

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, July 10, 2020, in the Pearl Ballroom of the Newport News Marriott Conference Center at 740 Town Center Drive, Newport News, Virginia.

Those members present were:

Alonzo R. Bell, Jr., Chair
Jennifer Smith-Brown, Vice Chair
Cassandra P. Greene
Howard H. Hoege, III
Jeffrey Verhoef
Cynthia D. Rohlf, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Mary C. Aldrich (excused)
Jonathan P. Skinner (excused)

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Cherry Croushore, Assistant Secretary
Joy Robison, Recording Secretary
Jameson LeClair, Assistant Recording Secretary
Priscilla Green, Senior Project Coordinator
Robin Boyd, Senior Marketing Coordinator

Also present:

Brian Rowe, Partner, WeldenField Development, LLC
Ralph "Bo" Clayton, Assistant City Manager
Robert Pealo, Deputy City Attorney

Call to Order

Mr. Bell opened the meeting by welcoming everyone.

Endview Development Concept Presentation

Mrs. Kingston reminded the Board that last summer the EDA identified WeldenField Development, LLC as the preferred developer for the EDA's 285-acre parcel located at 350 Yorktown Road and surrounding the Endview House property, known as the Endview tract. She stated that last July, the EDA hosted a listening session with the community to get preliminary feedback about thoughts and comments on the proposed development and generally, comments were positive and many wanted to be sure that the development was complementary of both Newport News Park and the Endview House property. Mrs. Kingston added that through the end of 2019 and early 2020, staff worked with WeldenField who completed a tree survey of the property, as well as a wetlands delineation, which were used along with other site data like easements, utilities, etc. to identify constraints and opportunities to lay out the development in a manner that made sense based on topography, constraints and resources. She stated that WeldenField and Land Planning Solutions developed a concept and, after sharing it with Councilman Harris and Councilwoman Scott, incorporated input received from the community, as well as direction from City departments. Mrs. Kingston said that she was excited to share the concept with Board Members and to hear their feedback and reactions. She introduced Brian Rowe, a Partner with WeldenField Development, LLC, to explain the planning exercise he and Land Planning Solutions conducted, and how they viewed the character and nature of the development.

Mr. Rowe greeted the Board and reaffirmed the broad goals identified in the original development RFQ, including that it would appeal to the higher end of the housing market, speak to and connect with the natural environment, be in harmony with its surroundings and not forced onto the site, and be a lifestyle community focused on nature/active living. He explained that they viewed prospective buyers would be those who want to be close to Newport News Park/Endview and be active users of the biking and walking trails, and that the community would feel nestled in the woods in neighborhood/village clusters separated from one another with green space, in order to reduce perceived density and create a more intimate, neighborhood feel. Mr. Rowe recommended the incorporation of more green corridors, in addition to the tree save areas, as well as connections for access to Newport News Park. He stated that the addition of more, smaller parks distributed in concert with the clusters would be focal points, offer amenities in a localized manner, and achieve reduced actual and perceived density. He explained that he planned to incorporate more lots at

larger sizes with shapes that would accommodate positioning of the structures, and would maintain a variety of lot sizes to appeal to different buyers. Mr. Rowe acknowledged that the City, while not necessarily averse to duplexes, opposed the inclusion of quad units and preferred the primary community be drawn out with predominantly single-family houses, excluding the townhomes on Yorktown Road. He noted that for amenities, the plan was to connect the development with the existing trail infrastructure to access the route of the Birthplace of America Trail, the Endview House parcel, and Newport News Park and its trail system, with bridge crossings where necessary, along with fire pits, benches, and other passive amenity features incorporated throughout. He explained that the commercial businesses should feel open to and draw from the outside community, as well as the Endview development itself, and would include a multi-use farmers' market structure that could also serve as an area for community functions. Mr. Rowe stated that a substantial traffic study and Traffic Impact Statement would define the numbers of connections from the development to the surrounding road network and the need for signalization at each connection, including a signalized Jefferson Avenue entrance, a second access along Crafford Road, and one on Yorktown Road. He then welcomed questions from the Board.

Mr. Bell asked for clarification on whether the Conceptual Master Plan drawing was showing an additional proposed entrance to the development on Yorktown Road between the future townhome and commercial sites. Mr. Rowe responded and said it was the proposed main entrance to the development, with the secondary entrance on Jefferson Avenue. Mr. Bell then asked if there would be a signalized entrance serving the commercial section of the development, and Mr. Rowe stated that it would not be a signalized entrance. Mr. Hoege inquired as to what major challenges were presented in the design and planning process. Mr. Rowe replied that the stormwater management aspect of the project was the greatest engineering obstacle to overcome in an effort to preserve some monumental trees and natural landscape. Mrs. Kingston asked Mr. Rowe to discuss the topography of the site, and Mr. Rowe explained that there were hills throughout the land and that the terrain was comparable to the northwestern area of the Peninsula.

There being no additional questions for Mr. Rowe, Mrs. Kingston offered Ms. Rohlf the opportunity to comment and ask questions. Ms. Rohlf stated that she was impressed by the responsive nature of communication maintained throughout the process by WeldenField and that she was excited about the conceptual design and proposed amenities for the development. Mr. Rowe thanked Ms. Rohlf, and Mrs. Kingston outlined that the next step was to bring this concept to the community for continued engagement and feedback and that the Planning Department would update the Lee Hall Area Plan, of which Endview was a part. Mrs. Kingston stated that she anticipated hosting a joint community engagement session for the Lee Hall Area Plan and Endview Concept in August and that once the rough

layout was largely agreed upon, WeldenField and Land Planning Solutions would conduct engineering studies of the property to understand utility demand and costs, as well as a traffic impact analysis, which together would serve as the foundation for work initiated on the development agreement with WeldenField.

Mrs. Kingston welcomed any questions and Ms. Greene asked Mr. Rowe to elaborate on which segment of the population the development would be marketed towards. He responded that there would be a range of home-types and pricing to cater to first-time homebuyers, retirees, professionals, and military and industry workers, and that most of the residences would be detached, single-family homes. Ms. Greene then asked if there would be a homeowner's association in place, and Mr. Rowe explained he anticipated that there would be one to ensure that the exterior of the properties are maintained and kept pristine. Mr. Bell then inquired as to what impact the COVID-19 pandemic may have had on the project outlook, and Mr. Rowe replied that construction would not begin for about two years to allow time for the preliminary studies and zoning process, and by then the pandemic would hopefully be under control.

Mr. Bell thanked Mr. Rowe for his presentation and said that he looked forward to seeing how the project progressed.

Secretary/Treasurer's Report

Mrs. Kingston informed the Board that the EDA had recently received a proposal for a creative temporary use of the EDA-owned former K-Mart site from the founders of Lionsbridge Football Club, the Peninsula's popular community soccer team, and Flat Out Events, operators of the One City Marathon, to create a temporary, pop-up drive-in movie theater at the site. She stated that following the example of recent similar theaters in Northern Virginia and other places around the country, they had proposed using the parking lot at the former K-Mart site as a temporary venue for the community to enjoy movies in a classic style that allowed for full compliance with social distancing guidelines, and anticipated it to begin July 29th and to end sometime in October, at no cost to the City or EDA, with revenue from operations to be shared with area non-profit and community organizations. Mrs. Kingston noted that she, as well as City Leadership and the EDA Board, believed this proposal was consistent with discussions at the Joint EDA, City Council and Planning Commission Meeting on the Denbigh-Warwick Area Plan, and that it provided a much-needed positive, fun and safe activity for community members of all ages. She stated that she anticipated additional community-oriented requests in the future, and that she would be seeking a motion to delegate approval authority to her as EDA Secretary/Treasurer to undertake all necessary and/or advisable steps and actions to

evaluate, facilitate and advance creative, positive and safe community activities, including but not limited to the pop-up drive-in movie theater proposal just referenced, at the EDA-owned former K-mart site and as applicable, the adjacent EDA-owned former Hills site, subject to all such activities complying with the Governor's directives and guidance related to the current COVID-19 pandemic and meeting City Codes and regulations. Mrs. Kingston welcomed any questions from the Board regarding the approval.

Mr. Hoege asked if it was anticipated that activities other than what was included in the proposal would be considered, and Mrs. Kingston stated that citizens had recently gathered at the site, including an exercise group and car clubs, and that food truck service had been proposed. Mr. Clayton added that the site provided an opportunity to serve as a venue for pop-up events and for the community to exhibit art and other forms of creativity. Mr. Hoege conveyed his appreciation that the ideas for events going forward would originate from the Denbigh community. Ms. Rohlf highlighted the benefit of utilizing a location already known to the community as a space for recreational events and gatherings, and noted that the Denbigh-Warwick Area Plan would draw on that existing connection and familiarity. Mrs. Kingston explained that the attraction of artists also presented an opportunity to direct creativity to the jersey barriers and parking lot while redevelopment projects there continued. Ms. Smith-Brown inquired as to how citizens would go about submitting their proposals for events and activities at the site, and Mrs. Kingston replied that there was Development Department signage around the parking lot displaying the telephone number to call, as well as an active Denbigh-Warwick business association and monthly Town Halls hosted by Councilwoman Scott. Mrs. Kingston stated that the Department of Parks, Recreation and Tourism would be involved in the organization process, that there was an application to hold an event, and that the EDA required insurance be purchased by the event-holder. There were no additional questions from the Board.

Mrs. Kingston stated that the City's Department of Human Services recently provided notice that the carpet in its fourth floor space in Rouse Tower needed replacement and staff agreed that due to extreme folding and buckling of the carpet, new carpet installation was warranted. She explained that the building's property management team solicited quotes from three vendors, and Atlantic Coast Commercial Services was identified as the lowest responsive, responsible bidder with a total cost of \$44,500 which included all work required to install approximately 11,200 square feet of new carpet tiles, and included removal and disposal of the existing carpet, installation of new cove base and relocation of furniture to facilitate removal of the existing carpet and new carpet tile installation. Mrs. Kingston emphasized the importance of having the work completed in order to maintain a safe environment and professional appearance in the space, and stated that she would be seeking a motion to authorize the proposal.

Mrs. Kingston outlined that in 2016 the EDA purchased the Sherwood Shopping Center site to support redevelopment efforts in Denbigh, with Ferguson having been the largest tenant at the property and expected to vacate 13771 Warwick Boulevard by the end of the year and 13785 Warwick Boulevard by the end of 2021. She stated that in the Denbigh-Warwick Area Plan, in addition to commercial/private/community usage, the Sherwood Site served as a “civic hub” for improved accessibility to citizens for some public services and included the Voter Registrar, Police Precinct, a citizen “one-stop” that included Codes Compliance, Commissioner of the Revenue and Treasurer Offices, and a new Grissom Library. Mrs. Kingston explained that in anticipation of Ferguson’s departure and to advance activities consistent with the Denbigh-Warwick Area Plan, staff was developing an RFP to solicit design services for the master planning of the site, which included the design for the new Grissom Library. She noted that the City saw this as the first major implementation area for the Denbigh-Warwick Area Plan and that it was expected that the RFP would be issued by the end of July or early August. She stated that staff would continue to keep the Board engaged as progress was made.

Mrs. Kingston reported that the GO Virginia Region 5 Council had accepted its latest round of applications and that the review process included an evaluation by a committee of subject matter experts. She announced that two of the eight applications were related to industry cluster development and scale-up and that, because of her knowledge and expertise, Mallory Butler, Senior Economic Analyst, had been asked to join the review process to offer a thoughtful perspective on these potential GO Virginia projects, which she had done once before. Mrs. Kingston explained that GO Virginia is an initiative by Virginia’s senior business leaders to foster private-sector growth and job creation by prioritizing state incentives on a competitive basis for regional collaboration projects proposed by business, education and government.

Mr. Kingston highlighted that last month, staff participated in the Virginia Tech Land Development Design Initiative (LDDI) Summer Meeting, which was a widely-attended panel discussion regarding the impacts of COVID-19 on the land development industry from a municipal perspective. She explained that LDDI was a collaboration between the Via Department of Civil & Environmental Engineering at Virginia Tech and industry partners and that during the discussion, attendees answered a variety of questions focused on how the pandemic necessitated changes to service delivery normally provided by local economic development, planning and codes compliances offices, and panelists weighed-in on the longer-lasting implications COVID-19 could pose for the land development industry.

Mrs. Kingston stated that the Monthly Financial Statements were in Board Members' packages and noted a few highlights. She asked if there were any questions and there were none.

Mrs. Kingston offered Ms. Rohlf the opportunity to provide updates and/or comments. Ms. Rohlf commended the job of City staff overall in keeping necessary operations running during the pandemic despite having closed facilities to the public, and acknowledged the great work that had been done to continue projects and initiatives. She stated that the restrictions related to holding electronic meetings required some topics to be delayed and that City staff was working to catch up on those items. Ms. Rohlf reported that she was pleased with the City's financial standing despite the uncertainty presented by the pandemic at the beginning of the year, and that about \$15.6 million was allocated to the City as part of the federal CARES Act. She stated that work was being done to determine the best way for the City to appropriate that money, but that her greatest concern was how significant revenue losses would be in Fiscal Year 2021-2022 given the economic uncertainty. She noted that the City was withholding about \$25 million in spending from the FY2020 budget until an understanding of the revenue losses could be determined.

Mr. Bell asked if there were any questions for Ms. Rohlf, and there were none. He stated that he was seeking a motion on the item discussed in the Secretary/Treasurer's Report to delegate approval authority to the EDA Secretary/Treasurer to undertake all necessary and/or advisable steps and actions to evaluate, facilitate and advance creative, positive and safe community activities, including but not limited to the pop-up drive-in movie theater proposal, at the EDA-owned former K-mart site and as applicable, the adjacent EDA-owned former Hills site, subject to all such activities complying with the Governor's directives and guidance related to the current COVID-19 pandemic and meeting City Codes and regulations. Ms. Greene so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Mr. Bell stated that he was seeking a motion to authorize the Atlantic Coast Commercial Services proposal dated July 8, 2020, to provide replacement of carpet in the Human Services space on the 4th Floor of Rouse Tower, and funding in an amount not to exceed \$44,500, subject to review and approval of EDA Legal Counsel. Ms. Smith-Brown so moved and Mr. Verhoef seconded the motion, which passed unanimously on a roll call vote. At 8:48 a.m., Mr. Hoege 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 proposed property dispositions in the northern section of the City and a proposed property disposition in the southern 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 prospective businesses interested in locating in the northern section of the City and a prospective business interested in locating in the southern section of the City. Mr. Verhoef seconded the motion, which passed unanimously on a roll call vote.

At 9:16 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: (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. Verhoef seconded the motion, which passed unanimously on a roll call vote.

Action(s) Coming Out of Closed Session

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

Assistant Secretary's Report

Mr. Bell asked for the Assistant Secretary's Report, and 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.

COVID-19 Small Business Outreach Initiatives and Funding

Ms. Green introduced herself to the Board and recalled that in April, City Council appropriated \$500,000 to fund the Newport News COVID-19 Small Business Resiliency Grant that supported small businesses impacted by COVID-19. She noted that the 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. She added that the goal was to support the businesses

overwhelmingly impacted by the pandemic— which directly contributed to Newport News' quality of life— by providing one-time financial assistance for eligible for-profit small businesses, excluding franchises and national chains, in amounts not to exceed \$5,000 and committed on a first-come, first-served basis based upon availability of funds, program guidelines and submission of a completed application and supporting documentation.

Ms. Green outlined that the Department accepted applications from May 8th through June 5th with a total of 261 applications received and funding requests totaling \$1,284,059, and that 108 applications had been approved to date for a total of \$499,360 in grant funds awarded. She announced that although 31 eligible applications were remaining without available grant funding, the City had allocated additional funding to the EDA in support of expanding our assistance to Newport News businesses. Ms. Green listed the various grant funding of \$132,000 to fully fund the 31 remaining eligible Resiliency Grant applicants, \$750,000 to fund a second phase of the Resiliency Grant program and \$100,000 to fund a COVID-19 related e-Commerce grant program separate from the current e-Commerce program.

Ms. Green recalled that the eligibility requirements for the Resiliency Grant were that the business must have been:

- a for-profit business impacted by Governor Northam's Executive Order 53, specifically those enumerated in Directive #3 and Directive #4;
- located in Newport News, Virginia;
- established and operational during calendar year 2019 and have a current Newport News business license;
- in good standing with local taxes and licenses;
- an employer of 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.

Ms. Green outlined Phase Two of the Resiliency Grant Program, called Back to Business Grant, which had a broader scope and included many of the applicants which were ineligible under the former program guidelines. She explained that to be considered for the Back to Business Grant, a business had to meet the same eligibility requirements as the Resiliency Grant except:

- the requirement of having to be a business specifically enumerated in Directive #3 and Directive #4 of Governor Northam's Executive Order 53 was removed;
- the full-time equivalent employees' requirement from 25 or fewer was increased to 50 or fewer as of March 1, 2020;

- the annual gross receipts requirement was increased from \$2 million or less to \$5 million or less in annual gross receipts during calendar year 2019; and
- any business which received a Resiliency Grant will be ineligible to receive a Back to Business Grant.

Ms. Green listed the business expenses that were eligible use of funds under the Back to Business proposal to be:

- cancelled contracts;
- personal protective equipment (PPE);
- sanitation expenses;
- 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;
- other typical business expenses deemed eligible by the EDA; and
- funds could not be used to pay taxes.

Ms. Green outlined the required supporting documentation to be submitted with an application as:

- a list of full-time equivalent positions as of March 1, 2020 and as of date of application;
- a financial statement for 2019;
- documentation to support use of funds (lease agreement, utility bills, invoices, etc.);
- valid government issued identification (i.e. Passport, Drivers' License etc.); and
- a W-9 (REV – October 2018).

Ms. Green noted that staff had been actively working with the City's IT department to automate the application process and planned to utilize an online application, with a team of staff members on standby to receive and review applications and follow up with businesses who may have questions, submitted incomplete documentation or needed to provide additional information. She explained the channels for outreach that the Program would be marketed by included:

- community newsletters;
- emails to small businesses from our various contact lists;
- outreach to established business organizations/associations within the City;

- a Newport News Now article with program highlights;
- posting on the City of Newport News and EDA websites, and social media pages; and
- personal outreach by Staff to all applicants who applied for a Resiliency Grant but were declared ineligible because their business operation was not specifically enumerated in Executive Order 53, Directive #3 or #4.

Ms. Green stated that we would be seeking authorization for additional funding of \$132,000 towards the Newport News COVID-19 Small Business Resiliency Grant Program in order to fully fund all eligible applications and would be requesting the board to authorize the establishment of the Newport News Back to Business Grant Program and authorize funding in the amount of \$750,000 to fund the program, as well as seeking delegation of authority to the Secretary/Treasurer to approve applications consistent and in compliance with approved program guidelines to ensure timely approval and issuance of grants. She added that the Board would be given periodic reports on the applications that have been reviewed and approved. She noted that our staff team was ready to initiate the marketing plan and begin outreach about the grant program, and intended to actively market the plan over the following week and would accept applications beginning at 9:00 a.m. on Monday, July 20th and until July 31st.

Ms. Green noted that there were motions before the Board to authorize the additional funds for the resiliency grant and to approve the Back to Business program and funding, and stated that she would be happy to answer any questions. Ms. Smith-Brown stated that she was proud of the work the EDA had been doing for the business community, and suggested that staff reconsider the position of excluding business franchises from being eligible for the grant programs. Ms. Greene echoed Ms. Smith-Brown's commendation of the EDA and staff for responding to the needs of the business community, and also suggested we consider franchise eligibility in the future. Mr. Hoege noted that the Back to Business Grant presented the same risk regarding the potential for misuse of grant funds by the grant recipient as the COVID-19 Small Business Resiliency Grant, and inquired as to whether any instance of misuse of funds was discovered in the follow-up on those businesses that were approved under the former program. Mrs. Kingston stated that there were not any instances discovered that presented the misuse of funds, and that the outreach and dialogue with grant recipients was active and ongoing.

Mr. Bell thanked Ms. Green for her presentation and asked if there were any other comments or questions. There were none. He then presented a Motion that the EDA authorize additional funding in the amount of \$132,000, as appropriated by Newport News City Council, to fund the Newport News COVID-19 Small Business Resiliency Grant

Program. Mr. Verhoef so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Mr. Bell presented a Motion that the EDA authorize the establishment of the Newport News Back to Business Grant Program in accordance with the presented guidelines, authorize funding in the amount of \$750,000, as appropriated by Newport News City Council, to fund the Newport News Back to Business Grant Program, and delegate authority to the Secretary/Treasurer to approve applications consistent with program guidelines. Ms. Greene so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote. Mr. Bell then welcomed Ms. Boyd to present the next item.

Grow Your eBusiness Grant

Ms. Boyd greeted the Board and stated that the goal of the Grow Your eBusiness Grant was to create or enhance e-Commerce opportunities for small businesses in Newport News, and that the eligibility criteria was very similar to the Back to Business Grant. She noted that the program offered one-time assistance in amounts up to a maximum of \$2,500 and that funding was limited and on a first-come, first-served basis. Ms. Boyd outlined that the eligibility and documentation requirements included:

- a statement of negative impact from COVID-19;
- 2019 and 2020 Newport News Business Licenses;
- a W-9 (REV – October 2018);
- a list of full-time equivalent positions as of March 1, 2020 and as of date of application;
- a financial statement for 2019;
- an explanation of planned use of funds;
- documentation of at least one estimate from an e-Commerce Service Provider defining scope of work with two estimates recommended; and
- a valid government issued identification, such as a passport or drivers' license.

Ms. Boyd listed the approved use of funds for new and existing websites, subject to review and approval at discretion of staff, to include:

- consultation services such as planning and assessing website needs;
- web design and development for new or existing sites;
- database design and development;
- content management systems, testing, scripting, and programming;

- e-Commerce services such as shopping carts, donation and membership systems, online security assessments;
- internet marketing such as email marketing, apps, search engine marketing and optimization, newsletters, and blogs; and
- other e-Commerce innovations and enhancements.

She explained that the multi-faceted marketing strategy began today and would continue through the next week in time for the July 20th launch in conjunction with the Back to Business Grant Program, and that businesses may apply for both grants. She welcomed any questions from the Board and noted that they had before them a motion that the EDA authorize the establishment of the Grow Your eBusiness Grant Program in accordance with the presented guidelines, authorize funding in the amount of \$100,000, as appropriated by Newport News City Council, to fund the Grow Your eBusiness Grant Program, and delegate authority to the Secretary/Treasurer to approve applications consistent with program guidelines.

Mr. Bell asked what the rationale was behind allowing businesses to receive both the Back to Business Grant and the Grow Your eBusiness Grant. Ms. Meredith responded that the experience in working with the first grant program lent insight to the large number of small businesses whose websites were outdated or did not exist, and that the CARES Act-related funding presented an opportunity to provide assistance in that area. Ms. Greene inquired as to whether the eCommerce service providers would be vetted by staff prior to granting funds and if a list of known providers was available to provide to businesses. Ms. Boyd replied that staff had a number of known providers they were familiar with and would provide that list to applicants as requested. Ms. Smith-Brown explained that she understood the proposed eCommerce grant to be assistance for businesses to adapt to changes in the economy caused by the ongoing pandemic, and that it was different than the Back to Business Grant, which was intended to make up for direct losses in revenue experienced during the shutdown. Mr. Bell asked the Board if there was any opposition towards a business being approved for both grant programs, and there was none. Ms. Smith-Brown added that the revelations of how some businesses struggled to adapt to the COVID-19 related changes in the economy called for consideration by the EDA for future programs to address that need. Mr. Hoege inquired as to what extent the \$2,500 grant in question could fund an eCommerce project, and Mr. Bell stated that from his experience it would be a meaningful amount.

Mr. Bell asked if there were any more questions from the Board, and there were none. He thanked Ms. Boyd for her presentation and stated that he was seeking a motion that the EDA authorize the establishment of the Grow Your eBusiness Grant Program in accordance

with the presented guidelines, authorize funding in the amount of \$100,000, as appropriated by Newport News City Council, to fund the Grow Your eBusiness Grant Program, and delegate authority to the Secretary/Treasurer to approve applications consistent with program guidelines. Ms. Smith-Brown so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Extension of Loan Payment Deferral Program

Mrs. Kingston recalled mentioning several COVID-19 related initiatives to assist local small businesses at the Special (Electronic) Board Meeting held on May 1st, including the Loan Payment Deferral Program, where businesses were given the option to defer their April, May and June 2020 loan payments. She noted that eleven of the eligible fifteen businesses took advantage of the option, and after talking with several loan clients and hearing some of the continued challenges they were facing, it was determined to continue this initiative to allow for an additional 90 day loan payment deferment to include July, August and September 2020 payments. Mrs. Kingston said that the same programs as under the original deferment were affected, to include the Newport News Urban Development Action Grant Loan Program, Newport News Micro-Loan Program, Newport News Capital Fund, and Peninsula Revolving Loan Fund, and that to date, seven businesses had requested the continued payment deferral option for the July, August and September deferral.

Waiver of Conflict of Interest Related to S23 Holdings, LLC Project

Mrs. Kingston explained that Kaufman & Canoles, P.C., which represented the EDA on bond-related matters, also represented a company that had been negotiating with the EDA, S23 Holdings, LLC, on matters related to their planned expansion in the Southeast Community. She stated that the Kaufman & Canoles representation of the EDA and S23 were on unrelated matters and provided by different teams at the firm, and that given the distinct and separate nature of the representation, there was no reason to believe that a conflict of interest existed. Mrs. Kingston recommend the EDA consent to waiving any conflict of interest related to Kaufman & Canoles' representation of S23 on this matter and its representation of the EDA on bond-related items. Mr. Bell stated that he was seeking a motion to consent to waiving any potential conflict of interest to allow its bond counsel, Kaufman & Canoles, P.C., continued representation of the EDA on bond-related matters, as well as continued representation of S23 Holdings, LLC in connection with S23 Holdings, LLC's announced expansion in the Southeast Community of Newport News. Ms. Greene so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Committee Reports

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

Approval of Minutes of the Regular Meeting of June 16, 2020

Mr. Bell asked for a motion that the Minutes of the Regular Meeting of June 16, 2020 be approved. Ms. Smith-Brown so moved and Ms. Greene 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 asked if there were any questions for Mrs. Kingston. There were none.

There being no further business to come before the Board, Mr. Bell thanked the Staff for their continued hard work and adjourned the meeting at 10:12 a.m.



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: July 10, 2020


The Revolving Loan Fund Committee met electronically on June 24th via Zoom Videoconferencing, in accordance with the public health emergency declared by Governor Northam in his Executive Order dated March 12, 2020.

Committee members were provided financial statements as of March 31, 2020. Staff presented three Façade Improvement Grant (FIG) Program requests:

- FIG request for \$20,000 from Hilton Office Plaza for roofing and to replace canopy/awning at 97 Main Street;
- FIG request for \$15,000 from Kaoudis Gonny Maria TR for accessibility ADA compliant projects and paving at 716 Thimble Shoals Boulevard; and
- FIG request for \$20,000 from Covaney Holdings for ADA accessibility projects, exterior modifications, "Green" sustainable improvements, windows/doors and gutters at 10 Sweetbriar Drive.

The FIG requests were unanimously approved.

This Report requires Board ratification.



Jeffrey C. Verhoef

JCV:tfw

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Date, Time and Location: June 24, 2020, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jeffrey Verhoef, Cassandra Greene, Susan Harris, George Knight, John Lunsford and Sharon D. Owens

Members Absent: Jonathan Skinner