

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. Bell called the meeting to order at 8:00 a.m. on Friday, January 4, 2019, in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

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

Absent:

None

Legal Counsel:

Ray Suttle

Staff:

Kearston Milburn, Recording Secretary  
Cherry Croushore, Assistant Secretary

Also present:

Laura Hayes, Vice-President of Business Development, Hampton Roads Economic  
Development Alliance  
Bill Mann, President, Greater Peninsula Workforce Board

Mr. Bell opened the meeting by introducing visitors and welcoming everyone.

#### Quarterly Hampton Roads Economic Development Alliance Report

Mr. Bell called on Ms. Hayes for the Quarterly Hampton Roads Economic Development Alliance Report. Ms. Hayes stated that she was pleased to provide a summary of 2018 activities. She reported that there had been a total of 44 new prospect files opened in 2018, which was an increase of eight over 2017. She stated that 24 of the new prospect files were international and 16 were domestic. She explained that half of the prospects came from Virginia Economic Development Partnership and the other half from Hampton Roads Economic Development Alliance direct efforts. Ms. Hayes stated that of the prospect files, three were in the Aerospace and Aviation sector, six from the Corporate and Professional sector, eight from the Maritime and Logistics sector, 12 from the Food & Beverage Processing sector and 15 in the Advanced Manufacturing sector.

She said that there had been 58 prospect visits to Hampton Roads in 2018, which was an increase of 20 over 2017. Ms. Hayes pointed out that the majority of the visits were from site location consultants, who came to tour and learn more about the region. Ms. Hayes explained that site location consultants work with multiple companies who may be interested in expanding and that they expected these types of visits to increase in 2019.

Ms. Hayes was excited to report that on January 14<sup>th</sup> there would be an announcement regarding new team members joining the Hampton Roads Economic Development Alliance, including an interim CEO and a permanent Executive Vice-President.

Ms. Hayes answered several questions and Mr. Bell thanked her for her report.

#### Quarterly Workforce Development Report

Mr. Bell called on Mr. Mann for the Quarterly Workforce Development Report. Mr. Mann pointed out that during his last Quarterly Report he discussed Peninsula Council for Workforce Development's reorganization efforts, which included combining two divisions into one to better support the Greater Peninsula Workforce Board (GPWB). He also stated that he had previously reported about GPWB's state-wide rebranding efforts.

Mr. Mann advised that he had signed the sub-lease with regard to the collocation between the Development Marketing office and the Greater Peninsula Workforce Board. He stated that the sub-lease began in November 2018 and extends through 2028. He reported that renovations related to the collocation would begin in January.

Mr. Mann stated that the state-wide rebranding was completed in December 2018. He reported that the GPWB's Annual Meeting was held on September 27<sup>th</sup> at the Holiday Inn Newport News - City Center and that the event was very well-attended. He stated that their 2017 Annual Report was distributed at that meeting, and he was providing copies for Board Members as a component of his report today.

He reported that the highlight of the Annual Meeting was the signing of a Resolution by the Chairs of the Greater Peninsula Workforce Board and Hampton Roads Workforce Council, and that the purpose of the Resolution was to create the Southeastern Virginia Workforce Regional Collaborative. He said that under the Resolution both Boards would retain their independence and their responsibility for the delivery of workforce services within their respective areas. He pointed out that the Resolution recognizes that employers hire across jurisdictional and geographical boundaries and that by signing the Resolution, the Boards made a commitment to meet the needs of employers for skilled workforce through an integrated regional approach focused upon business engagement strategies that provide employers with a single point of contact. A copy of the Resolution was distributed to Board Members.

Mr. Mann stated that the Southeastern Virginia Workforce Regional Collaborative would be led by Mr. Steve Cook, Vice-President of Workforce Innovation at Hampton Roads Workforce Council. He noted that while the primary purpose of the Resolution was to better serve the employer community, it should also attract prospective board members and encourage private sector investments in workforce development services and programs.

Mr. Mann stated that he and Shawn Avery would be serving on the Steering Committee of the America Builds and Repairs Great Ships Initiative. He stated that the purpose of the Committee was to provide a forum to discuss issues and initiate solutions to address current and future regional shipbuilding & ship repair industry workforce challenges. He reported that he participated in a Launch Conference this past November to get the initiative started, and that the two Boards had earmarked \$150,000 to provide job training assistance for eligible workers interested in working for members of the America Builds and Repairs Great Ships Initiative.

Ms. Kingston stated that she and Mallory Butler attended the Launch Conference in November and that she was very excited about the Boards' collaboration.

Mr. Bell asked if there were any questions for Mr. Mann and there were none. Mr. Bell thanked Mr. Mann for his report.

Agreement by and between the Virginia Department of Housing and Community Development and the EDA Related to Approved Industrial Revitalization Fund Grant for 2506 Jefferson Avenue

Mrs. Kingston stated that staff continued to progress on the rehabilitation of 2506 Jefferson Avenue. She said that the building was being rehabilitated to create a coworking space to provide low-cost office space to small businesses, entrepreneurs and those transitioning from a home-based business, as well as a location from which to provide business assistance-related services. She stated that this was a City Critical Community Improvement identified in the Transformation Plan for the Marshall-Ridley Choice Neighborhood and was one of the City funding commitments in the Choice Neighborhood Initiative (CNI) proposal.

Mrs. Kingston shared that this project represents the full rehabilitation of the vacant structure, to include, necessary interior demolition and abatement, a new roof, new building systems, plumbing, an elevator for ADA accessibility, and site work on the adjacent parking lot and sidewalk supporting the property. She stated that over the past several months, she and staff had worked closely with James River Architects as they continued to refine the design and layout of the space.

Mrs. Kingston reminded Board Members that on December 3<sup>rd</sup> she hosted a community engagement session related to the coworking space. She stated that those in attendance were excited about the concept and their vision for the utilization of the space aligned with the work that had been done by James River Architects thus far. She and staff had been working with Department of Housing and Community Development staff on the agreement documenting the \$480,000 Industrial Revitalization Fund (IRF) grant. She said that the required matching funds for the IRF grant would be provided through Capital Improvement Plan (CIP) funds already appropriated by City Council, and noted that the grant would be used to support direct construction costs of the rehabilitation.

Mr. Bell asked for a Motion to authorize that certain Agreement by and between the Virginia Department of Housing and Community Development and the EDA, in connection with the EDA's approved \$480,000 Industrial Revitalization Fund Grant supporting the rehabilitation of 2506 Jefferson Avenue for the purpose of creating a coworking space in alignment with the Transformation Plan for the Marshall-Ridley Choice Neighborhood, subject to review and approval by EDA Legal Counsel. Mr. Minter so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Secretary/Treasurer's Report

Mrs. Kingston welcomed Mr. Bell as Chair and stated she was delighted to have him back in that capacity. She also welcomed Ms. Smith-Brown as Vice-Chair. Mrs. Kingston reported that staff and Howell Creative Group had been working to complete the EDA/IDA 2018 Annual Report. She stated that she looked forward to another comprehensive publication for City Council and planned to continue to use the Report as a marketing tool for use in strategic communications with partners and business prospects. She said that draft copies were previously provided for review and hard copies were at Board Members places. She advised that she would be seeking a Motion today for Board approval of the EDA/IDA 2018 Annual Report.

Mrs. Kingston stated she was excited to report that we are beginning the new year with several grant award opportunities. She said that on Friday, December 21<sup>st</sup>, she received notification from the Commonwealth's Department of Social Services (DSS) of its intent to award the City \$896,802.58 in response to our Virginia First Cities TANF Grant Application submitted in late November. She stated that the DSS intent to award letter requested a few items of additional information, which we submitted before the December 31<sup>st</sup> deadline. She said that she was hopeful that she would soon hear of a final award of the \$896,802.58. She explained that the TANF (Temporary Assistance for Needy Families Program) funding would be used to assist in providing employment and workforce readiness services to TANF-qualified individuals.

Mrs. Kingston said that in response to our recent application, the Virginia Brownfield Assistance Fund review committee recently advised that a competitive VBAF Remediation Grant in the amount of \$50,000 had been awarded to the EDA to support the redevelopment of the EDA's Kazis-Sherwood property on Warwick Boulevard. She stated that these VBAF funds would support remediation work at the property, principally the abatement of environmental contaminants identified in prior investigations of the site and that this grant award was great news for our redevelopment efforts in the Denbigh-Warwick Plan area.

Mrs. Kingston reported that on January 10<sup>th</sup>, the Virginia Department of Housing & Community Development would conduct a free workshop at 1:00 p.m. in the James Room of Fountain Plaza Two at 700 Town Center Drive in Newport News on "How to Qualify" for state Enterprise Zone incentives. She stated 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 said that the City boasts two of these zones and continues 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 stated that all of the City's

industrial and business parks were within these Zones, as well as a significant number of Newport News businesses. She advised that registration for the workshop was available online through the Virginia Department of Housing & Community Development's web site at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov).

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 wished the Board a Happy New Year and thanked them for their leadership and support. She stated that there were many ongoing projects requiring diligent work and that demonstrations of progress would continue to be seen throughout the City this year. She commended Mrs. Kingston and her staff for taking on many challenging tasks and for their great work and efforts.

Ms. Rohlf stated she received a report back from rating agencies confirming that the City's current bond rating would remain. She noted that she received very positive feedback from analysts during this process.

Mrs. Kingston and Ms. Rohlf responded to a number of questions and Mr. Bell thanked them for their report and comments.

Mr. Bell asked for a Motion to approve the EDA/IDA 2018 Annual Report. Ms. Smith-Brown so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

#### Assistant Secretary's Report

Mr. Bell 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. Bell 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 8:46 a.m., Mr. Skinner moved for the Authority to go into a closed meeting pursuant to VA Code Section §2.2-3711.A: Real Estate (3) and Prospective Business (5) 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 acquisition in the northern section of the City; and (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 an unannounced prospective business interested in locating in the central section of the City. Ms. Greene seconded the motion, which passed unanimously on a roll call record.

At 9:26 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Skinner, 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 record.

#### Actions Coming Out of Closed Session

Mrs. Kingston expressed her excitement for the opportunity to support the Denbigh-Warwick Area Plan by acquiring the former Kroger/K-Mart site on Oriana Road. She stated that the site was 13.4 acres, with an accepted offer price of \$2.9 million and a closing date in late-February. She noted that the total current assessment of the site was \$5,655,600.

Mr. Bell asked for a Motion to authorize that certain Purchase and Sale Agreement by and between the EDA and Kroger Limited Partnership I, an Ohio limited partnership, for the EDA's purchase of the former K-Mart site located at 401 and 413 Oriana Road, for the negotiated contract purchase price of \$2.9 million, subject to all necessary documentation being reviewed and approved by EDA Legal Counsel. Mr. Minter so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Mrs. Kingston announced that a prospective tenant, Prakaryu LLC t/a Vedeat Restaurant (Vedeat), wished to lease the 4,442-square-foot retail space in Fountain Plaza Two that was most recently occupied by Lunch Bell, Ltd. She stated that EDA staff had negotiated the terms of a sub-sublease with Vedeat which included a five-year initial term with two five-year

renewal options, a \$13.00 per-square-foot (psf) rental rate which would escalate 8% every renewal term and \$3.50 psf CAM charges which would escalate 2% annually. She noted that the sub-tenant would be responsible for maintenance and the first \$1,500 of repairs annually to HVAC units with an improvement allowance of \$4.00 psf in the form of rent abatement.

Mr. Bell asked for a Motion delegating authority to the Secretary/Treasurer of the EDA to conclude negotiations and finalize a sub-sublease with Prakaryu LLC t/a Vedeat Restaurant for 4,442 square feet of retail space in Fountain Plaza Two, subject to all documentation being reviewed and approved by EDA Legal Counsel. Mr. Minter so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

#### Committee Reports

Mr. Bell advised that there were no Committee Reports.

#### Board Appointments to Committees

Mr. Bell advised that the Board Appointments to Committees for 2019 had been provided to Board Members.

#### Approval of Minutes of the Regular Meeting of December 14, 2018

Mr. Bell asked for a motion that the Minutes of the Regular Meeting of December 14, 2018 be approved. Ms. Smith-Brown noted that the Minutes provided in the Board's package did not reflect certain comments she made at the December 14<sup>th</sup> Board meeting, addressed in Corrected Minutes provided for Board consideration.

#### Unfinished Business

Mr. Bell asked for any unfinished business. Mrs. Kingston stated that on January 2<sup>nd</sup>, a Newport News Now (NNN) article contained a summary of 2018 in Review, and that it highlighted some EDA accomplishments and contributions. A copy of the NNN article was provided to Board Members.

Ms. Greene asked when an update could be expected from Housing and Urban Development (HUD) regarding the CNI Grant Application. Mrs. Kingston advised that the current government shutdown includes HUD and hoped that a response would soon be forthcoming.



New Business

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

There being no further business to come before the Board, Mr. Bell adjourned the meeting at 9:45 a.m.



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Florence G. Kingston  
Secretary/Treasurer