

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. Minter called the meeting to order at 8:00 a.m. on Friday, December 8, 2017, in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

C. Gary Minter, Chair
Cassandra P. Greene, Vice Chair
Mary Aldrich
Alonzo R. Bell, Jr.
Jonathan Skinner
Cynthia D. Rohlf, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Jennifer Smith-Brown, Excused
Jeffrey Verhoef, Excused

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Kearston Milburn, Recording Secretary
Cherry Croushore, Assistant Secretary

Also present:

Rob Churchman, Partner, Cherry Bekaert LLP
Greg Miller, Senior Manager, Cherry Bekaert LLP
Susan Goodwin, Director, Department of Finance, City of Newport News
Jerri Wilson, Legislative Liaison, City Manager's Office
Collins Owens, City Attorney

Mr. Minter opened the meeting by welcoming everyone.

Draft FY 2017 EDA/IDA Audit Presentation

Mr. Minter called on Mr. Churchman and Mr. Miller to present the Draft FY 2017 EDA/IDA Audit. Mr. Miller provided an outline of the engagement services provided by Cherry Bekaert LLP, which included an Audit of the EDA/IDA FY 2017 financial statements using standards as required by the Government Auditing Standards Board (GASB), and compliance testing with the Auditor of Public Accounts' Specifications for Authorities, Boards and Commissions. Mr. Miller explained that Cherry Bekaert utilized a four-phase top-down risk-based audit approach that is highly automated and specifically tailored to the Authority.

Mr. Churchman reported there were no material weaknesses in internal control or financial reporting. Mr. Churchman stated that under the Government Auditing Standards report, he noted three instances where Authority Board members filed a Financial Disclosure Statement subsequent to the January 17, 2017 deadline.

Mr. Churchman announced that there were no significant changes to the accounting policies, that management judgment and accounting estimates were reasonable and consistent with prior years, and that there were no audit adjustments. He noted that there were no difficulties encountered in performing the Audit. He stated they were unaware of any consultations with other accountants or any relationship they believed would impair their independence. Mr. Churchman briefly noted FY 2018-2021 new accounting and reporting changes. Mr. Minter asked if there were any questions for Mr. Churchman and Miller. There were none.

Mr. Minter asked for a motion for acceptance of the FY 2017 EDA/IDA Audit. Mr. Bell so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Mrs. Kingston noted that our continuing positive audit results were largely a function of the excellent work of Zoe Lumpkin. She also commended Susan Goodwin, Director of Finance, and Keith Ferguson of the City's Budget Department for their support and collaboration with Zoe on EDA/IDA financial reporting. Chair Minter also thanked Zoe for her fine work on managing EDA/IDA financial matters.

Secretary/Treasurer's Report

Mrs. Kingston formally introduced Susan Goodwin, the Director of Finance for the City. She reported that Ms. Goodwin worked in the City's Engineering Department for eleven years

prior to taking over as the Finance Director in April 2017. She stated Ms. Goodwin had many years of financial experience and that she was pleased to have her as part of the City's Management team.

Mrs. Kingston also welcomed Elizabeth McCoury, who joined Development on November 27th as Redevelopment Manager. She stated Ms. McCoury was a native of Hampton Roads, served in local government over 30 years, and brought a wealth of knowledge and experience to the Development team and to the City. She noted that her most recent position was that of President and Chief Executive Officer with the U District Partnership in Seattle, where she managed a Business Improvement Area adjacent to the University of Washington. She reported that Ms. McCoury's prior experience included her role as Executive Director for Hampton's Coliseum Central Business Improvement District from 2007-2014, and positions with the City of Suffolk from 1998-2007 including Downtown Development Director and Assistant to the City Manager.

Mrs. Kingston noted that Ms. McCoury held a BA in Political Science from Old Dominion University and that she has also completed numerous other educational programs, including the LEAD Program offered through University of Virginia, and several human resources and facilitator-related programs. She said that Ms. McCoury had served as Past President of both the Virginia Downtown Development Association and the Rotary Club of the Virginia Peninsula, and was named as 2014 Peninsula Rotarian of the Year and 2014 Tourism Partner of the Year while with the City of Hampton. Mrs. Kingston stated she was delighted to have Ms. McCoury on our team.

Mrs. Kingston stated she was pleased to report that in response to our recent application, the Virginia Brownfield Assistance Fund review committee recently notified us that a competitive VBAF Remediation Grant in the maximum amount of \$500,000 had been awarded to the EDA "to support the redevelopment of the Chase Packaging Site at 1300 Marshall Avenue". She advised that these VBAF funds will be in support of the continuation of remediation work at the property.

Mrs. Kingston noted that the Peninsula Industrial Finance Corporation (PIFC) Board was the approval body for one of the EDA's loan programs, the Peninsula Revolving Loan Fund. She reminded the Board that PIFC was restructured some years ago, transferring administration of the Board to the Department of Development, and that the Hampton and Newport News EDA/IDA Boards make appointments to the PIFC Board. She stated that Hampton has two representatives and Newport News has three representatives -- currently Sylvia Weinstein, Joycelyn Spight and Beth Moore. She said that Ms. Moore currently serves as Chair and Ms. Weinstein as Vice Chair, and that the terms of all three appointees

will expire at the end December. She reported that all were willing to continue to serve on the Board and all were eligible to be reappointed. Mrs. Kingston stated that she was seeking a Motion to approve the reappointment of Beth Moore and Joycelyn Spight to the PIFC Board, each to serve a three (3) year term ending on December 31, 2020 and the reappointment of Sylvia Weinstein to the PIFC Board, to serve a two (2) year term ending on December 31, 2019.

Mrs. Kingston reported that this year's START Peninsula Event, held November 3rd-5th, was very well-received by both participants and attendees. She said that Shawn Boyer, the founder of the Rosslyn-based online employment website Snagajob.com, was the Friday night keynote speaker. She stated that the first place winner of this year's competition was Madskills, a business that connects virtual military spouse talent with employers, and that Affordify, an online software platform that helps families explore the most affordable options for college, won second place. She stated that Muddy Marley's Dog Wash, a self-service and full-service dog spa business, won third place. Mrs. Kingston announced that next year, Newport News would again serve as the host city.

Mrs. Kingston noted that several Board Members were able to attend the 8th Annual Virginia Economic Summit in Williamsburg hosted by the Virginia Chamber of Commerce on December 1st. She said the theme was "Strengthening Virginia's Future" and included a focus on why businesses chose to stay in Virginia along with ways the state can continue to grow. She said that Kevin Murphy, President/CEO of Ferguson Enterprises was among the speakers and panelists. She stated that several important recurring themes were discussed during the course of the day, including the need to focus on site readiness, workforce development, the permitting process and entrepreneurial development. She also reported that the release of Blueprint Virginia, an economic development plan for the Commonwealth through 2025, was another key component of the Summit. Mrs. Kingston stated that a record turnout of over 900 participants from around Virginia were in attendance.

Mrs. Kingston reported that on Tuesday, January 9, 2018, the Virginia Department of Housing & Community Development would conduct a free workshop at the Slover Library in Downtown Norfolk on "How to Qualify & Apply" for state Enterprise Zone incentives. She noted that the Virginia Enterprise Zone Program was a state and local partnership and a critical tool in supporting business expansion and location in Newport News. She stated that the City boasts two of these zones, and continued to be among the top users in the state, consistently leveraging a significant share of grant dollars set aside to support growth of qualifying businesses. She said that all of the City's industrial and business parks are within these Zones, as well as a significant number of Newport News businesses. She reported

that registration for the seminar would be conducted online through the Virginia Department of Housing & Community Development's web site at www.dhcd.virginia.gov.

Mrs. Kingston announced that the Newport News Redevelopment and Housing Authority (NNRHA) and the City had successfully submitted their application for a Choice Neighborhood Initiative Implementation Grant. She said that through a great team effort by staff across a number of different City departments, the application was submitted on November 22nd, the day before Thanksgiving. She informed the Board that their support played a critical and important role in the development of the application and the creation of a holistic and comprehensive plan to improve the Marshall-Ridley Choice Neighborhood and the surrounding community. She gave a special thank you to Ms. Smith-Brown for providing a support letter for neighborhood and people leverage associated with the planned improvements to her McDonald's on Jefferson Avenue and her commitment to target residents of the Marshall-Ridley Choice Neighborhood as new hires. Mrs. Kingston stated she knew Ms. Rohlf would want to share her own thoughts about the application and our plan moving forward.

Mrs. Kingston informed the Board that the Monthly Financial Statements were in their packages, noting a few highlights and offering to answer questions. There were no questions.

Mrs. Kingston offered the City Manager an opportunity to comment. Ms. Rohlf commended all of the departments that were actively engaged in the Choice Neighborhood Initiative Implementation Grant application and gave special recognition to the Board for its support, along with Mrs. Kingston and her Development staff for their critical roles in assisting with the application. Ms. Rohlf said that the application was very competitive, and that the truly hard work was still to come as the City was committed to implementation of the improvements to the Marshall-Ridley Choice Neighborhood and surrounding community, whether or not the grant was awarded. Ms. Rohlf pointed out that the CNI project is just one piece of the many initiatives being planned and implemented across the City. She added that a plan was being developed for the Upper Warwick Boulevard Corridor. She stated that she and staff had started discussions with City Council on the City Manager's Proposed Capital Improvements Plan (CIP), and that within the first year, resources were programmed for a range of projects in Downtown, the Southeast Community, and northern Newport News. She said that adoption of the CIP would likely be in January, and that valuable discussions were taking place on education and parks and recreation, as well as development.

Ms. Rohlf reported that the Comprehensive Plan was also getting close to finalization and that staff would soon present the Plan to the Planning Commission and begin scheduling public hearings, with ultimate adoption by City Council.

Mr. Minter asked Ms. Rohlf when she expected an announcement from HUD on Choice Neighborhood Initiative Implementation Grant recipient awards. Ms. Rohlf stated that a response was expected by June 30th.

Mr. Minter asked if there were any additional questions for Mrs. Kingston or Ms. Rohlf, and there were none.

Mr. Minter asked for a Motion to approve the reappointment of Beth Moore and Joycelyn Spight to the PIFC Board, to serve a three (3) year term ending on December 31, 2020, and for the reappointment of Sylvia Weinstein to the PIFC Board, to serve a two (2) year term ending on December 31, 2019. Mr. Bell so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Assistant Secretary's Report

Mr. Minter 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. Minter advised the Board that the Madison Government Affairs Report was in written format and asked if there were any comments or questions.

At 8:52 a.m., Mr. Bell moved for the Authority to go into a closed meeting pursuant to VA Code Section §2.2-3711.A: Prospective Business (5) for the following purpose and subject: (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 unannounced prospective businesses interested in locating in the southern section of the City. Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

At 8:59 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Bell, 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. Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Committee Reports

Mr. Minter called for the Committee Reports. Ms. Aldrich presented the Design Review Committee Report, which passed unanimously on a roll call vote. Ms. Aldrich presented the Marketing Committee Report, which did not require Board ratification.

Approval of Minutes of the Regular Meeting of November 3, 2017

Mr. Minter asked for a motion that the Minutes of the Regular Meeting of November 3, 2017 be approved. Mr. Bell so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Special Meeting of November 29, 2017

Mr. Minter asked for a motion that the Minutes of the Special Meeting of November 29, 2017 be approved. Mr. Bell so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

Mr. Minter asked for any unfinished business. There was none.

New Business

Mr. Minter asked for any new business. There was none.

There being no further business to come before the Board, Mr. Minter adjourned the meeting at 9:07 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: December 8, 2017

The Design Review Committee met on November 16th. The Committee considered a request by ARCI Architects on behalf of CARS, LLC for approval of digital renderings of proposed entrance gate modifications at 741 Thimble Shoals Boulevard in Oyster Point of Newport News. Upon review, the Committee voted to recommend approval of the request, with one abstention, subject to all applicable City codes and regulations.

The Committee also considered a request by ARCI Architects on behalf of CARS, LLC for approval of digital renderings of proposed exterior building modifications at 741 Thimble Shoals Boulevard in Oyster Point of Newport News. Upon review, the Committee voted to recommend approval of the request, with one abstention, subject to all applicable City codes and regulations including conformance with the City's site plan approval process.

This Report requires Board ratification.

Mary C. Aldrich For
Jeffrey C. Verhoef *Jeffrey C. Verhoef*

JCV:mej

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Date, Time and Location: November 16, 2017, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jeffrey C. Verhoef, Mary C. Aldrich, Thomas Herbert, Robert Mann, Teresa Nettles, Bryan Trainum, Sylvia Weinstein, Elizabeth Willis

Members Absent: Alex Delgado



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: December 8, 2017

The Marketing Committee met on November 16th. Members were given an update on the Marketing Services RFP, and were pleased that an award is expected to be made by the end of the month.

Staff provided a summary of the recent START Peninsula event, as well as upcoming events, including Hollydazzle.

This report does not require Board ratification.


Mary Aldrich, Chair

MA:sdj

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Date, Time and Location: November 16, 2017, at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

Members Present: Mary Aldrich, Don Blankenship, Faye Gargiulo, Gary Minter

Members Absent: Wendy Drucker, Cassandra Greene, Gary Hunter