

MINUTES OF THE SPECIAL 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 9:00 a.m. on Friday, May 1, 2020, in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia, via electronic teleconference.

Those members present were:

Alonzo R. Bell, Jr., Chair (In-Person)
Jennifer Smith-Brown, Vice Chair (remote)
Mary C. Aldrich (remote)
Cassandra P. Greene (remote)
Howard H. Hoege, III (remote)
Jonathan P. Skinner (remote)
Jeffrey Verhoef (remote)
Cynthia D. Rohlf, City Manager, ex-officio (remote)
Florence G. Kingston, Secretary/Treasurer, ex-officio (In-Person)

Absent:

None

Legal Counsel:

Raymond H. Suttle, Jr. (In-Person)

Staff:

Cherry Croushore, Assistant Secretary (remote)
Joy Robison, Zoom Meeting Moderator (In-Person)
Jameson LeClair, Assistant Recording Secretary (In-Person)
Carol Meredith, Assistant Director (remote)
Robin Boyd, Sr. Marketing Coordinator (remote)

Special Meeting Statement

Mr. Bell opened the meeting and welcomed everyone with a statement declaring the Special Meeting of the Economic Development Authority of the City of Newport News, Virginia (EDA) and the Industrial Development Authority of the City of Newport News, Virginia (IDA) was being conducted telephonically or electronically pursuant to Section 2.2-3708.2(A)(3) of the Code of Virginia and Executive Order dated March 12, 2020 issued by Governor Northam declaring a State of Emergency, Attorney General Herring's Opinion Letter dated March 20, 2020 and with guidance provided by Legal Counsel. He stated it had been determined that the catastrophic nature of the declared Emergency made it impracticable or unsafe to assemble a quorum of the EDA/IDA Board of Directors in a single location and that the purpose of the Special Meeting was to address matters directly related to the Emergency, and that more importantly, based on what we knew about the coronavirus pandemic and prudent precautions as a result thereof, it was being conducted in a way to provide the maximum amount of protection to Board Members, staff and the Public. He apologized for any inconvenience to anyone, but asked for understanding and compliance temporarily.

Approval of Newport News COVID-19 Small Business Resiliency Grant Program

Mrs. Kingston advised that she would be providing a comprehensive overview and details on the Newport News COVID-19 Small Business Resiliency Grant Program, and to aid remote attendees a PowerPoint presentation of the information she would be providing would be displayed. She informed the Board that on April 30th City Council appropriated \$500,000 to fund a proposed Newport News COVID-19 Small Business Resiliency Grant, comprised of \$250,000 from City Unassigned General Fund Balance and \$250,000 from Economic Development Authority Reserves, that would support small businesses impacted by COVID-19. She said that City Council's action stemmed from the desire to fund a local program supporting Newport News businesses impacted by the pandemic, and that after a review of programs implemented within the region and across the state and country, staff developed the framework for the proposed Newport News COVID-19 Small Business Resiliency Grant Program, which similar to other grant programs, the EDA would serve as the vehicle for delivering the grant funds.

Mrs. Kingston stated that the proposed program was designed to help businesses retain employees and sustain business operations impacted by Governor Northam's Executive Order 53, specifically Directive #3 and Directive #4 of the Order, which included entertainment and personal services businesses, as well as food and drink establishments,

and that the goal with this approach was to support the businesses strongly impacted by the pandemic. She explained that the purpose of this proposed grant was to provide one-time financial assistance for eligible for-profit small businesses, excluding franchises and national chains, in amounts not to exceed \$5,000. She noted that there was a limited amount of funds appropriated for the proposed program, and that grants would be committed and funded on a first-come, first-served basis based upon availability of funds, program guidelines and submission of a complete application and supporting documentation.

Mrs. Kingston further advised that funds would not be reserved for incomplete application packages, and that to be considered for the proposed grant a business must meet all eligibility requirements, including that it:

- was a for-profit business impacted by Governor Northam's Executive Order 53, specifically those enumerated in Directive #3 and Directive #4;
- was established and operational in Newport News, Virginia prior to January 1, 2020;
- had a current Newport News business license;
- was in good standing with local taxes and licenses;
- had 25 full-time equivalent employees or fewer as of March 1, 2020; and
- had \$2 million or less in annual gross receipts during calendar year 2019.

Mrs. Kingston stated that under the proposed program design, the business expenses that were designated as eligible use of funds included payroll (excluding owner compensation), utilities, rent or mortgage payments, insurance, or similar expenses, products or services directly used in production of a product for sale or service provided, and other typical business expenses deemed eligible by the EDA.

Mrs. Kingston explained that the supporting documentation required to be submitted with an application included:

- a statement of negative impact from Executive Order 53 and COVID-19;
- Newport News Business Licenses from 2019 and 2020;
- a list of full-time equivalent positions as of March 1, 2020 and as of date of application;
- financial statement for 2019;
- explanation of planned use of funds;
- documentation to support use of funds (lease agreement, utility bills, invoices etc.);
- valid government issued identification (i.e. Passport, Drivers' License etc.); and
- W-9 (REV – October 2018).

Mrs. Kingston stated that staff was dedicated to supporting all businesses in their long-term success and would assist applicants with technical support and guidance throughout the application process. She emphasized that the goal in the implementation of this program was to provide the highest level of customer service and support through all stages of the application intake, review and approval process. Mrs. Kingston advised that staff was prepared to market the Newport News COVID-19 Small Business Resiliency Grant Program by posting in community newsletters, sending emails to small businesses from our various contact lists, outreach to established business organizations/associations within the City, sending email blasts, publishing a Newport News Now article highlighting the program, and posting on the City of Newport News' and EDA's websites and social media pages.

Mrs. Kingston stated that she was seeking authorization of the establishment of the Newport News COVID-19 Small Business Resiliency Grant Program and to authorize the funding of the program with the \$500,000 appropriated by City Council. She would also be seeking delegation of authority to the Secretary/Treasurer to approve applications consistent and in compliance with approved program guidelines. She noted the intent was to ensure quick approval, issuance of grants and funds expeditiously distributed to approved businesses. She advised that staff would report to the Board weekly on the number of applications received, reviewed and approved. She stated that applications would begin being accepted at 9:00 am on Friday, May 8th, with the goal of issuing the first grants by the end of May.

Mrs. Kingston opened the floor for questions. Mr. Bell asked about what appeal process would be available to applicants whose grant request had been denied. After discussion, it was decided that the Board Chair and Vice Chair would serve to hear and decide upon appeals requests.

Mrs. Aldrich asked if having received a grant from the program in any way affected a business's eligibility to receive other loans from State and Federal governments, to which Mrs. Kingston replied that the matter had been researched by staff and that no conflicts were revealed. Mr. Hoege noted that the EDA, as a public body, always needed to be cognizant and sensitive to public perception and public scrutiny, and inquired as to what post-award audits or other accountability measures were in place to ensure the grantee had spent the funds in accordance with the program requirements. Mrs. Kingston explained that the documentation required to receive a grant included a list of expenditures and follow-up receipts that were to be closely examined by staff. Mrs. Meredith emphasized that the grant agreement had been structured with safeguards to prevent attempts to abuse the program and withstand the test of public scrutiny.

After discussion and all Board Members having expressed strong support for the program, Mr. Bell asked if there were any additional questions for Mrs. Kingston. There were none. He then asked for a motion that the EDA authorize the establishment of the Newport News COVID-19 Small Business Resiliency Grant Program in accordance with the presented guidelines, authorize funding in the amount of \$500,000, as appropriated by Newport News City Council, to fund the Newport News COVID-19 Small Business Resiliency Grant Program, and delegate authority to the Secretary/Treasurer to approve applications consistent with program guidelines. Mr. Hoege so moved and Mrs. Greene seconded the motion, which passed unanimously on a roll call vote.

Other COVID-19 Related Activities Presentation

Mrs. Kingston summarized various small business relief efforts implemented by the EDA, including a Lease Payment Deferral Program, which allowed organizations leasing property from the EDA the opportunity to defer their lease payments for April, May, and June. She said that 10 organizations had utilized this program. She noted that similarly a SIP Lease and Mooring Fee Deferral Program had been implemented which allowed tenants in the Seafood Industrial Park to have the opportunity to defer lease payments and mooring fees for April, May, and June. Two companies had utilized this program. Mrs. Kingston explained that a Loan Payment Deferral Program had also been offered and allowed businesses with loans through various programs, including the Newport News Urban Development Action Program, Newport News Micro-Loan Program, Newport News Capital Fund, and Peninsula Revolving Loan Fund, the opportunity to defer their loan payments for April, May, and June, and that to date, 10 businesses had utilized this program.

She stated that staff had also encouraged the use of the existing E-commerce grant program for businesses to expand their website presence and include unique aspects of their businesses that had been predicated by the pandemic, including curb service, take-out service, and other niche offerings. Additionally, Mrs. Kingston said that a determination was put in place to offer temporary administrative waivers to those companies with Façade Improvement Grant Program (FIG) applications approved by staff to begin work, with EDA Board approval to be granted on a retroactive basis.

Mrs. Kingston reported that collaborative communications efforts were undertaken and underway with numerous partners, including the Chamber of Commerce, Small Business Development Center, Virginia Economic Development Partnership, Hampton Roads Economic Development Business Recovery Task Force, and Workforce Development. She said this information had been posted on EDA and City websites, social media, through

email blasts and with the use of Newport News Now, and was continually monitored and updated. She emphasized that Development staff was in touch with hundreds of businesses through telephone and email outreach to assess their situational needs and status, inform them of available resources, and make sure they were taking full advantage of City programs. Mrs. Kingston explained that Development Staff was participating in the Hampton Roads Economic Development Alliance Business Recovery Task Force, a regional collaborative effort to assist our existing businesses, and that most recently, a brief online survey posted in Newport News Now on April 23rd was developed to help understand, assess and compare the challenges, successes, and needs of business leadership throughout the region, with results planned for use in helping to influence policy decisions at the State and Federal levels.

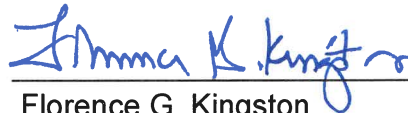
Next, Mrs. Kingston described an important initiative entitled “Open for Business,” which was launched April 28th. She explained that it was a web-based application developed in-house by the Departments of Development and Information Technology, allowing users to locate businesses operating during the COVID-19 pandemic. She said businesses would be able to enter their own data, or contact Development staff who would then enter it for them, and that the initiative would serve to assist businesses in generating revenue and retaining jobs, and help citizens find readily available goods, services and food. She asked Ms. Boyd to provide a demonstration of the application.

Open for Business Mapping Demonstration

Ms. Boyd provided a presentation of the new “Open For Business” program, stating it was created in response to the overwhelming need to keep businesses connected to their customers during Governor Northam’s Stay at Home Order. While demonstrating on-screen, she explained that the program was a web-based, user-driven, self-reporting mapping application to allow users to locate businesses operating during the COVID-19 pandemic, and that the application could be accessed from both the EDA’s and Department of Development’s websites. Ms. Boyd stated that businesses completed a short form with address, contact information, hours of operation and any additional information they’d like to share (sales, pick-up/delivery availability, etc.), and upon submission, the business’ location marker was generated on a map, on which users clicked to display the contact and supplemental information. She said if a business lacked access to the internet or was uncomfortable about entering information, Development staff would submit the information on their behalf.

Mrs. Kingston commended Development staff and recognized their excellent work in getting these programs up and running so quickly, while working under difficult circumstances themselves. She said she was proud to lead such an exceptional team of professionals.

Mr. Bell thanked Mrs. Kingston and Ms. Boyd for their presentations, and echoed Mrs. Kingston's high praise of staff's efforts. Mr. Bell then adjourned the meeting at 10:09 a.m.



Florence G. Kingston
Secretary/Treasurer