

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, March 6, 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
Howard H. Hoege, III
Cynthia D. Rohlf, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Cassandra P. Greene, Excused
Jonathan P. Skinner, Excused
Jeffrey Verhoef, Excused

Legal Counsel:

Raymond H. Suttle, Jr.
Conway Sheild

Staff:

Joy Robison, Acting Recording Secretary
Cherry Croushore, Assistant Secretary

Also present:

Collins Owens, City Attorney
Robert Pealo, Deputy City Attorney

Mr. Bell opened the meeting and welcomed everyone.

EDA Approval of Plan of Finance Related to Renovation Improvements at 2700 Huntington Avenue (Former Sears Building) in Downtown Newport News

Mrs. Kingston reminded the Board that Huntington Ingalls Incorporated (HII) had leased the "Sears Building" and associated parking spaces/garage located at 2700 Huntington Avenue from the EDA for the last 21 years. She said that the initial lease term ended October 31, 2018 and included a ten-year renewal option through October of 2028, which included the provision that a component of a renewal term rent would be an "amount necessary to amortize monthly over the Renewal Term Landlord's expenses for refurbishment of the Leased Premises as agreed to by Landlord and Tenant." Mrs. Kingston explained that HII had timely exercised its option to renew, and notified the EDA via letter, that pursuant to the renewal provisions, the building was in need of renovation improvements, to include carpeting three floors and replacing the existing roof.

Mrs. Kingston said that EDA staff agreed that the building was in need of carpet replacement on three floors as well as a new roof, and that HII and staff had obtained quotes for the improvements to the 132,000-square-foot facility. She explained that these estimates, including contingency, legal and financing costs of issuance, total approximately \$1,050,000. The parties agreed pursuant to the renewal terms to amend the existing Lease to memorialize the improvements, costs, financing and repayment terms over the remaining years of the renewal term.

Mrs. Kingston stated that a formal written Request for Proposals (RFP) regarding financing the \$1,050,000 was issued to 13 financial institutions on February 6, 2020, staff had reviewed the six written responses submitted, which were due on or before February 21, 2020, and that responses were compliant with the RFP requirements as to content and timely submission. She said that the EDA RFP requested a fixed interest rate that provided draws for six months while the renovation work was being performed, and amortization of the principal balance over 7.5 years of the remaining renewal term of the Lease.

Mrs. Kingston stated that after review of all submissions, including from TowneBank, Old Point National Bank, Truist (SunTrust-BB&T), Bank of America, F&M Bank and Atlantic Union, it was her recommendation to accept the TowneBank proposal at the fixed rate of 2.39%, with the debt supported by an assignment of the Lease and Lease Amendment between HII and the EDA. She said that she was seeking a Motion to authorize the plan of finance with TowneBank for a loan in the amount of \$1,050,000.

Mr. Bell asked if there were any questions for Mrs. Kingston, and there were none. He then asked for a motion that the EDA authorize that certain plan of finance related to renovation improvements at 2700 Huntington Avenue (former Sears Building) with TowneBank, for a loan in the amount of \$1,050,000 at a fixed interest rate of 2.39% with interest-only for six months, while work is being performed, and the principal balance to be paid by HII to the EDA by amortizing the debt costs over 7.5 years of the remaining renewal term of the Lease, with all necessary loan documentation to be brought back for formal authorization at the Board's April meeting, and subject to review and approval by EDA Legal Counsel. Ms. Smith-Brown so moved and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

EDA Award of Bid, and Approval of City Posting of Award of Bid for Demolition of At Grade Concrete Slab and Related Restoration at 1300 Marshall Avenue (Former Chase Packaging Site) in the Southeast Community of Newport News

Mrs. Kingston stated that the EDA-owned former Chase Packaging site at 1300 Marshall Avenue was enrolled in the State's Voluntary Remediation Program (VRP) administered by the Department of Environmental Quality (DEQ), and that the remediation work at the site was an important community improvement in the Marshall-Ridley Choice Neighborhood area. She explained that staff from the EDA and Arcadis US were collaborating with DEQ officials to complete the remediation process and that storage tanks remaining on the property, along with their contents, had already been assessed, removed and recycled, which included two above-ground storage tanks and five underground tanks. She added that the next step in the environmental remediation process was the removal of the approximately 200,000-square-foot concrete slab remaining from the demolished building on the property.

Mrs. Kingston reported that when responses to the City's Purchasing Department's initial Invitation for Bids (IFB) for Demolition of At Grade Concrete Slab and Related Restoration at 1300 Marshall Avenue exceeded funding availability, with the low bid falling at \$1,146,335, they revised and reissued the IFB on behalf of the EDA. She stated that the reissued IFB benefited from improved market conditions and new provisions permitting the on-site processing of removed sections of concrete. She outlined that four submittals were received in response to the reissued IFB, and that Anike Group, Incorporated was determined to be the lowest responsive and responsible bidder, with a total bid of \$513,620. She explained that this project was being funded by the EDA's Virginia Brownfields Restoration and Redevelopment Assistance Fund grant and by the City through appropriated Southeast Community Redevelopment CIP funds. She concluded that she

was seeking authorization of the award of the bid for demolition of the at-grade concrete slab and related restoration at the 1300 Marshall Avenue site of the former Chase Packaging facility.

Mr. Bell asked if there were any questions for Mrs. Kingston and there were none. Mr. Bell then asked for a motion to authorize the award of the bid for demolition of the at-grade concrete slab and related restoration at 1300 Marshall Avenue, site of the former Chase Packaging facility, in connection with the environmental remediation of the former Chase property under the State's Voluntary Remediation Program, to Anike Group, Incorporated for the total accepted bid price of \$513,620, consistent with the City's Purchasing Department's procurement process and recommendation facilitated on behalf of the EDA, subject to all necessary documentation being reviewed and approved by EDA Legal Counsel, with funding from the EDA's Virginia Brownfields Restoration and Redevelopment Assistance Fund grant and appropriated City CIP funds. Ms. Smith-Brown so moved and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

Secretary/Treasurer's Report

Mrs. Kingston stated that staff are continuing to pursue strategic property acquisitions within the Southeast Community and Marshall-Ridley Choice Neighborhood to support the City's redevelopment efforts, and that one of the City's priority areas for strategic property acquisitions was the Ivy Avenue corridor, which would be significantly improved as part of the implementation of the CNI Transformation Plan. She said that through the City's work in the area, staff members were connected with the owners of 608 and 610 Ivy Avenue who indicated that they were willing to sell their properties as they did not have an interest in building on the land themselves. Mrs. Kingston pointed out that attached to her Report Board Members had an aerial showing the two properties, both of which were currently unimproved. She said that 610 Ivy Avenue was 0.13 acres and assessed at \$9,000, and that 608 Ivy Avenue was 0.07 acres and assessed at \$3,000. She noted that staff had reached agreed-upon purchase prices of \$11,250 and \$3,750 respectively, and that the City desired that the EDA acquire the properties using appropriated City CIP dollars. She said she would seek a Motion to authorize the acquisition of the properties at the conclusion of her report.

Mrs. Kingston stated that by City Council action on November 24, 2009 (Resolution No. 11947-09), the City subleased all of the ground-level retail space in the Fountain Plaza Two Building to the EDA, which would continue to sub-sublease the space to commercial entities. She noted that Danny's Hair Loft, Inc., a tenant in the building since 2013, had

asked for a three-year extension of the existing Sub-Sublease at the rate of \$20-per-square-foot for 635 square feet (\$12,700 annually) for the continued use of retail space as a hair salon. She advised that the extension would commence on April 1, 2020 and expire on March 31, 2023, and that other terms and conditions of the existing Sub-Sublease would remain in full force and effect. Mrs. Kingston advised that she would be seeking Board approval of the Sub-Sublease extension at the conclusion of her report.

Mrs. Kingston advised the Board that the 5th Annual Home-Based Business Conference would be held on Friday, March 20th, at the Peninsula Workforce Development Center. She highlighted that last year represented the first time the conference was held under a regional partnership, and that this year the same partnership would continue, with all seven Peninsula economic development groups and the three local Chambers of Commerce together in support of our regional home-based business community. She said that the full-day conference would feature keynote speakers and breakout sessions designed to address challenges and opportunities facing home-based businesses at various points along the experience spectrum and that topics to be addressed included cybersecurity, insurance, taxes, legal matters and marketing. She added that a select number of exhibitors and government business resources, including EDA staff, would have display tables set up to provide information on available support services for home-based businesses. She stated that should Board Members be interested in attending the event to let staff know, and that she would like to have as many of them attend as possible to show the Newport News EDA's support of home-based businesses. She stated that a flyer for the event was attached to her Report.

Mrs. Kingston reminded the Board that in July 2019 the Newport News/Williamsburg International Airport (NNWIA) applied for a Small Community Air Service Development Grant (SCASD) from the U.S. Department of Transportation (USDOT), and that on February 24th, NNWIA leadership was informed that the grant request was not approved. She advised that 57 applications representing 30 states were submitted and 18 communities from 18 states were awarded grants. She reported that NNWIA management had requested a debrief from USDOT, as they planned to reapply in the next round of funding.

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 most of the City's focus was on finishing the Operating Budget for 2021. She said that some positive growth was happening, but with all of the uncertainty in the economy, including

Coronavirus, it would be prudent to be more conservative. She said the City was having productive conversation with the Schools and she looked forward to facilitating a good relationship with them. She advised that once Council's position was known with regard to the Operating Budget the amount of funds available for the Capital Budget would be determined. She concluded by expressing appreciation to Mrs. Kingston and staff from multiple departments for all of the effort put in to get the CNI budget approved.

Mr. Bell stated he was seeking a Motion to authorize the acquisition of 610 Ivy Avenue at an agreed-upon purchase price of \$11,250, from record owner Lowell Edward Middleton, and acquisition of 608 Ivy Avenue at an agreed-upon purchase price of \$3,750, from record owner Thomas A. Middleton, to support strategic redevelopment efforts in the Marshall-Ridley Choice Neighborhood, subject to the review and approval of all documentation by EDA Legal Counsel. Ms. Aldrich so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Mr. Bell stated he was seeking a Motion to authorize a three-year extension of the existing Sub-Sublease between the EDA and Danny's Hair Loft, Inc., to commence on April 1, 2020, with all other terms and conditions remaining the same, including a per-square-foot rental rate of \$20, with all documentation subject to review and approval by EDA Legal Counsel. Ms. Smith-Brown so moved and Ms. Aldrich 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. She noted that Travis Fisher would be leaving the Department for a position with the City Attorney's Office, effective March 16th, and thanked him for his dedication during his tenure. Mrs. Kingston and Mr. Bell, on behalf of the rest of the Board, expressed their appreciation for Mr. Fisher's longstanding good work with the Department and wished him the best in his next position.

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.

Committee Reports

Mr. Bell called for the Committee Reports. Ms. Aldrich presented the Design Review Committee Report, which passed unanimously on a roll call vote. Mr. Hoege presented the Marketing Committee Report, which did not require Board ratification. Ms. Wilson presented the Revolving Loan Fund Committee Report, which passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of February 7, 2020

Mr. Bell asked for a motion that the Minutes of the Regular Meeting of February 7, 2020 be approved. Ms. Smith-Brown so moved and Ms. Aldrich 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 8:41 a.m.



Florence G. Kingston
Secretary/Treasurer



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: March 6, 2020

The Design Review Committee met on February 20th. The Committee considered a request by Scotty Signs, on behalf of Gault Electric and GC Properties, LLC, for approval of a digital rendering of an internally-illuminated monument sign at 806 City Center Boulevard in Oyster Point of Newport News. Upon review, the Committee voted unanimously to recommend approval of the request, subject to all applicable City codes and regulations.

Next, the Committee considered a request by Holiday Signs, on behalf of Liz Moore & Associates and Thimble Shoals Corner Associates, LLC, for approval of an internally-illuminated, building-mounted sign at 11801 Canon Boulevard in Oyster Point of Newport News. 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.

Mary C. Aldrich for Jonathan Skinner
Jonathan P. Skinner

JPS:mej

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Date, Time and Location: February 20, 2020, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jonathan P. Skinner, Mary C. Aldrich, Carl Breiner, Robert Mann, Teresa Nettles, Bryan Trainum, Sylvia Weinstein, Elizabeth Willis

Members Absent: Alonzo R. Bell, Jr., Thomas Herbert




**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: March 6, 2020

The Marketing Committee met on February 20th. Following introductions of members, staff presented the 2019 EDA/IDA Annual Report and previewed upcoming promotional initiatives in support of the publication. Members were pleased and complimented the quality of design and content.

This Report does not require Board ratification.

for 
Cassandra P. Greene

CPG:rnb

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Date, Time and Location: February 20, 2020 at 10:30 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

Members Present: Cassandra Greene, Howard Hoeg III, Jennifer Smith-Brown, Gary Hunter

Members Absent: Don Blankenship, Faye Gargiulo, Dan Powell



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors

FROM: Chair, Revolving Loan Fund Committee

SUBJECT: Chair's Report

DATE: March 6, 2020

The Revolving Loan Fund Committee met on February 26th.

Staff provided the Committee with a resolution to approve the Annual Plan Certification for the NNCF for the period ending December 31, 2019, which was unanimously approved.

Committee members were provided an overview of a proposed Newport News Micro Enterprise Grant Program, including how the program is projected to operate and its availability to eligible existing business owners, start-up businesses and entrepreneurs in the Marshall-Ridley Choice Neighborhood and program-designated eligibility areas.

Staff presented Façade Improvement Grant (FIG) Program requests for nine separate real estate parcels:

- FIG request for \$8,035 from Mechanical Resources, Inc. for paving, windows/doors and bollards at 815 Bluecrab Road, Suite A;
- FIG request for \$4,018 from Mechanical Resources, Inc. for paving, windows/doors and bollards at 815 Bluecrab Road, Suite B;
- FIG request for \$4,018 from Mechanical Resources, Inc. for paving, windows/doors and bollards at 815 Bluecrab Road, Suite C;
- FIG request for \$8,035 from Mechanical Resources, Inc. for paving, windows/doors and bollards at 815 Bluecrab Road, Suite D;

Revolving Loan Fund Committee Chair's Report
March 6, 2020
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- FIG request for \$8,035 from John B. & Jodi M. Masters for paving, windows/doors and bollards at 815 Bluecrab Road, Suite E;
- FIG request for \$4,018 from John B. & Jodi M. Masters for paving, windows/doors and bollards at 815 Bluecrab Road, Suite F;
- FIG request for \$4,018 from John B. & Jodi M. Masters for paving, windows/doors and bollards at 815 Bluecrab Road, Suite G;
- FIG request for \$4,018 from John B. & Jodi M. Masters for paving, windows/doors and bollards at 815 Bluecrab Road, Suite H; and
- FIG request for \$8,035 from Wayne L. & Rhonda R. Newbern for paving, windows/doors and bollards at 815 Bluecrab Road, Suite I.

These FIG requests were unanimously approved.

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


Jeffrey C. Verhoef

JCV:tfw

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Date, Time and Location: February 26, 2020, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cassandra Greene, George Knight, John Lunsford and Sharon Owens

Members Absent: Jeffrey Verhoef, Jonathan Skinner and Susan Harris

RESOLUTION NO. 20-1

**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, United States Department of Commerce (US EDA), 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 US EDA funding and the Industrial Development Authority of the City of Newport News, Virginia (IDA) serves as Sub-Grantee; and

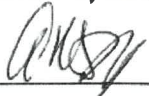
WHEREAS, the IDA administers said NNCF program on behalf of the City; and

WHEREAS, one of the US EDA program requirements is an annual certification that all loan activity for the preceding year is consistent with the regional economic development strategy 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, 2019, the following is true:

1. The NNCF Plan is consistent with and supportive of the current regional economic development strategy adhered to by 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
MARCH 6, 2020**



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



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