

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, April 6, 2018, 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
Jennifer Smith-Brown
Cynthia D. Rohlf, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Jeffrey Verhoef, Excused

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Kearston Milburn, Recording Secretary
Cherry Croushore, Assistant Secretary

Also present:

Laura Hayes, Vice President of Business Development, HREDA
Matthew James, President and CEO, Peninsula Council for Workforce Development
Collins Owens, City Attorney
David Staley, DWS Investments, LLC

Mr. Minter opened the meeting by welcoming everyone.

Quarterly Hampton Roads Economic Development Alliance Report

Mr. Minter called for the Quarterly Hampton Roads Economic Development Alliance Report.

Ms. Hayes greeted the Board and stated that through February there had been five visits from companies to the Hampton Roads market, and that staff and locality partners had conducted three Marketing Missions. She said that Mr. Miller participated in a Site Selection Community Consultant Mission in Texas, where he met with five site selectors – three of which are already involved in Hampton Roads projects. Ms. Hayes stated that in March she attended Anuga FoodTec 2018 in Cologne, Germany, a global trade show for the food processing industry, and participated in 20 meetings with food processing manufacturers, a major target sector for Hampton Roads.

Ms. Hayes informed the Board that a representative from the European office of the Virginia Economic Development Partnership (VEDP) would be visiting for two days in April to learn more about the Hampton Roads market to better promote our region in Europe, and that she was working with localities to set up meetings to showcase existing industries, sites and products. She noted that the Newport News EDA staff was kind enough to coordinate a tour of the Muhlbauer expansion.

Ms. Hayes stated that the IBM study undertaken by HREDA was reaching completion and should be ready for public distribution in the coming weeks. She noted that the four primary targets identified for HREDA focus were Transportation Technology, Software Development, Shared Services, and Maritime Logistics. She clarified that although these were the primary targets around which detailed business development strategies would be developed, the Alliance was dedicated to helping companies in all sectors.

Mr. Minter asked if there were any questions for Ms. Hayes. There were none and Mr. Minter thanked Ms. Hayes for her Report.

Quarterly Workforce Development Report

Mr. Minter called for the Quarterly Workforce Development Report. Mr. James stated that staff had been working with General Contractors to enhance the number of young adults entering various labor trades, and that recently Peninsula Council for Workforce Development (PCFWD) hosted an Annual Silent Auction with the associated General Contractors for those trades. He said that focus needs to be put on adding to the skill sets

of young adults, as well as talking with working adults about new career pathways. He explained that PCFWD continues to work to find solutions to bridge gaps between employers' needs and workers' qualifications.

Mr. James stated that the Youth Career Expo had a great turnout with over 2,000 high-school students in attendance. He distributed a flyer for the Career Technical Education Symposium being held on April 23rd and encouraged Board Members and staff to attend. Mr. James expressed his excitement that recently-passed legislation charges the Virginia Workforce Council to develop strategies, workforce development policies and funding for urban young adults who do not yet have the skill sets to obtain employment.

Mr. Minter asked if there were any questions for Mr. James. There were none and Mr. Minter thanked Mr. James for his Report.

Secretary/Treasurer's Report

Mrs. Kingston reported that on March 19th staff hosted the first Small Business Outreach Session at the Pearl Bailey Library. She said that the session was well-attended and had a diverse group of community members at various stages of starting a business, including established business owners, those who had recently started a business and those who had an idea they wanted to bring to fruition. She stated that there were productive conversations at individual and group levels, and that good feedback was received on ways to improve service delivery to small businesses. She said that she looked forward to hearing additional comments at the upcoming sessions and using the comments to create programming tailored to meet community needs. Mrs. Kingston reminded the Board that the next session would be on Monday, April 9th, at Fountain Plaza Two in the James Room, and the final session would be on Monday, April 16th, at the Denbigh Community Center, with both from 6:00 p.m. to 8:00 p.m.

Mrs. Kingston stated that staff collaborated with Fairlead Boatworks representatives and the Virginia Economic Development Partnership to plan and host a job fair on March 28th at the Downing-Gross Cultural Arts Center. She said all attendees had the opportunity to complete an employment application, received a Fairlead company overview and interviewed with a Fairlead representative. She stated that Fairlead conducted over 35 one-on-one interviews and was very pleased with the number and quality of candidates who attended the event. She said that as the company continues to expand, we looked forward to supporting its efforts in reaching employment goals.

Mrs. Kingston thanked those who were able to attend the Pearl Bailey mural unveiling on March 29th. She said that the event drew more than 100 attendees to the Southeast Community and that Mayor Price, Vice Mayor Vick, Councilwoman Cherry and artist Asa Jackson participated in the unveiling. She stated that Mayor Price recognized the EDA during his remarks. She also mentioned that Congressman Scott attended, and had an opportunity to visit with Asa during the children's unveiling at the Downing-Gross Cultural Arts Center later that day.

Mrs. Kingston stated that Tricia Wilson participated in an event recognizing National Small Business Development Center Day at the Hampton Roads Small Business Development Center on Butler Farm Road on March 21st. She stated that Ms. Wilson was on a Lenders Panel and had a resource table at the event, which focused on providing information related to government contracts, marketing and loans.

Mrs. Kingston informed the Board that she spoke at the Denbigh Warwick Business Association on March 22nd at the Denbigh Community Center with an excellent crowd present, and discussed Upper Warwick Corridor Property Strategy, Oakland Industrial Park Expansions and Rebranding, Joint Base Langley-Eustis, City-Wide Economic Development Initiatives and Small Business Outreach and Incentives Programs.

Mrs. Kingston also spoke at Councilwoman Scott's Town Hall Meeting on March 26th at the Denbigh Community Center. She stated that her presentation was similar to the Denbigh Warwick Business Association meeting, but also highlighted the recent Liebherr and Fairlead expansion announcements.

Mrs. Kingston reported that Carol Meredith would serve as a panelist and presenter at the 2nd Annual Women in Entrepreneurship Conference at the Virginia Tech Newport News Center on Thursday, April 26th. She explained that the one-day event would connect like-minded women entrepreneurs or aspiring women entrepreneurs to build business momentum and expand networks, and was being sponsored by the Virginia Tech Corporate Research Center, the Virginia Tech Pamplin College of Business and the Virginia Tech Hampton Roads Center in Newport News.

Mrs. Kingston said that one of Newport News' most important tools to support business growth in the City was the Virginia Enterprise Zone Program. She stated that Newport News' two Enterprise Zones were among the most utilized zones in the state and each year many Newport News businesses and property owners benefit from the program. She said that the application deadline for the state incentives for investments made and jobs created during 2017 was April 2nd. She advised that 21 applications had been received— 19 for the

state's Real Property Investment Grant and two for the state's Job Creation Grant. Mrs. Kingston reported that the 21 applications represented private capital investment of \$40.7 million, 167 new qualifying jobs and requests for \$2 million in state grant funds. She said that the state would review the applications and release grant funds to businesses and property owners in July.

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 stated that on March 27th her recommended Operating Budget was presented to City Council. She said that public meetings related to the Operating Budget would be held on April 10th and 12th.

Ms. Rohlf said that she was excited about the Denbigh Area Plan Kickoff and that a consultant had been selected. She stated that over the next several months staff would be gathering community input on what the community would like to see in the Denbigh area.

Ms. Rohlf advised that a majority of the funding issues for the Multimodal Train Station had been resolved, and she anticipated a Groundbreaking in the near future. She noted that staff was moving forward with early implementation projects related to the CNI grant and expected a May or June timeframe for an official notification of Awardees. Ms. Rohlf expressed her excitement to hear more about the Ferguson expansion project as details evolved, and reported that she had signed the Comprehensive Agreement for SCOT Relocation.

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

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. There were none.

At 8:25 a.m., Ms. Greene 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. Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

At 8:32 a.m., the EDA/IDA Board returned to open session following a certification motion by Ms. Greene, 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. Bell seconded the motion, which passed unanimously on a roll call vote.

Committee Reports

Mr. Minter called for the Committee Reports. Mr. Skinner presented the Design Review Committee Report, which passed unanimously on a roll call vote. Ms. Greene presented the Executive Committee Report, which passed unanimously on a roll call vote. Ms. Smith-Brown presented the Marketing Committee Report, which did not require Board ratification. Mr. Bell presented the Revolving Loan Fund Committee Report. Following Mr. Bell's presentation of the Revolving Loan Fund Committee Report, Chair Minter gave Mr. David Staley, Managing Member of DWS Investments, LLC, the opportunity to speak about his request for a waiver of FIG Program requirements and restrictions, which prohibit a FIG application to be made for improvements that are substantially complete, related to his FIG application for 818 Bluecrab Road, as described in the Revolving Loan Fund Committee Report. Mr. Staley commented that while he understood the guidelines, as he was working to transition between tenants at the property and receiving bids for the necessary work, he was not in a position to complete the FIG approval process. Chair Minter then asked staff to elaborate on the FIG process. Staff provided detail about the FIG application process, including review by the FIG Team and presentation to the Revolving Loan Fund Committee, with the Board having final approval authority. Staff also outlined typical timing of review and approval of FIG applications.

There was discussion among Board Members regarding the thoughts shared by members of the Revolving Loan Fund Committee, the nature of the FIG Program and its application process, and the circumstances of Mr. Staley related to his FIG application submission. Board Members also discussed the positive impact the FIG Program has had on Newport News and that because it is funded using tax dollars, it was necessary to have protocols and procedures in place. Mr. Minter emphasized that the EDA had a fiduciary responsibility to ensure that funds are appropriately spent.

Legal counsel provided clarification to Board Members on what ratification of the Revolving Loan Fund Committee Report meant, and that ratification of the Report would grant the waiver of the program requirements and restrictions under the FIG Program Guidelines related specifically to improvements in progress or completed prior to application, and enable the applicant, DWS Investments, to submit its FIG application for 818 Blue Crab Road for the FIG approval process. After the discussion and clarification from legal counsel, the Board unanimously voted on a roll call vote against ratification of the Revolving Loan Fund Committee Report.

Ms. Aldrich presented the South Newport News Committee Report, which did not require Board ratification.

Approval of Minutes of the Regular Meeting of March 2, 2018

Mr. Minter asked for a motion that the Minutes of the Regular Meeting of March 2, 2018 be approved. Ms. Greene so moved and Ms. Aldrich 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.

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There being no further business to come before the Board, Mr. Minter adjourned the meeting at 9:11 a.m.



Florence G. Kingston
Secretary/Treasurer

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ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: April 6, 2018

The Design Review Committee met on March 15th. The Committee considered a request by W.M. Jordan Development, LLC, on behalf of the City of Newport News, for approval of a site plan, building elevations, digital renderings and landscape plan for proposed new facilities to be located at the SCOT relocation site in Patrick Henry CommerCenter. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

This Report requires Board ratification.


Jeffrey C. Verhoef
4/6/18

JCV:mej

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Date, Time and Location: March 15, 2018, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jeffrey Verhoef, Jonathan Skinner, Carl Breiner, Thomas Herbert, Robert Mann, Teresa Nettles, Bryan Trainum, Sylvia Weinstein, Elizabeth Willis

Members Absent: Alonzo Bell, Jr.



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: April 6, 2018

The Executive Committee met on March 20th. The Committee was advised that the City's Purchasing Department, working with EDA staff, had recently issued a Request for Proposals (RFP) for tiered landscaping and maintenance services on multiple City-owned, multiple EDA-owned and one IDA-owned property(ies) throughout Oyster Point. As a result of the RFP and evaluation of responses, a contract was awarded to Landscape Maintenance Services of Hampton Roads, Inc., with the services and funding allocated between the City and EDA. The Committee authorized EDA funding, in an amount not to exceed \$83,000, which includes a small contingency, for EDA/IDA associated landscaping and maintenances services in Oyster Point specified in the contract with Landscape Maintenance Services of Hampton Roads, Inc. and the City.

The Committee also authorized a Parking Agreement by and between the EDA and Huntington Ingalls Incorporated, acting through its Newport News Shipbuilding Division, for the lease of 138 parking spaces Downtown, at a monthly rental rate of \$35 per space, for a one-year term, with two one-year renewals options, with the flexibility to add additional spaces as they become available and adjust the monthly rental rate consistent with lease rates established by the EDA for its overall parking system, subject to review and approval by EDA Legal Counsel. The referenced parking spaces are located in three EDA-owned and/or managed parking facilities including the RiverPark Tower Garage at 2601 West Avenue, and lots at 150 29th Street and 123 28th Street. The approved lease will result in additional parking revenues for the EDA of \$47,460 per year.

Executive Committee Chair's Report
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Committee Members received an update on planned staff outreach initiatives to conduct workshops and "office hours" in the community to provide additional opportunities for interaction with citizens, small business owners and home-based businesses to help shape service delivery that is responsive to community needs. The Board received a similar update earlier in today's meeting in the Secretary/Treasurer's Report.

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


Cassandra Greene

CG:clc

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Date, Time and Location: March 20, 2018, at 12:00 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cassandra Greene, Gary Minter, Jennifer Smith-Brown, Jeff Verhoef

Members Absent: None



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: April 6, 2018

The Marketing Committee met on March 27th. The Howell Creative team presented promotional efforts on the EDA website and social media in support of staff's recent small business outreach initiative. Members shared thoughts and suggestions for ways to offer additional resources and create value for existing and aspiring business owners.

Copies of the Hampton Roads Economic Development Alliance 2017 Annual Report were distributed, and staff highlighted the organization's new regional video.

Staff asked members to mark their calendars for the upcoming 2018 Kingsmill Championship LPGA tournament, where the EDA will serve as a sponsor.

This report does not require Board ratification.



Jennifer Smith-Brown

JSB:jwm

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Date, Time and Location: March 27, 2018, at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jennifer Smith-Brown, Cassandra Greene, Faye Gargiulo, Gary Hunter, Dan Powell

Members Absent: Mary Aldrich, Don Blankenship



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: April 6, 2018

The Revolving Loan Fund Committee met on March 28th. Staff updated the Committee on the Department of Development's current Small Business Initiative, which includes holding meetings in the community to garner information on what additional business assistance activities would be beneficial, and how the City can best support small business success. The Committee was apprised of the upcoming dates for the two additional meetings that are scheduled.

Additionally, staff provided an overview of the Newport News Electronic Commerce (e-Commerce) Grant Program. A brief presentation provided a refresher to the Committee on how the program operates and awards grant funding to assist small businesses with website development and related services.

Next, the Committee was advised of a Façade Improvement Grant (FIG) matter involving a FIG application from DWS Investments, LLC for 818 Bluecrab Road that was determined ineligible by staff based on the application being submitted after the project was substantially complete. Staff's determination was based on language included in the FIG Program Guidelines.


Mr. David Staley, Managing Member of DWS Investments, attended the Committee meeting to seek an appeal of staff's eligibility determination. He requested a waiver of program requirements and restrictions, which prohibit a FIG application for improvements that are substantially complete.

Revolving Loan Fund Committee Chair's Report
April 6, 2018
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Staff presented Committee members with FIG approval process details, and also provided them FIG Program Guidelines and Application forms. Staff then provided information and relevant dates, including those provided by the applicant, for consideration of the specific waiver of program requirements and restrictions to allow a FIG application for improvements that are substantially complete.

Staff's recommendation to the Committee was to not grant the requested waiver of the requirements and restrictions of the FIG Program Guidelines. There was considerable discussion amongst Committee members on the matter, and questions were asked of Mr. Staley. Mr. Staley presented information, acknowledged awareness of the program requirements and restrictions and appealed to the Committee to grant an exception to the FIG Program Guidelines to allow his application to be accepted and considered for a FIG. Additional discussion ensued, after which a roll call vote on the requested waiver was taken, with four (4) members voting to approve the waiver exception and three (3) members voting to deny the waiver exception.

This report requires Board ratification. Ratification of this report would grant the waiver of the program requirements and restrictions under the FIG Program Guidelines, related specifically to improvements in progress or completed prior to application, and enable the applicant, DWS Investments, to submit its FIG application for 818 Blue Crab Road for the FIG approval process, with the referenced limitation on improvements in progress or completed not applicable in considering this FIG application.



Alonzo R. Bell, Jr.

ARB:tfw

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Date, Time and Location: March 28, 2018, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo R. Bell, Jr., C. Gary Minter, Jonathan Skinner, Susan Harris, George B. Knight, John Lunsford, and Sharon D. Owens

Members Absent: None

Guests Present: David Staley and Virginia Staley, DWS Investments



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, South Newport News Committee
SUBJECT: Chair's Report
DATE: April 6, 2018

South Newport News Committee Members were offered the opportunity to participate in a tour of the Seafood Industrial Park on April 3rd. The tour was conducted by Doreen Kopacz, the City's Harbormaster, and was very informative and educational. The tour included a driving tour of the SIP, including a look at the recently completed West Bulkhead Mooring facility and the on-going Outer Harbor project, as well as the improvements being made at Fairlead Boatworks' site.

The tour also included several on-site visits. A particularly interesting component was touring Chesapeake Bay Packaging's state-of-the-art processing facility, and all left very hungry after seeing the fresh scallops being packaged that morning. Another interesting visit was to the B & C Seafood facility, where we learned that recent and much-needed building exterior improvements were partially funded with a Façade Improvement Grant. Inside, we met with the owner, who explained his operations and showed us the company's frozen seafood inventory available for sale to the public. We again left very hungry.

Everyone who participated in the tour thoroughly enjoyed the experience, and it was clear that the SIP is a valuable asset of the City, providing employment in the community. Anyone who has not yet had the opportunity, I highly recommend getting a first-hand look at the business activity occurring in this Southeast Newport News gem.

This report does not require Board ratification.


Mary Aldrich

MCA:mar

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Date, Time and Location: April 3, 2018, 8:30 a.m. at City Hall, 3rd Floor Development Conference Room

Members Present: Mary Aldrich, Troy Smith, Jr.

Members Absent: Cassandra Greene, Jonathan Skinner, Carl Burt, Richard Coleman