

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, May 4, 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  
Mary Aldrich  
Alonzo R. Bell, Jr.  
Jonathan Skinner  
Jennifer Smith-Brown  
Jeffrey Verhoef  
Cynthia D. Rohlf, City Manager, ex-officio  
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Cassandra P. Greene, Vice Chair, Excused

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Kearston Milburn, Recording Secretary  
Cherry Croushore, Assistant Secretary

Also present:

Paul Hirsch, Madison Government Affairs  
Jerri Wilson, Legislative Liaison, City Manager's Office  
Collins Owens, City Attorney  
Robert Pealo, Senior Assistant City Attorney

Mr. Minter opened the meeting by welcoming everyone.

Secretary/Treasurer's Report

Mrs. Kingston reported that the Covenants and Conditions associated with the Oyster Point Urban Core reserved to the EDA the right to re-subdivide EDA-owned parcels within City Center. She said to facilitate the Ferguson HQ3 expansion project in City Center, the undeveloped EDA-owned parcel at 11829 Canon Boulevard, more commonly referred to as Block 5, required re-subdivision. She stated that the Block 5 parcel was to be re-subdivided into four parcels, identified as Parcels A, B, C, and D, and it would be accomplished through a subdivision plat, hard copies of which were at Board Members' seats. She explained that Parcel A ( $\pm 2.303$  acres) would ultimately be conveyed to Ferguson for its HQ3 expansion, Parcel B ( $\pm 1.552$  acres) would be the location of the 4<sup>th</sup> public parking garage, Parcel C ( $\pm 0.342$  acres) would be the EDA-owned private roadway extension of Pearl Way and Parcel D ( $\pm 0.486$  acres) would be a purchase option parcel for Ferguson's future expansion and use. She stated that this subdivision was consistent with the terms of the EDA's approved Agreement of Purchase and Sale with Ferguson. Mrs. Kingston advised that she would be seeking a motion to authorize EDA approval of the subdivision plat to re-subdivide the EDA-owned parcel at 11829 Canon Boulevard in City Center at Oyster Point, to facilitate Ferguson's expansion in City Center and related public infrastructure improvements, subject to all necessary documents being reviewed and approved by EDA Legal Counsel and subject to any final adjustments through the City site and building plan review process.

Mrs. Kingston stated that the Comprehensive Agreement between the City and WM Jordan Development, LLC, for the SCOT Relocation PPEA had been fully executed. She said that under a Land Exchange Agreement that was part of the Comprehensive Agreement, an approximately 13.77-acre, IDA-owned parcel located at 12601 McManus Boulevard needed to be conveyed to the City in order to advance this important project of relocating SCOT facilities to the new site and opening up the current SCOT parcel for future use by Jefferson Lab and further development of the Tech Center Research Park adjacent to Jefferson Lab. Mrs. Kingston advised that she would be seeking a motion to authorize IDA conveyance of an approximately 13.77-acre, IDA-owned parcel located at 12601 McManus Boulevard to the City of Newport News, in support of the City's Comprehensive Agreement for relocation of the Newport News School Board Service Center for Operations & Transportation (SCOT) site, subject to all necessary documents being reviewed and approved by IDA Legal Counsel.

Mrs. Kingston reported that as a next step in the environmental remediation of the former Chase Packaging site, a proposal had been secured from Arcadis U.S., Inc., to assess the condition and contents of two, 10,000-gallon above-ground storage tanks (AST), perform a survey to determine the presence or absence of any underground storage tanks (UST) and remove any AST's or UST's from the site, along with associated wastes. She said that Arcadis would provide a summary report of its findings, which would assist in facilitating future steps in the remediation process. She stated that staff from both Development and Engineering had recommended acceptance of the Arcadis proposal, and costs associated with the work were reimbursable under the EDA's Virginia Brownfields Assistance Fund Grant. Mrs. Kingston advised that she would be seeking a motion to authorize EDA acceptance of Arcadis U.S., Inc.'s proposal to complete pre-demolition assessments and perform AST/UST removal at the former Chase Packaging site, and funding in an amount not to exceed \$102,000, which includes a small contingency, with such funding to be reimbursed under the Virginia Brownfields Assistance Fund Grant, subject to all necessary documents being reviewed and approved by EDA Legal Counsel.

Mrs. Kingston reported that seven census tracts in Newport News were included among Governor Northam's nomination of 212 Virginia Opportunity Zones to the U.S. Department of Treasury on April 19<sup>th</sup>. She informed the Board that a handout outlining the nominated census tracts, together with a corresponding map were at their places. Mrs. Kingston stated that she was excited to have the new revitalization tool resulting from the Federal Tax Cuts and Jobs Act of 2017, as the Opportunity Zones program was designed to drive long-term capital investment to low-income urban and rural communities.

Mrs. Kingston reminded Board Members that the EDA had contracted with Atria Planning, LLC to prepare a market and feasibility study in support of the City's Choice Neighborhoods Initiative (CNI). She noted that a presentation of the study's findings was presented to the Board at its July 2017 Board Meeting, and that copies of the final report from Atria Planning were at their places. She said that this study would be an important resource as CNI efforts continued to move forward.

Mrs. Kingston reported that Development staff had hosted three Small Business Outreach Sessions, one in each section of the City (Pearl Bailey Library, Fountain Plaza Two and the Denbigh Community Center). She stated that all of the sessions were 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 said that there were constructive conversations providing feedback on ways to improve service delivery to small businesses. Additionally, she noted that staff hosted three sessions on May 2<sup>nd</sup> for Google's

Get Your Business Online (GYBO) Small Business Week Livestream event. She said that the sessions, titled "Build a Local Search Presence" (meaning help people find you by getting your business on Google Search and Maps), were again held in each section of the City (Downtown Maritime Community Center, Main Street Library, and the Denbigh Community Center). She stated that these sessions were well-received by those who attended, and staff once again had the opportunity to interact on a one-on-one basis with individuals interested in advancing their small businesses.

Mrs. Kingston reminded Board Members that the annual EDA Business Appreciation Luncheon and Golf events were set to take place in June. She said that this year's Business Appreciation Luncheon would be held on Tuesday, June 5<sup>th</sup>, at the Newport News Marriott at City Center and that the gathering would begin at 11:00 a.m., with food service at 11:45 a.m. She pointed out that the Business Appreciation Golf Tournament would be held at Newport News Golf at Deer Run on Tuesday, June 19<sup>th</sup>, noting that registration and the driving range would open at 8:00 a.m., with a 9:00 a.m. shotgun start. She encouraged Board Members to attend both events.

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 announced the election of new council member David Jenkins. She noted that she had been in contact with him and was working with him to get him updated on issues and projects underway. Ms. Rohlf stated that she would like the opportunity to meet with each Board Member individually to discuss what Board Members feel are important issues, challenges, successes and opportunities for the City.

Ms. Rohlf stated that there were some important items on City Council's upcoming May 8<sup>th</sup> Agenda, including the appropriation of \$38 million for the SCOT relocation project, \$1 million towards CNI projects as a demonstration and commitment that the City is engaged and has the capacity to move forward and \$1.2 million for Downtown initiatives and improvements. Ms. Rohlf noted that the Budget was also on the Agenda for the next City Council meeting.

She commented that she anticipated the new schools superintendent being announced later that day. Ms. Rohlf reported that she had attended Jefferson Lab's 12 GeV Upgrade Celebration, and that when she announced that the City would soon be taking ownership of the SCOT property, the audience was very enthusiastic. Ms. Rohlf also highlighted the

upcoming HUD visit on May 22<sup>nd</sup> related to the City/NNRHA's CNI Implementation Grant shortlisting.

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

Mr. Minter asked for a motion to authorize EDA approval of the subdivision plat to re-subdivide the EDA-owned parcel at 11829 Canon Boulevard in City Center at Oyster Point, to facilitate Ferguson's expansion in City Center and related public infrastructure improvements, subject to all necessary documents being reviewed and approved by EDA Legal Counsel and subject to any final adjustments through the City site and building plan review process. Mr. Bell so moved and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

Mr. Minter asked for a motion to authorize IDA conveyance of an approximately 13.77-acre, IDA-owned parcel located at 12601 McManus Boulevard to the City of Newport News, in support of the City's Comprehensive Agreement for relocation of the Newport News School Board Service Center for Operations & Transportation (SCOT) site, subject to all necessary documents being reviewed and approved by IDA Legal Counsel. Mr. Bell so moved and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

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#### 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 called on Mr. Hirsch for the Madison Government Affairs Report. Mr. Hirsch stated that the FY2018 omnibus bill that passed in April added \$6 billion to housing, workforce and economic development programs. He said that the three departments

overseeing the key programs were Department of Housing and Urban Development (HUD), Department of Commerce (DOC) and the Department of Labor (DOL). He reported that under the FY2018 omnibus bill, HUD was funded at \$42.7 billion, which was a \$3.9 billion increase over FY2017. He said that the DOC was funded at \$11.1 billion, which was a \$1.9 billion increase over FY2017, and the DOL was funded at \$12.2 billion, which was a \$129 million increase over FY2017 levels.

Mr. Hirsch stated that the programs that would receive increases in funding included Community Development Block Grants (CDBG), the HOME Investment Partnership (HOME), the Economic Development Administration (EDA) and the Workforce Innovation and Opportunity Act (WIOA). He said that the omnibus funded CDBG at \$3.3 billion, an increase of \$300 million over FY2017 levels, HOME at \$1.36 billion, an increase of \$412 million over previous years' funding levels and EDA at \$301.5 million, a \$25.5 million increase over FY2017 levels.

Mr. Hirsch advised that Congressional appropriators were working on FY2019 spending levels, which must be set and passed by the end of the current fiscal year. He said that if legislators are unable to reach an agreement and pass a spending bill by September 30<sup>th</sup>, a continuing resolution would need to be passed to keep the government open.

He stated that Office of Management and Budget Director Mick Mulvaney and President Trump proposed a rescission package of spending cuts up to \$60 billion in the just agreed to FY2018 omnibus. Mr. Hirsch stated that Mr. Mulvaney claimed the proposal would be submitted to Congress after members return from recess and Mr. Mulvaney hoped for a vote on the House floor before July. Mr. Hirsch noted that former President Clinton was the last president to propose rescissions, asking to cut \$128 million across three separate requests. He said that the Reagan administration requested the most in presidential history, a total of 602 separate cutbacks totaling \$43 billion over eight years.

Mr. Hirsch advised that Lawmakers in both chambers had already indicated that they intend to make substantive changes to the Pentagon's FY2019 budget proposal in the annual defense policy legislation, including adding more ships and fighters to the Pentagon's budget request. He said that some partisan policy battles were clearly in the offing, as the House and Senate Armed Services panels began to assemble the annual National Defense Authorization Act (NDAA).

Mr. Hirsch stated that the House Armed Services Committee subpanel authorized three additional Navy ships, for a total of 13, as the panel sought to boost efforts to increase the fleet. He said that on top of the 10 ships requested in the Navy's FY2019 budget, the bill would authorize a new Ford-class aircraft carrier and two extra Littoral combat ships.

Mr. Hirsch said that the Military Personnel Subcommittee mark-up supported a 2.6 percent pay raise for troops in fiscal 2019, which is the largest in nine years, and that the number of active-duty troops would grow over 15,000, while National Guard and Reserve components would increase by 800.

He stated that on April 30<sup>th</sup>, the community came together and celebrated the 100<sup>th</sup> Anniversary of the founding of Fort Eustis. He said that the host for the evening event was the Peninsula Chamber of Commerce, with the celebration at the Marriott Hotel at City Center, and the speaker was General Stephen Townsend, Commanding General of TRADOC. He noted that Fort Eustis has had a consistent level of recapitalization over the last several years and for the upcoming year there were two fuel replacement projects, a major training facility for helicopter maintenance and logistics trainees and a 21<sup>st</sup> century dormitory.

Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement by and between the EDA and Liebherr-America, Inc.

Mrs. Kingston reminded the Board that Liebherr announced in March an expansion of its facility in the Copeland Industrial Park. She said that the expansion would be new development on Liebherr-owned Lots 3 and 4, which comprise approximately 28 acres, and that Liebherr planned to invest \$45 million to construct new facilities, which included a new headquarters and administrative building, a new production and workshop facility and a new warehouse and distribution building. She said that the expansion also included the creation of 25 jobs. Mrs. Kingston stated that because of the investment and job creation, Liebherr qualified for the Expansion/Relocation Cost Reduction (ERCR) Incentive available through the local Enterprise Zone program, and detailed the incentives which total an estimated value of \$992,745. She noted that clawbacks were included in the ERCR Agreement if Liebherr failed to maintain current employment of 490 jobs and/or failed to meet 75% of the capital investment target by the Performance Date. She stated that progress reports would be due annually.

Mr. Minter asked for a motion to authorize that certain Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement by and between the EDA and Liebherr-America, Inc., in connection with the planned expansion by Liebherr-America, Inc., which includes

investment of approximately \$45 million and the creation of 25 jobs, at its Facility in Copeland Industrial Park, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement by and between the EDA and Fairlead Boatworks, Inc.

Mrs. Kingston reminded the Board that Fairlead Boatworks, Inc. announced in March that it would be expanding and making improvements to its North Yard, located at 601 Jefferson Avenue in the Seafood Industrial Park. She noted that Fairlead leases this property from the City. She stated that the expansion would increase Fairlead's capacity to provide repair and fabrication services for government and commercial vessels, supporting the local maritime industry, and included an investment of \$5 million in real estate improvements, business personal property and new capital assets.

Mrs. Kingston noted that Fairlead would construct a new paint and fabrication facility at the North Yard, as well as a concrete fabrication platen, which would provide an outdoor work area for assembly and fabrication. She stated that Fairlead would also create an additional 25 new jobs which would be located at its North Yard and support other Fairlead operations. She said that because of its anticipated investment and job creation, Fairlead qualified for the Expansion/Relocation Cost Reduction (ERCR) Incentive available through the local Enterprise Zone program, and would receive the standard ERCR incentive, which will be delivered over 6 years as a series of semiannual grants equal to 50% of the net new taxes generated by the expansion.

Mr. Minter asked for a motion to authorize that certain Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement by and between the EDA and Fairlead Boatworks, Inc., in connection with the planned expansion by Fairlead Boatworks, Inc., which included investment of approximately \$5 million and the creation of 25 jobs, at 601 Jefferson Avenue in the Seafood Industrial Park, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Mr. Verhoef seconded the motion, which passed unanimously on a roll call vote.



### Committee Reports

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

### Resolution of Appreciation - Cary B. Epes

Mr. Minter advised the Board that the Resolution of Appreciation for Cary B. Epes was provided at their places and asked if there were any questions. There were no questions. Mr. Minter asked for a motion to adopt the Resolution of Appreciation for Cary B. Epes as presented. Mr. Bell so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

### Approval of Minutes of the Regular Meeting of April 6, 2018

Mr. Minter asked for a motion that the Minutes of the Regular Meeting of April 6, 2018 be approved. Mr. Bell so moved and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

### Citizen Comments on Matters Germane to the Business of the EDA/IDA

Mrs. Kingston informed the Board that she would like to discuss a procedure for citizen comment at Board meetings, and would bring the matter to Executive Committee for discussion.

### Unfinished Business

Mr. Minter asked for any unfinished business. Mrs. Kingston stated that she would be contacting Board Members regarding their participation in the visit on May 22<sup>nd</sup> by the Department of Housing and Urban Development Team as they finalize their awards of the Choice Neighborhoods Initiative Implementation Grant. She said the visit would include a tour and presentation, and that the City and its partners were making every effort to ensure a successful outcome.

Mrs. Kingston said that staff had sent to Board Members the Mayor's comments from the City Council meeting where the Mayor announced that Piggly Wiggly would be the new operator for the Brooks Crossing Grocery Store. She stated that staff was also working on a meet and greet event to introduce the new operator to the community.

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 9:00 a.m.



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Florence G. Kingston  
Secretary/Treasurer

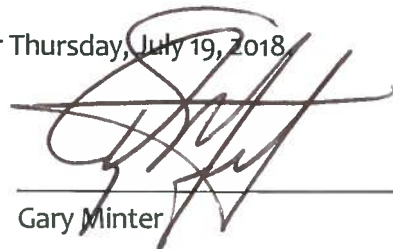


ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Conference Center Marketing Committee  
SUBJECT: Chair's Report  
DATE: May 4, 2018

The Conference Center Marketing Committee met on April 11<sup>th</sup>. Lori Coyne, Director of Sales and Marketing and Mark Butcher, General Manager, provided an overview of completed marketing efforts for the 1<sup>st</sup> quarter of 2018. The Committee reviewed group highlights, social catering, e-commerce and social media initiatives.

The next Committee meeting is scheduled for Thursday, July 19, 2018.



Gary Minter

GM:cum

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Date, Time and Location: April 11, 2018, at 8:00 a.m., Executive Board Room, Newport News Marriott at City Center

Members Present: Gary Minter, Cindy Brouillard, Mark Butcher, Elizabeth Parker

Members Absent: Eva Wiggins




ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Design Review Committee  
SUBJECT: Chair's Report  
DATE: May 4, 2018

The Design Review Committee met on April 19<sup>th</sup>. The Committee considered a request by Clark Nexsen, on behalf of Ferguson Enterprises, the contract purchaser of the property, for approval of a site plan, building elevations, digital renderings and landscape plan for a proposed new building to be located at 751 Lakefront Commons in City Center at Oyster Point. Upon review, the Committee voted to recommend approval of the request, on a majority vote with one abstention, and delegate final approval to Staff for any subsequent changes of a non-substantive nature, subject to all applicable City codes and regulations.

This Report requires Board ratification.

  
\_\_\_\_\_  
Jeffrey C. Verhoef

JCV:mej

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Date, Time and Location: April 19, 2018, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo R. Bell, Jr., Jonathan Skinner, Carl Breiner, Thomas Herbert, Robert Mann, Sylvia Weinstein

Members Absent: Jeffrey C. Verhoef, Teresa Nettles, Bryan Trainum, Elizabeth Willis



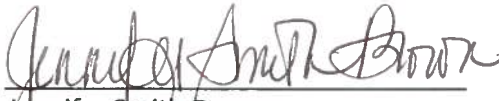
ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Marketing Committee  
SUBJECT: Chair's Report  
DATE: May 4, 2018

The Marketing Committee met on April 19<sup>th</sup>. Staff gave an overview of the recent Small Business "Office Hours" sessions held in each City Council district. In recognition of National Small Business Week, the EDA will host a Google Livestream workshop on May 2<sup>nd</sup> which will highlight how to attract local customers using Google.

Howell Creative Group gave a progress update on promotional enhancements for the 2017 EDA/IDA Annual Report. Inside Business's annual "Power Issue" (to be published May 7<sup>th</sup>) will feature a full-page ad highlighting the Annual Report and encouraging readers to visit online.

This report does not require Board ratification.

  
Jennifer Smith-Brown

JSB:sdj

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Date, Time and Location: April 19, 2018 at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

Members Present: Mary Aldrich, Don Blankenship, Faye Gargiulo, Dan Powell, Jennifer Smith-Brown

Members Absent: Cassandra Greene, Gary Hunter



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Revolving Loan Fund Committee  
SUBJECT: Chair's Report  
DATE: May 4, 2018

The Revolving Loan Fund Committee met on April 30<sup>th</sup>. Florence Kingston addressed the Committee concerning the outcome of the request for a waiver of the requirements and restrictions of the FIG Program Guidelines for DWS Investments, LLC. She stated that the EDA/IDA Board discussed the requested waiver as presented in the Revolving Loan Fund Committee's Chair's Report at its April 6<sup>th</sup> meeting. The Board unanimously voted not to ratify the Committee Report. She thanked the Committee for their hard work and dedication and assured them their Committee work was valuable.

Committee Members were provided financial statements through March 31, 2018 for the Newport News Capital Fund (NNCF).

Staff presented one Façade Improvement Grant (FIG) Program request:

- FIG request for \$6,975 from 321 Main Street LP for exterior painting, including prep, and hardscape improvements at 321 Main Street.

This FIG request was unanimously approved.

This report requires Board ratification.

  
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Alonzo R. Bell, Jr.

ARB:tfw

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Date, Time and Location: April 30, 2018, at 11:30 a.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