

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, February 1, 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
Cynthia D. Rohlf, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Jeffrey Verhoef, Excused

Legal Counsel:

Ray Suttle
Conway Sheild

Staff:

Kearston Milburn, Recording Secretary
Cherry Croushore, Assistant Secretary

Also present:

Paul Hirsch, President, Madison Government Affairs
Collins Owens, City Attorney
Robert Pealo, Deputy City Attorney

Mr. Bell opened the meeting by welcoming everyone.

Secretary/Treasurer's Report

Mrs. Kingston stated she was excited to present the newly-published 2018 EDA/IDA Annual Report, noting that a copy was placed at their seats, and that we could all be proud of our Board's accomplishments. She thanked staff and partners at Howell Creative Group for their work in producing the Annual Report.

Mrs. Kingston reported that the START Core Team recently completed a 2018 Activity Report, a copy of which had been placed at their seats, and reminded Board Members that the Main Event Weekend Pitch competition was held in Newport News at the Applied Research Center in November. She said that approximately 240 people attended the Main Event, with 29 entrepreneurs pitching their ideas to a panel of judges. She reported that in addition to the three winners selected by our judges, keynote speaker Jason Calacanis invited five participants to attend his California-based incubator and network, which included \$100,000 in seed money for each participant. She stated that it was a very successful year, expanding offerings to year-round training, educational sessions and activities to support the entrepreneurial ecosystem, with help from an increase in private sector sponsorship. She said that she looked forward to continuing the momentum of START Peninsula into 2019.

Mrs. Kingston stated that the EDA had entered into a collaborative home-based business initiative partnership with other Peninsula localities and organizations. She explained that this initiative was designed to provide training, support and networking opportunities for the area's home-based business community. She stated that the two main components of the initiative were the annual Home-Based Business Resource Fair & Conference and periodic "Lunch & Learn" events throughout the year. She announced that the 2019 Conference would take place Friday, April 12th, at the Peninsula Workforce Development Center on Butler Farm Road, adjacent to the Thomas Nelson campus, noting that multiple "Lunch & Learns" will be hosted at Newport News locations. She commented that we were pleased to partner with our neighboring localities on this program and looked forward to being able to better assist Newport News' home-based businesses through this initiative.

Mrs. Kingston stated she was proud that Newport News would be the host site for the newly-established SCORE Branch. She explained that SCORE is a nonprofit dedicated to helping small businesses grow and achieve their goals through education and mentorship. She stated she looked forward to this partnership and was pleased to offer this resource to individuals interested in starting and growing a business. Mrs. Kingston advised that we will host a SCORE representative each Tuesday in our City Center office.

Mrs. Kingston said that she was pleased to report progress on the acquisition of the former K-Mart property at 401 and 413 Oriana Road from Kroger Limited Partnership I. She reported that the Purchase and Sale Agreement was fully executed and closing was expected on or before February 25th. She advised that staff was working with the City's Engineering Department to analyze the premises and prepare a bid for asbestos abatement and demolition. She reminded Board Members that the property consisted of two parcels, collectively approximately 13.3 acres, and the EDA was acquiring it for the negotiated contract purchase price of \$2.9 million. She stated that after the City's Denbigh-Warwick Area Plan was completed, the EDA would determine the next steps in developing and marketing the property.

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 she was pleased with the article published in the Daily Press newspaper on February 1st regarding the acquisition of the former K-Mart property. Ms. Rohlf stated that although a lot of focus had been centered on the revitalization of the Southeast Community, she felt it was important that people understand work was being completed in other parts of the City as well. She stated she was excited about the improvements happening in the community and the expressed interest in the Denbigh-Warwick Area Plan.

Ms. Rohlf reported that there had also been discussion regarding the general Hilton area, to help keep the area strong, and that she had met with consultants and designers to discuss ways to expand the area and incorporate more businesses and housing.

Ms. Rohlf stated that Board Members may have seen the Daily Press article regarding the Bayport Credit Union 25 Nights of Northern Lights, and that the article had received good commentary. She stated that she was already in the process of planning 2019's holiday events and looked forward to next year's theme.

Mr. Bell asked if there were any questions of Mrs. Kingston or Ms. Rohlf and there were none. Mr. Bell thanked them for their report and comments.

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 asked for the Madison Government Affairs Report. Mr. Hirsch noted that the country had recently experienced the longest government shutdown in history. He stated that the five-week shutdown ended on January 25th when President Trump signed a spending deal that extended current funding levels for nine federal departments through February 15th. Mr. Hirsch stated that President Trump had signed a measure creating the Conference Committee on Homeland Security spending. He said that the House and Senate quickly passed both measures to end the shutdown.

Mr. Hirsch stated that the Eustis Civic Leaders Association (ECLA) had begun its 2nd year with retired Army Major General David Whaley and Mike Kuhns (formerly the CEO of the Peninsula Chamber of Commerce), as Co-Chairs. He said that the ECLA had reached out to other Peninsula communities to participate. He pointed out that while Newport News was the recognized leader in the happenings with the Army and Navy on the Peninsula, it had come to the attention of the ECLA that a significant number of military members and their dependents live outside the City of Newport News, with James City County and York County being the two largest. He stated that Mr. Kuhns and General Whaley met with Fort Eustis representatives.

Mr. Hirsch reported that he would be serving as a member of the ECLA Board and had been asked by the Co-Chairs to reach out to the offices of Congressman Scott, Congressman Wittman and Congresswoman Luria to acquaint them with the ECLA. He noted that while Congressmen Scott and Wittman and their staffs were familiar with Fort Eustis, the ECLA hopes to get Congresswoman Luria to the installation to familiarize her with Fort Eustis. He stated Congresswoman Luria had been appointed as a member of the Armed Services Committee, as well as the Veterans Affairs Committee.

Mr. Hirsch stated that over the last decade a significant investment had been made by the Army & the Department of Defense (DoD) in the infrastructure at Fort Eustis through the military construction program, as well as the renovation/repair accounts. He stated that for the last decade, \$468 million had been invested in new construction projects, and in the last five fiscal years (FY 14-18) \$123 million in repair and renovation to major facilities and horizontal infrastructure had been accomplished.

Mr. Bell asked Mr. Hirsch if the government shutdown would affect Fort Eustis. Mr. Hirsch did not believe that it would. Mr. Bell asked if there were any other questions of Mr. Hirsch and there were none. Mr. Bell thanked him for his report.

At 8:24 a.m., Mr. Skinner 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 central section of the City. Ms. Greene seconded the motion, which passed unanimously on a roll call record.

At 8:32 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. Ms. Greene seconded the motion, which passed unanimously on a roll call record.

Action Coming Out of Closed Session

Mr. Bell stated there were no actions coming out of Closed Session.

Lease, to Include Parking Rights & Administration Agreement for Phase Four Parking Garage By and Between the EDA and City

Mr. Bell called for the Lease, to Include Parking Rights & Administration Agreement for Phase Four Parking Garage By and Between the EDA and City. Mrs. Kingston reported that the EDA owned the approximately 1.555-acre parcel located at 11829 Canon Boulevard, which would be used for the Phase Four Parking Garage. She stated that tax-exempt City bond funds would be used to pay for construction of the garage, and that the City would own the garage until such time that the bond debt had been satisfied. She said that the Lease allows the City to own the garage on EDA property and the associated Parking Rights and Administration Agreement grants the EDA the ability to facilitate construction of the garage, operate and maintain the garage and control parking rights to the garage, all on behalf of the City and with fiscal support from the City.

Mrs. Kingston stated that City Council took action to authorize the Lease including the Agreement at its January 22nd meeting. She said that all documents had been reviewed and approved by both EDA Counsel and the City Attorney's office.

Mrs. Kingston recommended Board approval. Mr. Bell asked for a motion to authorize execution of a Deed of Lease, to include Parking Rights and Administration Agreement, for Phase Four Parking Garage By and Between the EDA and the City of Newport News, for 1.555 acres of land located at 11829 Canon Boulevard, 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 called for the Committee Reports. Ms. Greene presented the Executive Committee Report, which did not require Board ratification. 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. Mr. Skinner presented the South Newport News Committee Report, which did not require Board ratification.

FY 2020 EDA/IDA Budget

Mr. Bell advised the Board that they had each been provided copies of the FY 2020 EDA/IDA Budget in their Agenda packages. Mrs. Kingston walked through the Budget's line items, highlighting pertinent details and answering any questions. She advised that the Executive Committee recommended approval of the FY 2020 EDA/IDA Budget as presented.

Mr. Bell asked for a motion to approve the FY 2020 EDA/IDA Budget as presented. Ms. Greene so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Citizen Appointments to Committees

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

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

Mr. Bell asked for a motion that the Corrected Minutes of the Regular Meeting of December 14, 2018 be approved. Mr. Minter so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of January 4, 2019

Mr. Bell asked for a motion that the Minutes of the Regular Meeting of January 4, 2019 be approved. Ms. Smith-Brown so moved and Mr. Minter seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

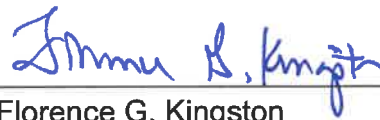
Mr. Bell asked for any unfinished business. Mrs. Kingston reported that as Board Members had requested, she and staff had compiled a list of regional organizations for their information and use. She stated that staff had distributed the list of 33 regional organizations, with a brief description and website for each. She stated that she hoped the list would serve as a quick reference and provide value in helping to understand the roles of these groups within the region. Board Members were pleased to receive the information and noted that it appeared well-done and comprehensive. Mrs. Kingston advised that a hyperlink would be placed on the EDA website for quick reference to the regional list. Mrs. Kingston answered questions and Mr. Bell thanked her.

Mr. Skinner stated he was pleased to report that the Greater Peninsula Workforce Board (GPWB) was featured in the Virginian-Pilot for their great work with the new Veterans Career Compass portal, which he stated was an online career site that would help connect veterans seeking jobs with employers seeking workers. He stated that the portal could be found at HRVetswork.org.

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.



Florence G. Kingston
Secretary/Treasurer



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: February 1, 2019

The Executive Committee met on January 18th. The Committee received a presentation on the EDA/IDA FY 2020 Budget, which the Board will receive later in today's Agenda. Based on the presentation received, the Executive Committee is recommending approval of the Budget. Formal action on the Budget by the Board, however, will follow presentation of the Budget to the Board, rather than take the form of ratification of this item in the Executive Committee Report.

The Committee's remaining items were handled in Closed Session. This report does not require Board ratification.



Cassandra Greene

CG:clc

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Date, Time and Location: January 18, 2019, at 8:30 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cassandra Greene, Gary Minter, Jennifer Smith-Brown, Jeff Verhoef (Also Present: Alonzo Bell)

Members Absent: None



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: February 1, 2019

The Marketing Committee met on January 17th. Howell Creative Group provided the Committee with website and social media updates, as well as a sample of the newly-published Starting a Business “quick reference guide”.

The Committee was advised that the City Manager has initiated a Cross-Departmental Communications Group which will meet monthly. The Group’s mission is to strengthen and grow the City’s brand. Development staff members who serve on the new team will keep the Marketing Committee apprised of the new team’s efforts.

Staff gave a preview of the 2018 EDA/IDA Annual Report, to be published in February, and highlighted upcoming events.

This Report does not require Board ratification.



Jennifer Smith-Brown

JSB:mb

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Date, Time and Location: January 17, 2019 at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

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

Members Absent: Mary Aldrich



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, South Newport News Committee
SUBJECT: Chair's Report
DATE: February 1, 2019

The South Newport News Committee met on January 8th. The Committee was provided an informative presentation by EDA staff, Derek Perry and Marc Rodgers, on the proposed Coworking Space at 2506 Jefferson Avenue. The Committee was advised of the plans to develop the existing deteriorating building into collaborative, flexible office space for entrepreneurs, as well as start-up and existing businesses. Committee Members viewed pictures of the building's current, derelict conditions, the various concepts that inspired the layout for the space, as well as the planned design for the Coworking Space. The Committee was thoroughly impressed with the plans for the proposed Coworking Space and asked insightful questions that will help inform development of the operational plan for the space. All in attendance agreed that this space will serve as a valuable asset for the Choice Neighborhood community and the region.

The Committee also received staff updates on ongoing Downtown, Southeast Community, Newport News Redevelopment and Housing Authority and Choice Neighborhood Initiative projects.

This Report does not require Board ratification.


Mary Aldrich

MA:mar

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Date, Time and Location: January 8, 2019, 4:00 p.m. at City Hall, 3rd Floor Development Conference Room

Members Present: Jonathan Skinner, Carl Burt, Richard Coleman, Troy Smith, Jr.

Members Absent: Mary Aldrich, Cassandra Greene



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: February 1, 2019

The Revolving Loan Fund Committee met on January 23rd.

Committee members were provided financial statements and the loan compliance status report for the Newport News Capital Fund (NNCF). Staff presented a Façade Improvement Grant (FIG) Program request:

- FIG request for \$14,535 from Staib Family Real Estate, LLC for Canopy/Awning, Exterior Painting, including prep and paving at 11122 Jefferson Avenue.

This FIG request was unanimously approved.

Staff provided the Committee with a resolution to approve the Annual Plan Certification for the NNCF for the period ending December 31, 2018, which was unanimously approved.

The Committee also unanimously approved authorization for submission of an updated NNCF Administrative Plan to the US EDA, to be submitted by Florence Kingston, Director of the City's Department of Development and Secretary/Treasurer of the IDA.

This Report requires Board ratification, which includes approval of the attached Resolution.



Alonzo R. Bell, Jr.

ARB:tfw

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Date, Time and Location: January 23, 2019, at 12:30 p.m. at 702 Town Center Drive, Newport News, VA

Members Present: Alonzo R. Bell, Jr., C. Gary Minter, Jonathan Skinner, George B. Knight, John Lunsford

Members Absent: Susan Harris, Sharon D. Owens

RESOLUTION NO. 19-1

**A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF NEWPORT NEWS, VIRGINIA
APPROVING AN ANNUAL PLAN CERTIFICATION FOR
THE NEWPORT NEWS CAPITAL FUND**

WHEREAS, the Newport News Capital Fund (NNCF) was originally capitalized with funds from the Economic Development Administration (EDA), United States Department of Commerce, for the purpose of making economic development loans within the City of Newport News, Virginia, and as such carries certain program requirements; and

WHEREAS, the City of Newport News (City) is Grantee for the EDA funding and the Industrial Development Authority of the City of Newport News (IDA) serves as Sub-Grantee; and


WHEREAS, the IDA administers said NNCF program on behalf of the City; and

WHEREAS, one of the EDA program requirements is an annual certification that all loan activity for the preceding year is consistent with the area's comprehensive economic development strategy (CEDs) and the NNCF administrative plan (NNCF Plan).


NOW, THEREFORE, BE IT RESOLVED by the Industrial Development Authority of the City of Newport News, Virginia that for the twelve-month period ending December 31, 2018, the following is true:

1. The NNCF Plan is consistent with and supportive of the current comprehensive economic development strategy (CEDs) for the City of Newport News, Virginia.
2. The NNCF is being operated in accordance with the policies and procedures contained in the NNCF Plan and the loan portfolio meets the standards contained therein.

**PASSED BY THE DIRECTORS OF THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF NEWPORT NEWS, VIRGINIA, ON
February 1, 2019**



Alonzo R. Bell, Jr., Chair
Industrial Development Authority of
the City of Newport News, Virginia



Florence G. Kingston, Sec./Treasurer
Industrial Development Authority of
the City of Newport News, Virginia