.



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Florence G. Kingston  
Secretary/Treasurer



**ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors  
FROM: Chair, Executive Committee  
SUBJECT: Chair's Report  
DATE: July 11, 2014

The Executive Committee met on June 17<sup>th</sup>. The Committee authorized EDA funding of approximately \$17,500 for up to five pages of economic development-related content to be included in the feature of the City of Newport News in the August issue of USAirways in-flight magazine. The USAirways magazine feature of the City has the potential for exposure to over 3 million readers.

This report requires Board ratification. The Committee's remaining items were handled in Closed Session.



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Wendy Drucker, Chair

WD:clc

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Date, Time and Location: June 17, 2014 at 12:00 p.m. at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Wendy Drucker, 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: July 11, 2014

The Marketing Committee met on June 19, 2014. Committee members were briefed on the Superblock Charrette, to be held June 27-28, and encouraged to not only attend, but to help spread word of the event to other stakeholders who may be interested in participating.

Staff provided information on the recently announced, Newport News One City Marathon, which will take place March 15, 2015. The marathon will follow a path running the length of Newport News, and will be certified to serve as a qualifier for the Boston Marathon. While Newport News Shipbuilding has already agreed to serve as the presenting race sponsor, sponsorships will be available to other businesses and organizations.

Howell Creative provided an update on website analytics for both the main EDA website and the new annual report microsite. The main site receives approximately 1,000 unique visitors per month, with an average page-view time of 1 minute, 24 seconds, which is up from last year's page-view time. A recent insert to Inside Business Magazine helped drive traffic to the annual report microsite, where visitors are spending an average time of 2 minutes viewing information contained in the annual report. Howell will continue to work with staff to identify ways to boost both traffic and length of time on these sites.

The Committee was provided the latest event calendar for City Center at Oyster Point. In addition to regularly-scheduled events, upcoming events of note include the Brazilian Festival on September 20, 2014, and Hollydazzle on December 5, 2014.

Committee members were also provided information on the City's upcoming feature in the August issue of USAirways Magazine.

Staff shared that registration sponsorship opportunities are currently available for the September 30<sup>th</sup> "State of the City" event, which will once again be held in collaboration with the Virginia Peninsula Chamber of Commerce.

This report does not require Board ratification.



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Gary Minter, Chair

GM:mej

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Date, Time and Location: June 19, 2014 at 10:30 a.m. at 11824 Fishing Point Drive, Newport News, VA 23606

Members Present: Gary Minter, Don Blankenship, Wendy Drucker, Cassandra Greene, Gary Hunter, John Miller

Members Absent: Mary Aldrich, Faye Gargiulo

**ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY**

**TO:** Board of Directors  
**FROM:** Chair, Revolving Loan Fund Committee  
**SUBJECT:** Chair's Report  
**DATE:** July 11, 2014

The Revolving Loan Fund Committee met on Wednesday, July 2, 2014.

Staff presented one (1) FIG request:

- The FIG request for \$28,028 from Mr. Gyros and Burgers (Suttle Land Corp.) for canopy/awning, exterior finishes and materials, fencing, landscaping improvements, paving and windows/doors at 14407 Warwick Boulevard was recommended for approval with a unanimous vote.

The Committee approved the one (1) request and is asking the Board to ratify the Committee action relating to the FIG approval.



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Cary Epes, Acting Chair

CE:tw

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Date, Time and Location: Wednesday, July 2, 2014 at 9:00 AM at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary Epes, Arthur Henderson, George Knight and Susan Harris

Members Absent: Cassandra Greene