

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, May 1, 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

Staff:

Cherry Croushore, Assistant Secretary
Janice Jones, Recording Secretary

Also present:

Paul Hirsch, Madison Government Affairs
Monique McWhite, Sub-Center Director, Hampton Roads Procurement Assistance Center, ODU
Marty Kazubowski, Executive Director for ODU Center for Enterprise
Collins Owens, City Attorney
Robert Pealo, Assistant City Attorney
Jerri Wilson, Legislative Assistant, City Manager's Office

Mr. Herbert opened the meeting by welcoming everyone and introducing guest presenters Monique McWhite and Marty Kazubowski with the Hampton Roads Procurement Assistance Center.

Presentation on ODU Business Gateway/Hampton Roads Procurement Technical Assistance Center

Ms. McWhite thanked the Board for the opportunity to present the Hampton Roads Procurement Technical Assistance Center (PTAC) which assists both large and small businesses in the Hampton Roads region. She said that PTAC is a sub-center to the CRATER Procurement Technical Assistance Center in Petersburg, Virginia and is located at Old Dominion University. She explained that the mission of PTAC is to assist small, minority-owned, woman-owned, and/or service-disabled veteran entrepreneurs and companies by helping them set up their businesses, linking them to government procurement offices, and providing technical and management assistance to successfully secure government contracts. She explained that the PTAC sub-center is funded through the Defense Logistics Agency (DLA) which provides funds based on localities served being classified as distressed (defined as incomes less than eighty percent per capita or an unemployment rate over one percent of the national average). Ms. McWhite explained that her assigned district of PTAC serves the Norfolk, Newport News, Portsmouth, Hampton, Surry, Sussex and Franklin localities. She noted that PTAC conducts workshops, seminars and networking events, including a very successful "Unwind" event that they hoped soon to hold in Newport News. She informed the Board that in the past 12 months, PTAC had assisted 37 Newport News businesses. She further reported that they had assisted businesses throughout the region in obtaining \$37.2 million in contracts, and that the organization held 55 events with nearly 1,300 people attending.

Ms. McWhite and Mr. Kazubowski answered several questions and Mr. Herbert thanked them for their presentation.

Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston reported that Dominion Virginia Power had requested a 550'-variable-width easement on EDA property located at 165 Yorktown Road, near Lee Hall Mansion. She said that the easement was needed to construct and install a new connection between two major distribution circuits, as well as incident-related communication equipment, which would allow Dominion to create better resiliency and redundancy in the distribution grid.

She explained that Dominion advised the EDA that the main objective was to correct a system weakness that made the grid vulnerable in major storms and hurricanes. She noted that the requested easement included a 520'-long, 15'-wide section for the underground installation of conduits and cables and also included a 30'-long by 30'-wide section necessary for a pole line and ground connections that are needed to cross the CSX right of way and connect to the rest of the grid. A map was displayed that illustrated the proposed easement areas. She advised that compensation to the EDA for the easement areas would be \$2,487.43, calculated by staff using a formula based on assessed value. She informed the Board that she was seeking a Motion to authorize conveyance of a 550'-variable-width easement on EDA-owned property at 165 Yorktown Road, totaling approximately 0.2 acres to Virginia Electric and Power Company d/b/a Dominion Virginia Power, for consideration in the amount of \$2,487.43, for the purposes of transmitting and distributing electric power and incidental internal communication, subject to review and approval of legal counsel.

Mrs. Kingston said that she had a positive update to give the Board concerning the imminent purchase and development of a 3-acre portion of 11760 Rock Landing Drive. She reminded the Board that they authorized sale and subdivision of the parcel last year so that the Children's Hospital of the Kings Daughter (CHKD) pediatrician group could move from the CHKD main building to medical offices within close proximity. She advised that the purchase had been delayed as CHKD chose to rethink first and second phase building sizes, contemplating increases. She noted that the EDA had received word this month from the CHKD-affiliated developer, Jim Baylor, that CHKD's Board voted to increase the building footprint from 10,500 square feet to 12,000 in the first phase and that a second phase would be increased from 5,000 square feet to up to 8,000 square feet. She further stated that an updated draft LOI had been received and the Board would be informed of progress.

Mrs. Kingston reported that the Department of Development sponsored a Small Business Seminar entitled "Staying Relevant to a Changing Customer" on April 23rd, with Marc Willson, Retail/Restaurant Consultant for the Virginia Small Business Development Center as the presenter. She said that Mr. Willson provided insight and strategies to businesses that endeavor to remain profitable while providing pertinent products and services to the consumer. She noted that he also provided one-on-one business consultations after the conclusion of the seminar, both of which were provided at no charge to attendees, noting that those who attended felt it was very informative and worthwhile.

Mrs. Kingston informed the Board that Carol Meredith recently had the opportunity to make a presentation before the Newport News Hospitality Association (NNHA), which was the leading voice of the tourism industry of Newport News. She explained that their membership included many of our local hotels, restaurants, and other tourism-related businesses. She further advised that while Bryan Witt regularly attended NNHA meetings and gave brief updates on recent economic development activities, Carol's presentation gave us the opportunity to provide a broader overview of economic development initiatives throughout the City.

Mrs. Kingston advised that there were a number of special events taking place this month in City Center that would include Cinco in the City from 5 pm – 9 pm on May 5th; the Farmers Market on Thursdays starting May 7th from 10 am to 2 pm and running throughout the summer and into the fall; a special stage presentation of the Little Mermaid on May 9th from 2 pm to 4 pm on the stage by the fountain; the Virginia Senior Games returning for the third year on May 15th and 16th; the Virginia Symphony Orchestra presenting a community concert on the stage by the fountain on May 17th from 6 pm to 8 pm; the Virginia Arts Festival presenting the Third Annual Memorial Day Concert at City Center on May 25th from 3 pm to 8 pm, featuring the U.S. Army Training and Doctrine Command Band performing the best of American music; the Virginia Arts Festival's 1st annual World Arts Celebration at City Center on May 30th, at which patrons will be able to experience a day of free family fun with music from around the world, international food, an artisan village and hands-on cultural craft activities from 3 pm to 8 pm; and the Rotary Club of Newport News' Annual Shrimpfest on June 6th, which was the Rotary Club's signature event and sure to be a sell-out.

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 if he would like to do so. Mr. Bourey elaborated on the World Arts Celebration being held May 30th, advising that the event would celebrate the multiple cultures and nationalities present in Newport News.

Mr. Bourey said that he expected the FY2016 Budget to be adopted by City Council at its next meeting May 12th. Mr. Bourey also noted that the City Farm would be closed by June 30th. He told the Board that they would be kept informed of any future discussions.

Mr. Bourey reminded the Board that the City had received an unsolicited Public-Private Education Facilities and Infrastructure Act (PPEA) proposal from W.M. Jordan for the relocation of the School system's transportation facility – the SCOT Center. He stated that he had recently responded by letter to W.M. Jordan, detailing the changes to the proposal that would be needed to address the Newport News School Board's specific requirements. He said that he anticipated an updated proposal to be presented within a month, and that afterwards a request for proposals (RFP) would be issued as part of the PPEA process in order to give other developers an opportunity to submit proposals for the project. He explained that the PPEA process would take several months to complete.

Mr. Herbert called for a Motion to authorize conveyance of a 550'-variable-width easement on EDA-owned property at 165 Yorktown Road, totaling approximately 0.2 acres to Virginia Electric and Power Company d/b/a Dominion Virginia Power, for consideration in the amount of \$2,487.43, for the purposes of transmitting and distributing electric power and incidental internal communication, subject to review and approval of legal counsel. Mr. Henderson 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 Meeting Schedule was in their package and noted relevant details.

Madison Government Affairs Consultant Report

Mr. Herbert asked for the Madison Government Affairs Report. Mr. Hirsch reported that on April 30, 2015, the House had passed a Budget and that he anticipated that the Senate would pass the Budget in early May. Mr. Hirsch informed the Board that the House would be voting on appropriations bills that affect Newport News – the Energy and Water bill, and the Transportation/HUD bill. He said that under the Energy & Water bill, the Administration's request for \$158 million for Thomas Jefferson National Laboratory's operating budget passed through Committee, and he quoted from the Committee report that the Committee "remained supportive of the advanced nuclear physics occurring at the facility and encourages a quick transition to operations once the detector upgrades are complete." He stated that this demonstrated that Jefferson Lab was recognized as a valuable national asset and that continuing to fund it was strongly supported. Mr. Hirsch stated that over the last few years, the City has had to

fight for Community Development Block Grant (CDGB) funding, but informed the Board that this year the program was fully funded and the City would receive about \$1.12 million for CDBG projects.

Mr. Hirsch reported that on April 1, 2015, Mayor Price sent a letter to Virginia Senators Warner and Kaine, as well as Representatives Rigell, Scott, and Wittman regarding military construction projects that are in the FY 2018 construction program for Fort Eustis, requesting that Phase IV of the AIT Barracks (a \$50 million project) be moved into the FY 2017 military construction program. He said that the request is gaining traction and was fully supported by TRADOC.

Mr. Hirsch reminded the Board that BASF Corporation had sought approval from James City County to develop a vacation timeshare resort to the northwest of Fort Eustis, which the base felt would encroach on its air and water operations. He reported that after discussions with City Manager Bourey and Colonel Galbraith, James City County leaders had tabled approval of the development. He also noted that the \$5.6 million Skiff's Creek Dredging project would begin in June of 2015.

Mr. Hirsch answered questions from the Board and Mr. Herbert thanked him for his report.

At 8:46 a.m., Ms. Smith 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 in the Brooks Crossing Project located in the southern section of the City. Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

At 9:28 a.m., the EDA/IDA Board returned to open session following a certification motion by Ms. Smith in accordance with 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.

Brooks Crossing Project Phase 2A Infrastructure

Mrs. Kingston informed the Board that in order to proceed with commencement of construction for the new grocery store facility, it was important to begin a portion of the Phase 2 Infrastructure work at Brooks Crossing. She stated that Phase 2A infrastructure would include 30th Street, just beyond Jefferson Avenue to the new Terminal Avenue at the rear of the site, as well as a portion of the Jefferson-parallel roadway connecting Phase 2A infrastructure with Phase 1 Infrastructure work already underway. She said that based on infrastructure drawings submitted on the entire project prior to Phase 1 commencement, staff had received notification from the developer that bids had been received for the construction of Phase 2A Infrastructure for the Brooks Crossing Project and that based on these bids, funding in the amount of \$1,555,000 was needed for Phase 2A Infrastructure construction. Mr. Herbert advised that Mrs. Kingston was seeking a Motion, in accordance with the Development Agreement between the EDA and Southeast Commerce Center Associates, L.L.C. dated May 1, 2013, to authorize a contract and funding for Phase 2A Infrastructure for the Brooks Crossing Project in the Southeast Community, with funding, including contingencies, in an amount not to exceed \$1,555,000, subject to all necessary documentation being reviewed and approved by EDA Legal Counsel. Mr. Epes moved for approval of the Motion and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Mr. Herbert called for the Committee reports.

Committee Chair's Reports

Mr. Minter presented the Conference Center Marketing Committee Report, which did not require Board ratification. Mr. Epes presented the Design Review 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. Ms. Smith presented the South Newport News Committee Report, which did not require Board ratification.

Approval of Minutes of the Special Meeting of March 31, 2015

Mr. Herbert asked for a Motion that the Minutes of the Special Meeting of March 31, 2015 be approved. Mr. Minter so moved and Ms. Greene seconded the motion, which passed with six votes on a roll call vote, Ms. Drucker having abstained.

Approval of Minutes of the Regular Meeting of April 3, 2015

Mr. Herbert asked for a Motion that the Minutes of the Regular Meeting of April 3, 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. Mrs. Kingston stated that Board members should have received an invitation to the Virginia Tech (VT) "Invent the Future" meeting on May 6th, at the Paragon Theater from 10:00 am to 2:30 pm, that would include VT President, Timothy Sands. She informed the Board that the event would include discussion on Aerospace and Ocean Engineering, Computer Science, Manufacturing, Energy, Agriculture, Talent Development and Partnership development. She said that a reception was being planned the night before the event and encouraged Board Members to participate in this great networking opportunity.

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