

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, August 1, 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
Cary B. Epes
C. Gary Minter
Florence G. Kingston, Secretary/Treasurer, ex-officio
James M. Bourey, City Manager, ex-officio

Those members absent were

Alonzo R. Bell, Jr., Excused
Cassandra P. Greene, Excused
Arthur P. Henderson, Jr., 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:

Roy Whitney, CEO, BNNT, LLC
Paul Hirsch, Madison Government Affairs
Robert Pealo, Assistant City Attorney I
Jerri Wilson, Legislative Analyst, City Manager's Office

Mr. Herbert opened the meeting by welcoming everyone.

BNNT, LLC Update

Mr. Herbert asked for the BNNT, LLC Update. Mr. Whitney greeted the Board and reported that BNNT, LLC had started selling boron nitride nanotubes (BNNT) on July 1st of this year. He noted that BNNT was the strongest fiber in the world, and provided a sealed sample to be passed around. Mr. Whitney reported that BNNT, LLC was the only company selling the fiber and that they had sales in the United States, United Kingdom, Ireland, Korea, Israel and Canada. He projected future sales would likely be comprised of 50% international and 50% domestic. Mr. Whitney reported that the company's primary customers initially were university research labs. He noted that there were a number of promising applications for the BNNT fiber. Mr. Whitney thanked the Board for its support and the opportunity to keep them informed about their product. Mrs. Kingston acknowledged that Mr. Whitney was retiring from Jefferson Lab in a few days and thanked him for all he had done in his tenure with Jefferson Lab and in collaboration with the EDA and the City. Mr. Herbert expressed that the EDA was very pleased to have BNNT, LLC in Newport News, and wished Mr. Whitney continued success with its product.

Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston reported that Metro Fiber Networks, Inc., a fiber optic communications company, had partnered with Waterworks and obtained City Council approval to construct a pair of fiber optic conduit sets designed to follow pre-existing pipeline easements through the City and parts of York County. She noted that one of the two conduit sets would provide benefit to the operations of both Waterworks and the City, while the other would be for Metro Fiber's private use as part of its telecommunications network expansion. Mrs. Kingston reported that at its May 27, 2014 City Council meeting, City Council had adopted a resolution authorizing a license and franchise agreement with Metro Fiber Networks, Inc., permitting the construction of the two fiber optic conduits in, over, under, and on City property. She noted the resolution provided that Waterworks and Metro Fiber coordinate easement agreements with the owners of non-City property needed for the fiber conduits. Mrs. Kingston reported that Metro Fiber and Waterworks were currently requesting that the EDA grant an easement through EDA-owned property located at 350 Yorktown Road, part of Endview. The easement was planned to be placed within a large, existing Dominion Virginia Power (DVP) easement located on the southwestern end of the property. She noted that Waterworks was handling the necessary authorization from DVP. She advised that the companion easement of the same dimensions for Metro Fiber's use within this same DVP easement would be brought

back to the Board once a fair market value appraisal of the easement had been obtained.

Mrs. Kingston advised she was seeking a Motion to authorize conveyance of a 25' utility easement on EDA-owned property at 350 Yorktown Road, totaling approximately 1.6 acres, within the existing Dominion Virginia Power easement, to the City of Newport News for the purpose of construction, installation and use of a fiber optic conduit as a telecommunications corridor linking Waterworks and City facilities for public facility communication purposes, subject to review and approval by EDA legal counsel.

Mrs. Kingston reported good news related to the Liebherr Expansion Project in Copeland Industrial Park. She reported we had received the Virginia Stormwater Management Program General Permit from the Virginia Department of Environmental Quality (DEQ), required for proposed construction of right-of-way improvements to City Line Road and other project-related roadways in Copeland.

Mrs. Kingston reported that Maola Milk and Ice Cream Company would be closing its New Bern, North Carolina plant and consolidating those operations at its Marva Maid plant in Newport News, resulting in a net gain of 42 jobs at the Marva Maid plant in Copeland Industrial Park. She noted that some Board members might remember the EDA's work with Marva Maid in 2007 when Marva Maid expanded their plant capacity by adding new equipment, and the EDA was able to provide an Enterprise Zone incentive to them. She stated she was happy to report that our relationship with this important, established Newport News Company continued to pay dividends.

Mrs. Kingston stated that given the success of the Entertainment District, there were changing dynamics and patterns at City Center. She noted that the Farmer's Market, which was held every Thursday between 10:00 am and 2:00 pm, continued to draw an appreciative audience of those interested in purchasing locally and organically produced products. She also noted that in addition to the Fridays @ the Fountain concert series, there had been quite a bit of ongoing pop-up and strolling programming, including entertainers, living statues, sidewalk chalk artists and mimes. Mrs. Kingston informed the Board that there was now a new element of recreational and wellness programming under the bandshell tent on Saturday mornings as well as Sunday Fundays in front of The Cove Tavern. She noted that all activities were free and that there would be food and drink specials at participating restaurants on Sundays.

Mrs. Kingston informed the Board that next month we would have more details on a Virginia Symphony Concert scheduled for Saturday, September 13th, a US Navy concert on Friday, October 17th, and the Films by the Fountain series, which begins on October 18th.

Mrs. Kingston reported that on July 23rd, staff had attended a briefing by the Hampton Roads Chamber of Commerce relative to a federal SBA grant application it had prepared, seeking funds for the establishment of a Cyber Security Cluster in Hampton Roads. She reported that SBA grants in the amount of \$500,000 would be awarded to 3-4 regions across the country that demonstrated the need and ability to diversify their economic base, utilizing cyber security as a developing and evolving market. She noted there was no match or financial requirement attached to these grants. Mrs. Kingston informed the Board that successful applicants would be eligible for similar grants in subsequent years based on their regional performance. She advised that our Chairman had signed a general letter of support for this grant application, as had several other localities, the Virginia Modeling Analysis and Simulation Center, and Old Dominion University. She also noted that the Chamber had obtained support from the Secretary of Technology and the Secretary of Commerce and Trade.

Mrs. Kingston reported that, in an effort to continue to grow the relationship between The Port of Virginia and the City, staff had recently hosted Laura Godbolt, Development and Foreign Trade Zone Specialist with the Virginia Port Authority, for a tour of the City. She reported that during the tour, Ms. Godbolt was shown the locations of Newport News companies that currently utilize the port, as well as other companies who may be able to take advantage of port-related services in the future. She informed the Board that Ms. Godbolt had shared updated information on the incentives available to businesses through the Virginia Port Authority.

Mrs. Kingston reported that staff had also hosted two members of HREDA's staff, Laura Hayes and Stephanie Maheu, during a recent tour of the City of Newport News. She noted that emphasis was placed upon new projects under development, existing industrial and manufacturing companies, office and commercial centers and available buildings and sites throughout the City. She stated by further familiarizing HREDA staff with the projects and opportunities in Newport News, we continued to strengthen our relationship with the organization as they promote the area to prospective businesses beyond Hampton Roads.

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 stated that she would like to give the City Manager an opportunity to comment if he would like to do so. Mr. Bourey informed the Board that a copy of the US Airways Magazine containing the 40-page article on Newport News was being passed out. He provided a brief overall summary of the contents. He noted that the magazine would be out today and that 3 million on-board readers would have the opportunity to view the magazine. He informed the Board that they would also be provided an electronic copy.

Mr. Herbert asked for a Motion to authorize conveyance of a 25' utility easement on EDA-owned property at 350 Yorktown Road, totaling approximately 1.6 acres, within the existing Dominion Virginia Power easement, to the City of Newport News for the purpose of construction, installation and use of a fiber optic conduit as a telecommunications corridor linking Waterworks and City facilities for public facility communication purposes, subject to review and approval by EDA legal counsel. Mr. Minter so moved and Ms. Drucker 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 Meeting Schedule was in their package and noted relevant details. She informed the Board that the Department had hosted a retirement reception on Wednesday, July 30th for Doug Winstead in the EDA Board Room, and thanked those Board members who attended.

Madison Government Affairs Consultant Report

Mr. Herbert asked for the Madison Government Affairs Report. Mr. Hirsch reported that on June 18th, the House Appropriations Committee had approved its \$34 billion FY2015 Energy & Water Development Appropriations bill. He noted that the bill provided annual funding for national defense nuclear weapons activities, the Army Corps of Engineers, various programs under the Department of Energy (DOE), and other related agencies. Mr. Hirsch reported that \$100,000,000 had been appropriated for operations at the Thomas Jefferson National Accelerator Facility to support up to 27 weeks of runtime at the 12 GeV Continuous Electron Beam Accelerator Facility (CEBAF).

Mr. Hirsch reported that the Senate Appropriations Committee had approved its FY2015 funding for the Departments of Transportation and Housing and Urban Development on June 5th. He noted that the bill provided a total of \$54.4 billion in discretionary budget authority for FY2015.

Mr. Hirsch reported that the Community Development Block Grant (CDBG) program was currently funded at \$3.02 billion which provides grants to states and local governments to support housing and economic development projects in urban and rural communities across the country. He reported that the HOME Investment Partnerships (HOME) program was currently funded at \$950 million. Mr. Hirsch reported that on June 10th, the House had approved the FY2015 Transportation, Housing and Urban Development funding bill. He noted that the bill provided \$3 billion for the CDBG program for FY 2015 and \$700 million for the HOME program.

Mr. Hirsch reported that the House had completed its work on the Defense Authorization and Appropriations bills for FY2015, passing the National Defense Authorization Act (NDAA) on May 22nd, the Military Construction and Veterans Affairs (MILCON/VA) Appropriations on April 30th and the Department of Defense Appropriations on May 20th.

Mr. Hirsch reported that the \$7.7 million Tactical Vehicle Hardstand military construction project for Fort Eustis had been fully authorized in both the House and Senate NDAA and fully funded in the House and Senate MILCON/VA bills.

Mr. Hirsch reported that the Governor's Commission would be visiting Fort Eustis on July 17th, hosted by Colonel Galbraith, the Garrison Commander, and informed the Board that he would be in attendance. He reported, additionally, that the Colonel had set up a visit and briefing for him with the Aviation Applied Technology Directorate (AATD). He noted that AATD was a major tenant at Fort Eustis and a significant economic activity for the Army and Newport News.

At 8:39 a.m. Mr. Epes 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: (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 was a proposed property disposition located in the central 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 an unannounced existing business expansion of a business located in the central section of the City, and an unannounced prospective business interested in locating in the southern section of the City. The motion was seconded by Mr. Minter and it passed unanimously on a roll call vote.

At 9:19 a.m. the EDA/IDA Board returned to open session following a certification motion by Mr. Epes 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.

Action Coming Out of Closed Session

Mr. Herbert asked for a Motion to authorize the sale of an approximately 3.0-acre portion of a 10.63-acre EDA-owned parcel, addressed as 11760 Rock Landing Drive, to James E. Baylor Holdings Corporation, and/or its assigns, for a purchase price of \$500,000, together with approval of the necessary subdivision of the referenced parcel, to facilitate development of a medical office facility of at least 10,000 square feet for use by a pediatric physician subgroup of Children's Medical Group (Children's Hospitals of the King's Daughters), with all necessary documents and plats subject to review and approval by EDA legal counsel. Mr. Minter so moved and Ms. Drucker seconded the motion, which passed unanimously on a roll call vote.

Committee Chair's Reports

Mr. Epes presented the Design Review 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.

Resolution of Appreciation N. Douglas Winstead

Mr. Herbert advised the Board that the Resolution of Appreciation for N. Douglas Winstead was at their places and asked if there were any questions. There were no questions. Mr. Herbert asked for a Motion to adopt the Resolution of Appreciation for N. Douglas Winstead as presented. Mr. Epes so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of July 11, 2014

Mr. Herbert asked for a Motion that the Minutes of the Regular Meeting of July 11, 2014 be approved. Mr. Minter so moved and Ms. Drucker 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. Mr. Bourey mentioned an initiative underway in North Carolina related to creating an interstate from Raleigh, North Carolina to the Hampton Roads Region.

Mr. Herbert asked if there were any other matters to be considered today. Mrs. Kingston stated there was no other business.

There being no further business to come before the Board, Mr. Herbert adjourned the meeting at 9:29 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 1, 2014

The Design Review Committee met on Thursday, July 17, 2014. The Committee considered a request by The Sign Shop, Inc., on behalf of business owner Plymkraft, Inc., for approval of scaled color renderings and digitally enhanced photographs of one non-illuminated monument sign with landscaping at 281 Pickett's Line in Oakland Industrial Park. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

The Committee also considered a request by Scotty's Signs, on behalf of Hayashi Sushi and Grill, for approval of a scaled colored rendering and digitally enhanced photograph depicting a covered awning for an existing outdoor dining area at 11820 Merchant's Walk, Suite 106, in City Center at Oyster Point. This request included an appeal for a waiver of the applicable sections of the City Center at Oyster Point Urban Design Guidelines – Architectural Design Guidelines to permit the covered awning to extend 12 feet and 1 inch from the building face. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

Staff informed the committee about an administrative approval issued in July by the Secretary/Treasurer for the relocation of existing awnings and the addition of surface vinyl window graphics for Hayashi Sushi and Grill at 11820 Merchant's Walk, Suite 106.

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



Cary B. Epes, Chair

CBE:dep

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Date, Time and Location: July 17th, 2014, at 8:00 a.m., Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cary B. Epes, Thomas P. Herbert, Robb Mann, Teresa Nettles, Sylvia Weinstein, Elizabeth Willis

Members Absent: Alonzo R. Bell, Jr., Michael Carpenter

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: August 1, 2014

The Marketing Committee met on July 17, 2014. Committee members were presented with an overview of the upcoming Newport News One City Marathon, taking place on March 15th, 2015. Nick Rogers, from Ten56 Brand Management, gave a briefing on event dates and times, route details and opportunities for members of the community to be involved in the various events associated with the Marathon.

Committee members received an update on the status of the feature article in the US Airways magazine. This 45 page piece, containing information from all around Newport News, will be on all US Airways flights this August and is projected to reach over three million onboard readers.

Committee members were briefed on the calendar of special events currently taking place around City Center at Oyster Point.

This report does not require Board ratification.



Wendy Drucker for Gary Minter, Chair

WD:jwm

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Date, Time and Location: July 17, 2014 at 10:30 a.m. at 11824 Fishing Point Drive, Newport News, VA 23606

Members Present: Wendy Drucker, Gary Hunter, Mary Aldrich, Don Blankenship, Faye Gargiulo

Members Absent: John Miller, Gary Minter, Cassandra Greene

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: August 1, 2014

The Revolving Loan Fund Committee (Committee) met on Wednesday, July 23, 2014. Committee action and staff discussion are highlighted below:

The Committee reviewed the financial statements for the period ending June 30, 2014.

Staff presented four (4) FIG Program requests to the Committee:

- The FIG request for \$30,000 from Qi You Huang for exterior finishes and materials, exterior lighting, exterior painting, fencing, hardscape improvements, paving, roofing, windows/doors and signage at 3200 Jefferson Avenue was recommended for approval with a unanimous vote.
- The FIG request for \$30,000 from Mitchell Kirsner for exterior finishes and materials, exterior lighting, exterior painting, hardscape improvements and roofing at 10117 Jefferson Avenue was recommended for approval with a unanimous vote.
- The FIG request for \$30,000 from Center Avenue Plaza II, LLC for canopy/awning, exterior finishes and materials, and roofing at 9501 Warwick Boulevard was recommended for approval with a unanimous vote.
- The FIG request for \$30,000 from B & S Associates, LLC for exterior finishes and materials, exterior lighting, exterior painting, roofing, and other improvements at 14501 Denbigh Boulevard was recommended for approval with a unanimous vote.

The Committee approved all 4 requests and is asking the Board to ratify Committee actions relating to the FIG approvals.



Cary Epes for Cassandra Greene, Chair

CG:tw

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Date, Time and Location: July 23, 2014 at 12:30 PM at Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

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

Members Absent: none