

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 10, 2020, 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 C. Aldrich  
Cassandra P. Greene  
Howard H. Hoege, III  
Jonathan P. Skinner  
Cynthia D. Rohlf, City Manager, ex-officio  
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Jeffrey Verhoef, Excused

Legal Counsel:

Raymond H. Suttle, Jr.  
Conway Sheild

Staff:

Joy Robison, Acting Recording Secretary  
Cherry Croushore, Assistant Secretary

Also present:

Doug Smith, President and CEO, Hampton Roads Economic Development Alliance  
William "Bill" Mann, Executive Director, Greater Peninsula Workforce Board  
Kristen Jones, Partner, Brown, Edwards & Company, L.L.P.  
Katie Babb, Senior Associate, Brown, Edwards & Company, L.L.P.  
Mark Butcher, General Manager, Newport News Marriott  
Brandon Johnson, Director of Sales and Marketing, Newport News Marriott

Also present (continued):

Collins Owens, City Attorney  
Robert Pealo, Deputy City Attorney

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

Quarterly Hampton Roads Economic Development Alliance Report

Mr. Bell called on Mr. Smith for the Quarterly Hampton Roads Economic Development Alliance Report. Mr. Smith introduced himself and stated that it was a pleasure to be with the Board to update them on the recent activity of the Alliance. He explained that although this was his first Board Meeting reporting as President and CEO of the Alliance, he had spent over 25 years working in various roles both in economic development and City management in Hampton Roads, and that he knew several Newport News staff and Board Members. He noted that the Alliance had recently opened a new office in Tech Center.

Mr. Smith outlined some of the initiatives that the Alliance had recently accomplished, including the raising of \$1.7 million from private sector donors, the most money the Alliance had ever raised from the business community, demonstrating a meaningful and strong commitment. He said that the Alliance had nearly reached its newly-stated goal to be a \$4 million organization, having raised just under \$4 million from a total of 75 investors.

Mr. Smith stated another initiative was to dispel the paradigm that Hampton Roads municipalities do not collaborate, and to reinforce the reality that economic development happens along regional boundaries, emphasizing that the whole region has to be successful for its individual municipalities to be successful. He added that he had recently hired Alisa Crider, formerly with Hampton Roads Transit, as Director of Investor Relations.

Mr. Smith described significant changes in the Alliance's governance, stating that at one point the board had consisted of 70 people, making it inefficient and unmanageable. He said that now, as part of a Memorandum of Understanding (MOU) entered into with each of the 11 localities, each locality had committed to financial support and to serve significant roles within the Alliance. He said the MOU outlined a board of 13 people, seven from the private sector and six from the public sector, to include the five major City mayors and one rotating mayor among the smaller localities.

Mr. Smith stated that the Alliance was in the process of developing a new, robust marketing, communications and social media plan. He stated that the Alliance was also focusing for the first time on economic growth from the region's existing businesses, and that Amy Jordan was leading business expansion efforts in conjunction with each locality. He added that another recent hire, Steven Harrison from Virginia Beach, would lead business intelligence, and explained that data was of vital importance. He said that Mr. Harrison would conduct bi-monthly research roundtables to engage both public and private sector participants.

Mr. Smith distributed a handout showing the Alliance's 2020 Committees structure which included the target market areas of Business & Shared Services, Information Technology, Advanced Manufacturing, Food & Beverage Processing and Distribution & Logistics. He urged Board Members to refer good public and private sector candidates for committee service to enhance committee composition diversity and expertise. He also reminded the Board of the Alliance's Annual Meeting to be held on January 30<sup>th</sup> at the Newport News Marriott and said he hoped to see them there.

Mrs. Kingston said she would be watching closely the progress of the Community Economic Development Strategy (CEDs) Committee and said she was pleased that the Alliance would be working with HRPDC on that initiative.

Mr. Bell asked if there were any questions for Mr. Smith. There were none.

#### Quarterly Workforce Development Report

Mr. Bell called on Mr. Mann for the Quarterly Workforce Development Report. Mr. Mann wished everyone a happy New Year and said it was a pleasure to provide an update on the ongoing regional collaboration initiated during the last calendar year between the Greater Peninsula Workforce Board and the Hampton Roads Workforce Council.

Mr. Mann reminded the Board that he had previously reported in October on the success of the first ever Joint Annual Meeting convened by the two local Boards, and noted that the two Boards had jointly undertaken and accomplished a number of activities and projects during the calendar year. He said that these included establishing the Hampton Roads Coalition for Talent Development through a \$100,000 Go Virginia Grant, forming a Joint Business Services Team that assisted over 4,000 employers and provided a single point of contact for the region's economic development agencies, implementing a joint fundraising initiative that resulted in over \$250,000 in new private resources, conducting joint Communications Committee meetings and engaging Chmura Economics and Analytics to produce a Joint

Economic Impact Report which concluded that during FY 19, the benefit-to-cost ratio of all of the programs and services provided was 4.3 times the public cost required to deliver those services.

Mr. Mann said that the Boards have started a process to hire a jointly funded Development Director who would be tasked with preparing internal grant proposals and may also provide a similar service for other non-profit entities on a "fee for service" basis. Mr. Mann stated that a dialogue had begun between the Boards' leadership on the merits of moving beyond the existing partnership to a realignment of the two workforce Boards into a single new organizational structure that could address workforce development issues across the region's 15 localities. He said that the idea had been met with broad support.

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

#### Newport News Marriott at City Center

Mr. Bell asked for the Conference Center Marketing 2018 Expense Review. Ms. Jones stated that she and Ms. Babb were from the Newport News office of Brown, Edwards & Company, and were pleased to present their report to the Board. She stated that they performed an Agreed-Upon Procedures engagement, the purpose of which was to evaluate the marketing transactions of Oyster Point Hotel Associates (OPHA) for the Marriott Conference Center for the year ending December 31, 2018 according to the Joint Marketing Agreement between the EDA, OPHA and the City.

She stated that \$300,000 in expenses were charged under the Joint Marketing Agreement during the calendar year ended December 31, 2018. She said that they reviewed supporting documentation for approximately 96% of that total and upon review agreed that the expenses were for the qualified marketing expenses under the Joint Marketing Agreement, and that no exceptions were noted. She stated that all of these procedures were detailed in their report, which included a schedule of the \$300,000 spent under the Joint Marketing Agreement and those items that were tested in each category, and that no exceptions were found and there were no findings to report.

Mr. Bell asked if there were any questions for Ms. Jones, and there were none.

Mr. Bell asked for the Conference Center 2018 Activity Review. Mr. Butcher reminded Board Members that the Newport News Marriott at City Center was the only full-service Marriott on the Peninsula and that the Conference Center hosted corporate and civic events,

reunions and weddings, as well as both public and private functions. He stated that the facility contributed over 180 jobs and that employees have had a sustainable impact on the community by focusing on the environment, social engagement and contributing to the economy through the purchase of local goods and services.

Mr. Butcher told the Board that Conference Center guest satisfaction ranked in the top 10% of all Marriott Hotels worldwide, and that due to their focus on customer service, guests return time and again. He stated that though the industry as a whole had experienced slight weakness in taxable revenue growth through last year, weddings, social events and reunions had remained strong in the summer months at the Conference Center and had resulted in excellent ratings on social media and wedding review sites. He said that both the Hotel and Conference Center had benefited from strong activity in the sports market from local universities and other Peninsula sports facilities, spill-over from large events in the region, and corporate meetings and events by local companies. Mr. Butcher said he was also grateful for partners such as Cinemark Theaters, Ferguson Center for Performing Arts, Tradition Brewing and Ironclad Distillery, which helped drive many events and room nights. He said that Holiday Inn at City Center was also a valuable partner, assisting with accommodations for overflow business resulting from large group events.

Mr. Butcher said that City Center retail tenants had also benefited from the groups that use the Hotel and Conference Center, and that hotel staff actively refer guests to nearby restaurants and shops and provide calendars of City Center events. He said that they were excited about the large number of new employees that would soon be working at the Ferguson Headquarters 3 building. He concluded his remarks by saying that he was proud of the Conference Center's record of providing excellent customer experiences, increasing revenues, being a corporate partner with the community and collaborating with local businesses and civic groups.

Mr. Bell thanked Mr. Butcher and asked if there were any questions. There were none.

#### Secretary/Treasurer's Report

Mrs. Kingston wished everyone a Happy New Year and said she was confident that 2020 would bring another successful year for the work the EDA/IDA does for the citizens of Newport News.

Mrs. Kingston welcomed Howard Hoege to his new, official service on the Board and said she looked forward to his input and the value she was confident he would bring.

Mrs. Kingston stated that staff and Howell Creative Group had been working to complete the EDA/IDA 2019 Annual Report, she looked forward to another comprehensive publication for City Council and that we plan to continue to use the Report as a marketing tool for use in strategic communications with partners and prospects. She noted that Board Members were previously provided draft copies for review and had hard copies at their places, and that in preparation for printing and delivery to City Council no later than its first February meeting she would be seeking a Motion to approve the Annual Report as presented at the conclusion of her report.

Mrs. Kingston said she was pleased to report that the EDA/IDA 2018 Annual Report had won an American Graphic Design Award, and that this was the second year in a row that the Report had received the award – the 2017 Report having also been recognized. She stated she believed the 2019 Report would make it three in a row!

Mrs. Kingston reminded the Board that the IDA owned and was responsible for maintaining a rail spur in Oakland Industrial Park that encompasses approximately 3,600 feet of track. She said that the most recent inspection was conducted November 4, 2019 by Cranemasters and IDA staff and it had identified multiple issues that needed to be addressed, including the replacement of 118 rail ties of different sizes and the repair of approximately two rail lengths of reverser elevation. She advised that Cranemasters had submitted a proposal of \$57,199.42 to the IDA to perform repairs necessary to keep the Oakland Rail Spur in compliance with CSX and Federal Rail Administration standards, and that today she was seeking a Motion to authorize acceptance and funding of Cranemasters' proposal to perform maintenance on the IDA's rail spur in Oakland Industrial Park in an amount not to exceed \$62,920, which included a small contingency, subject to all necessary documents being reviewed and approved by IDA Legal Counsel.

Mrs. Kingston concluded her report by noting that the final FY 2019 EDA/IDA Audit had been provided to Board Members electronically, and that hard copies were available.

Mrs. Kingston informed the Board that the Monthly Financial Statements were in their packages, noting a few highlights.

Mrs. Kingston offered the City Manager an opportunity to comment. Ms. Rohlf said that she knew Board Members had been informed that Jefferson Lab had not been successful in being selected as the host site for the new Electron Ion Collider project from the Department of Energy (DOE), although it would play a large support role in moving the science forward at the new facility in Brookhaven. She stated there was no question that everyone was deeply disappointed and that everyone had worked extremely hard over the last several

years. She said that it was important to remember that there had already been a tremendous investment by DOE in Jefferson Lab, and that the Lab's cooperation with the City and commitment to the school system were already success stories in Newport News and would continue to be so. Ms. Rohlf said that Jefferson Lab would continue to be a significant part of the City's future development.

Ms. Rohlf said that at City Council's first 2020 Work Session on January 14<sup>th</sup>, staff would provide an overview to City Council of a long list of projects in process Citywide. She said that when she, Department Directors and staff met to identify projects, they were amazed at the large volume of projects currently underway or getting ready to start – from the former Kmart building which would soon be demolished, to the CNI initiatives in the Southeast Community, to improvements in the Hilton neighborhood, and plans of potentially turning the government ditch into a trail, as a few examples. She said that this overview would kick off the new year with the City in an excellent position.

Mrs. Kingston and Ms. Rohlf answered several questions, and Mr. Bell thanked them for their reports and comments.

Mr. Bell said that all Board Members had been provided an advance copy of the draft Annual Report for review and asked for a Motion to approve the EDA/IDA 2019 Annual Report as presented. Ms. Greene so moved and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

Mr. Bell asked for a Motion to authorize acceptance and funding of Cranemasters' proposal to perform maintenance on the IDA's rail spur in Oakland Industrial Park in an amount not to exceed \$62,920, which included a small contingency, subject to all necessary documents being reviewed and approved by IDA Legal Counsel. Ms. Greene so moved and Ms. Smith-Brown 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 9:00 a.m., Mr. Hoege 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 an unannounced expansion of an existing business interested in locating in the central section of the City. Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

At 9:14 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Hoege, 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. Skinner seconded the motion, which passed unanimously on a roll call vote.

#### Committee Reports

Mr. Bell called for the Committee Reports. Ms. Greene presented the Revolving Loan Fund Committee Report, which passed unanimously on a roll call vote.

#### Draft Resolution of Appreciation – C. Gary Minter

Mr. Bell asked for a Motion to approve the Draft Resolution of Appreciation for C. Gary Minter, which had been provided in their Board Agenda packages and was also placed at their seats, as presented. Ms. Greene so moved and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

#### Board Appointments to Committees

Mr. Bell advised that the Board Appointments to Committees for 2020 had been provided to Board Members.

#### Approval of Minutes of the Regular Meeting of December 13, 2019

Mr. Bell asked for a motion that the Minutes of the Regular Meeting of December 13, 2019 be approved. Ms. Greene so moved and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.



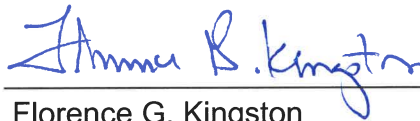
Unfinished Business

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

New Business

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

Mr. Bell then adjourned the meeting at 9:18 a.m.



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Florence G. Kingston  
Secretary/Treasurer



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Revolving Loan Fund Committee  
SUBJECT: Chair's Report  
DATE: January 10, 2020

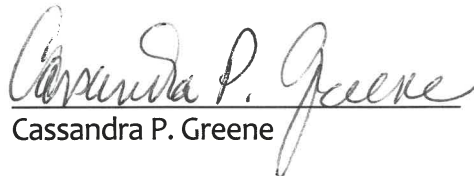
The Revolving Loan Fund Committee met on January 7<sup>th</sup>.

Committee members were provided financial statements for the Newport News Capital Fund (NNCF) as of December 31, 2019. Staff presented a Façade Improvement Grant (FIG) Program request:

- FIG request for \$20,000 from Newport News Maritime Center, LLC for exterior finishes and materials, hardscape improvements, roofing and windows/doors at 314 34<sup>th</sup> Street.

This FIG request was unanimously approved.

This Report requires Board ratification

  
Cassandra P. Greene

CPG:tfw

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Date, Time and Location: January 7, 2020, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cassandra Greene, Jonathan Skinner, Susan Harris, George B. Knight, John Lunsford and Sharon Owens

Members Absent: None