

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, January 11, 2013 in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

Arthur P. Henderson, Jr., Chair
Tom Herbert, Vice-Chair
Alonzo R. Bell, Jr.
Evan Curbeam
Wendy C. Drucker
Cary B. Epes
C. Gary Minter
Florence G. Kingston, Secretary/Treasurer, ex-officio
Neil Morgan, City Manager, ex-officio

Legal Counsel:

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

Staff:

Cherry Croushore, Assistant Secretary
Sharon Baker, Recording Secretary

Also present:

Darryl Gosnell, Hampton Roads Economic Development Alliance
Shawn Avery, Peninsula Council for Workforce Development
Matthew Johnson, Department of Development
Paul Hirsch, Madison Government Affairs
Collins Owens, City Attorney
Robert Pealo, Assistant City Attorney

Mr. Henderson opened the meeting by welcoming everyone.

Quarterly Hampton Roads Economic Development Alliance Report – Mr. Gosnell

Mr. Henderson asked for the Quarterly Hampton Roads Economic Development Alliance Report. Mr. Gosnell greeted the Board and wished everyone a Happy New Year. He reported that the Hampton Roads Economic Development Alliance (HREDA) had been very busy and that the prospect and inquiry activity had been comparable to 2011, a very good year. Mr. Gosnell reported HREDA currently had 151 active project files open, 63 of which were opened in 2012, and hosted 48 prospect visits to the region in 2012. He reported the Virginia Economic Development Partnership had generated 1/3 of the business prospects and the other 2/3 had been generated by HREDA directly.

Mr. Gosnell reported that advanced manufacturing had continued to lead all areas of HREDA's activity, however, in 2012 there was an increase in corporate professional services and operations activity, followed by maritime and logistics. Mr. Gosnell reported HREDA had 4 announcements in 2012 and stated that he was very optimistic that 2013 would be a solid year for the region. He thanked the Board and staff for their continuing support. Mr. Henderson asked if there were any questions. There were no questions.

Quarterly Workforce Development Report – Mr. Avery

Mr. Henderson asked for the Quarterly Workforce Development Report. Mr. Avery greeted the Board and reported that Peninsula Council for Workforce Development (PCFWD) One Stop Cafés had been utilized by 6,000 new first-time visitors during the second half of 2012, some of whom returned multiple times.

Mr. Avery reported PCFWD had worked with Newport News to host a job fair for the Tucanos restaurant, which had been very successful. He reported they were actively working on quite a few job fairs, especially around industries such as advanced manufacturing and green technologies.

Mr. Avery reported staff at the Youth Career Café, located at Patrick Henry Mall, had seen over 2,000 youth between the ages of 14 and 21 during the second half of 2012 and that PCFWD had conducted many offsite activities as well, including outreach activities in the schools.

Mr. Avery reported PCFWD worked very closely with the Economic Development Departments whenever prospects visited the region to inform them about workforce activities or workforce services that are available. He reported they had been very active working with Newport News directly and with HREDA on quite a few active projects.

Mr. Avery reported that the Healthcare Career Pathway program was proving to be very successful. He stated PCFWD was very excited about the program. He reported PCFWD had been working closely with Riverside Health Systems, Bon Secours and Peninsula-Sentara Healthcare in putting this program together. He reported the program was modeled after PCFWD'S Advanced Manufacturing Career Pathway Program, which was being used as a model at the State level.

Mr. Avery reported PCFWD would be hosting an event featuring Disney Institute's professional development program, "Disney's Approach to Business Excellence," on March 7th. He reported that as of January 11, 2013, they had an excellent response with 138 registrations received thus far.

Mr. Avery reported that on Tuesday, March 26th, at the Hampton Roads Convention Center, PCFWD would be hosting its Youth Career Expo event, an annual event held in partnership with the six Greater Peninsula school divisions and the Virginia Peninsula Chamber of Commerce. He reported they would have 13 sectors of business highlighted and expected 2,800 youth to attend. He reported there would be 250 volunteers conducting mock interviews with students and 75 businesses participating. Mr. Henderson asked if there were any questions. There were no questions.

Mrs. Kingston thanked Mr. James and Mr. Avery for their outstanding efforts and stated they were always highly responsive. They provided great assistance with several Tucanos job fairs.

Quarterly Business Retention Report – Mr. Johnson

Mr. Henderson asked for the Quarterly Business Retention Report. Mr. Johnson greeted the Board and reported that 2012 had been another active year for business retention activities. He reported that once again the highlight of the year was the Business Appreciation Barbeque and Golf event. Approximately 300 members of the Newport News business community, as well as various City and State officials, attended as we celebrated the success of our local businesses. Mr. Johnson reported we were in the process of working on the details of the 2013 Business Appreciation event, and stated he looked forward to providing Board members details in the next quarterly report.

Mr. Johnson noted that while our Business Appreciation event is certainly the highlight of our activities, it would not enjoy the success it has without the ongoing interactions and relationships we maintain with our local business leaders. He stated we still pursue as many face-to-face opportunities as possible, but that given the nature of today's work environment, we were finding that more interactions were taking place via phone and email.

Mr. Johnson noted there was a great deal of value in bringing together multiple businesses in one place to share the successes and challenges that our business community faces as a whole. This is where our ongoing involvement with local business groups such as Denbigh Warwick Business Association, Downtown Newport News Merchants and Neighbors Association and the Virginia Peninsula Chamber of Commerce, fits in to our business retention strategy. Mr. Johnson reported we will continue to be involved with these groups, and look for opportunities to strengthen our relationships with these, and any new groups that may emerge, in 2013.

Mr. Johnson concluded his report by emphasizing that business retention was truly a team effort. He noted while he was normally the one to stand before the Board to provide a quarterly report on our efforts in this area, the overall success we achieve in helping our businesses maintain and grow their operations in Newport News would not be possible without the time, energy and efforts of each member of the Development team and our partner organizations. Mr. Henderson asked if there were any questions. There were no questions.

Mr. Morgan commented, importantly, as an example of the value of the Business Appreciation Event, University of Virginia and Virginia Tech representatives had extended conversations with Newport News Shipbuilding representatives during the 2012 event and that it had been a primary factor in their decision to locate a campus here.

Secretary/Treasurer's Report – Mrs. Kingston

Mr. Henderson asked for the Secretary/Treasurer's Report. Mrs. Kingston wished everyone a Happy New Year and stated she was confident that 2013 would bring another successful year for the work this body does for the citizens of Newport News.

Mrs. Kingston stated she was very pleased to announce that George Schraudt, who has been with our Development Department since May of 2011 as a Graduate Intern, was now employed with us in a permanent position, as Economic Analyst.

Mrs. Kingston thanked everyone who attended the Tucanos VIP event on December 20th. She reported the restaurant was open for lunch and dinner six days a week, despite the fact that some construction items are still in process. Mrs. Kingston reported staff training continued and Tucanos ownership reported that they were quite pleased with both the caliber of the local employees as well as the sales volume of the restaurant. She reminded Board members to please mark their calendars for Tuesday, January 22nd, which was the Tucanos Charity Event Night benefiting the Newport News Green Foundation, Operation Homefront of the Virginias, the Foodbank of the Virginia Peninsula, and the Children's Hospital of the King's Daughters.

Mrs. Kingston reported that the Middle Ground Boulevard Extension project was 27% complete overall. Storm drainage and sanitary sewer-related upgrades continue through January at the Jefferson/Middle Ground intersection, and through to Nat Turner Boulevard. She reported the initial layer of asphalt had been laid between Jefferson and Nat Turner, and the curb had been installed. Mrs. Kingston reported that bridge pile driving was about to switch completely from the east side (Jefferson side) of CSX to the west side (Warwick side). Bridge columns were already being poured on the east side, and over the next few weeks, the contractor would begin abutments for the bridge. She reported the entire project remained on schedule for opening by the end of 2014.

Mrs. Kingston advised the Board 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 Mr. Morgan an opportunity to make any comments. Mr. Morgan briefly highlighted the new Riverside Surgical ICU Facility. He reported there would be ceremonies for the opening in the next few days and that it was expected the facility would be operational in the next two weeks. He briefly commented on the renovation project of the Peninsula Health Center building on J. Clyde Morris Boulevard and noted that the new 311 Center could be located in this facility. Mr. Morgan briefly discussed the 311 program and advised the program would be implemented this year with a soft launch in late January 2013 and would be fully operational by July 2013.

Assistant Secretary's Report – Ms. Croushore

Mr. Henderson asked for the Assistant Secretary's Report. Ms. Croushore advised the Board the Committee Schedule was in their package and noted relevant details.

Madison Government Affairs – Mr. Hirsch

Mr. Henderson asked for the Madison Government Affairs Report. Mr. Hirsch reported Legislation intended to better regulate the use of drywall in homes and buildings was introduced several years ago after toxic Chinese drywall became a significant problem for victims of Hurricane Katrina. He reported the Act sets chemical standards for domestic and imported drywall and establishes guidelines for its disposal, allows the Consumer Product Safety Commission to set rules to ensure that existing toxic drywall is properly disposed of and requires all drywall used in the country to be labeled with the manufacturer's name. Mr. Hirsch reported the bipartisan amendment by Senators David Vitter, Mark Warner, and Bill Nelson narrows the emphasis of the legislation to focus on high sulfur content and makes the origin of the drywall traceable to the manufacturer.

Mr. Hirsch reported the President's State of the Union address was now set for February 12th.

Mr. Hirsch reported the Mayor, City Manager, and Director of Development would soon be visiting Fort Eustis for their annual meeting with Colonel Wetherington to discuss the 'state of the base'. He reported this meeting and subsequent briefings provide a basis for the City's effort to understand and provide support to Fort Eustis. Mr. Hirsch reported the group would be briefed on current military construction efforts as well as part of the Five Year Defense Plan.

Mr. Hirsch reported the National Defense Authorization Act (NDAA) had passed in late December and was signed into law by the President. He reported at present, the Department of Defense, along with the rest of the government, was working under a Continuing Resolution, however, there had been some movement to secure a mini-Omnibus for Defense & Military Construction and Veterans Affairs.

At 8:33 a.m. Mr. Herbert 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. Epes and it passed unanimously on a roll call vote.

At 9:45 a.m. the EDA/IDA Board returned to open session following a certification motion by Mr. Herbert 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. Minter and it passed unanimously on a roll call vote.

Mr. Henderson asked for a Motion for EDA approval, as Fiscal Agent of the Regional Air Service Enhancement Committee (RAISE), of a \$500,000 loan to PeopleEXPRESS to be applied as a refundable deposit necessary for PeopleEXPRESS to pursue due diligence activities related to the potential acquisition of a charter air service operation, with loan repayment due and payable in 35 days, together with all documents necessary to effectuate the loan/refundable deposit transaction, all documents being 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. Henderson asked for a Motion to authorize a Purchase and Sale Agreement between the IDA and Ferguson Enterprises, Inc. for the sale of 10 acres of IDA-owned undeveloped property fronting on Jefferson Avenue and known as Parcel B-1 (12470 Jefferson Avenue) for a purchase price of \$2,600,000, subject to review and approval of all appropriate documents by IDA legal counsel. Mr. Herbert so moved and Mr. Bell seconded the motion, which passed unanimously on a 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. Minter presented the South Newport News Committee Chair's Report, which required no ratification by the Board.

Approval of Minutes-December 7, 2012 EDA/IDA Board Meeting

Mr. Henderson asked for a motion that the Minutes of the EDA/IDA Board Meeting held December 7, 2012 be approved. Mr. Epes so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote, with one abstention.

Unfinished Business

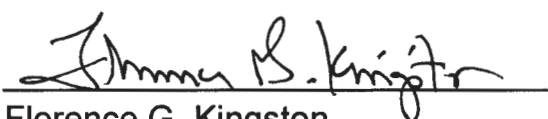
Mr. Henderson asked for any unfinished business. Mrs. Kingston stated there was no unfinished business.

New Business

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

Mr. Henderson 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. Henderson adjourned the meeting at 9:50 a.m.



Florence G. Kingston
Secretary/Treasurer

ECONOMIC DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, Design Review Committee

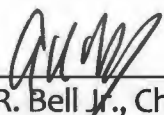
SUBJECT: Chair's Report

DATE: January 11, 2013

The Design Review Committee met on Thursday, December 20, 2012. The first agenda item was a request by the tenant, MDR Specialty Distribution Corporation, on behalf of the property owner, 230 Enterprise, LLC, for approval of a site location plan and scaled elevation for proposed fencing for MDR Specialty Distribution Corporation, at 230 Enterprise Drive in Oakland Industrial Park. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

Under Old Business, the Design Review Committee voted unanimously to recommend that the Board delegate authority to the Secretary/Treasurer to use her/his discretion to approve routine tenant panel sign change-outs on existing sign boxes, whether mounted on a building or on a monument sign, when no dimensional changes are requested and the sign meets all City codes and regulations; and to delegate authority to the Secretary/Treasurer to use her/his discretion to approve routine sign refurbishments involving minor graphic and/or color changes, as long as all other dimensions and messaging remains the same and all City codes and regulations are met; and that the Design Review Committee shall be advised of all such administrative approvals.

The items detailed in this report require Board ratification today.



Alonzo R. Bell Jr., Chair

ARB:sz

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Date, Time and Location: December 20, 2012 at 8:00 a.m., Two City Center, 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo R. Bell, Jr., Michael Carpenter, Cary B. Epes, Thomas P. Herbert, Teresa Nettles, Elizabeth Smith, Sylvia Weinstein

Members Absent: Robert Mann

**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, C. Gary Minter
SUBJECT: South Newport News Committee Chair's Report
DATE: January 9, 2013

The South Newport News Committee met on Tuesday, January 8, 2013. Sandra Walker, Director of Community Development with the Newport News Redevelopment and Housing Authority presented a briefing on the Jefferson Brookville Apartments project. The Jefferson Brookville Apartments project is a 50-unit affordable housing development employing both urban infill and historic adaptive reuse to revitalize the 2500 and 2700 blocks of lower Jefferson Avenue as well as the historic George Washington School on 28th Street. The project is a joint venture between NNRHA and developer, Landmark Asset Services. A major catalyst for the development interest by Landmark was the City's ongoing Jefferson Avenue utility relocation and streetscape project and the future commercial development at the Southeast Commerce Center, now renamed Brooks Crossing. Additionally, the project was awarded Federal Low Income Housing Tax Credits by the Virginia Housing Development Authority under an annual competitive application process by developers across the state.

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:jer

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Date, Time and Location: January 8, 2012, 4:00 PM, City Hall, 3rd Floor Development Conference Room

Members Present: C. Gary Minter, Carl Burt, Richard Coleman, Troy Smith, Jr.

Members Absent: Effie Ashe, Alonzo Bell, Jr., Evan L. Curbeam, Mike Powell