

MINUTES OF THE ANNUAL 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, November 6, 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
Mary C. Aldrich
Howard H. Hoege, III
Jonathan P. Skinner
Jeffrey Verhoef
Cynthia D. Rohlf, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Cassandra P. Greene (excused)

Legal Counsel:

Conway Shield
Raymond H. Suttle, Jr.

Staff:

Cherry Croushore, Assistant Secretary
Jameson LeClair, Recording Secretary
Carol Meredith, Assistant Director
Jared Midkiff, Marketing & Development Coordinator
Derek Perry, Economic Development Manager (Fiscal & Economic)

Also present:

Robert Pealo, Deputy City Attorney

Call to Order

Mr. Bell opened the meeting by welcoming everyone.

S23 Holdings, LLC Project

Mrs. Kingston advised the Board that in June 2019, the EDA authorized the acquisition of 1511 Harbor Lane from the Newport News Redevelopment and Housing Authority (NNRHA), subject to HUD's approval of the disposition of the property, and that it now planned to acquire 1511 Harbor Lane from NNRHA at a purchase price of \$1,336,500, which represented 81% of the appraised value of the property. She stated that through this transaction with NNRHA, the EDA would be purchasing the approximately 17 acres necessary to facilitate the S23 project, as well as approximately 3.3 acres fronting on Jefferson Avenue that would be reserved by the EDA to support neighborhood commercial development. Mrs. Kingston explained that to facilitate the S23 project, the EDA would sell an approximately 9.9-acre portion of 1511 Harbor Lane to S23 Holdings, LLC, at a purchase price of \$63,761 per acre, which represented 81% of the appraised value of the industrial portion of the property. She advised that the EDA would also grant to S23 Holdings, LLC a purchase option on an approximately 7.2-acre portion of 1511 Harbor Lane. The Option Period would commence upon the Closing on the Phase I Parcel and end 24 months following the issuance of a Certificate of Occupancy for the Phase I Industrial Building.

Mrs. Kingston stated that S23 planned to construct an approximately 100,000-square-foot warehouse/fabrication/administration building as the "Phase I Industrial Building," with a planned \$64.4 million capital investment and the creation of 332 new jobs with salaries averaging \$51,024. She noted that the EDA would grant to S23 a performance-based incentive of \$1.1 million to support S23 in the development of its facilities at 1201 Terminal Avenue and a portion of 1511 Harbor Lane. She outlined that the \$1.1 million incentive would be comprised of:

- \$750,000 for offsite infrastructure improvements supporting connectivity between 1201 Terminal Avenue, 1511 Harbor Lane and the neighborhood;
- \$150,000 for site planning and onsite improvements at 1201 Terminal Avenue; and
- \$200,000 for site development improvements at 1511 Harbor Lane.

Mrs. Kingston advised that the local incentive included a \$150,000 local match required to leverage a \$650,000 Economic Development Access Program grant from the State.

Mrs. Kingston reported that the City had also been awarded a \$664,000 grant from the Commonwealth's Development Opportunity Fund from the Virginia Economic Development Partnership to induce S23's project in Newport News, of which \$200,000 would be reserved and used by the City to fund offsite infrastructure improvements, and the remaining \$464,000 would be received by the City and transferred to the EDA to disburse the grant to S23. She explained that the COF Grant local match requirement would be satisfied through our local Enterprise Zone incentive, with S23's Performance Targets required to be met by December 31, 2025.

Mrs. Kingston stated that the \$200,000 portion of the COF Grant would be released by the Commonwealth to the City following the investment of at least \$1.5 million and the creation and maintenance of 15 new jobs by S23, and that the \$464,000 balance of the COF Grant would be released following the Final Performance Report and based upon actual performance by the company against the capital investment and new jobs targets in 2026. She advised that progress reports would be required on capital investment and job creation annually on April 1, beginning April 1, 2021, and that she would be seeking motions to authorize the described agreements, subject to City Council funding appropriation. Mrs. Kingston asked if there were any questions from the Board, and Mr. Bell expressed support for the safeguards and accountability measures related to the performance goals contained in the agreements and commended staff for ensuring those components.

Mr. Bell introduced a motion to authorize that certain Agreement of Purchase and Sale of Commercial Real Estate, to include the Option Agreement, by and between the EDA and S23 Holdings, LLC, in connection with the significant S23 project planned in the Southeast Community of Newport News, subject to review and approval by EDA Legal Counsel, and subject to Newport News City Council authorization of the Commonwealth's Development Opportunity Fund Performance Agreement, Appropriation of the \$664,000 Commonwealth's Development Opportunity Fund Grant and Appropriation of the \$1.1 million Expansion/Relocation Cost Reduction Enterprise Zone Incentive. Mr. Hoege so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Mr. Bell presented a motion to authorize that certain Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement by and between the EDA and S23 Holdings, LLC, in connection with the significant S23 project planned in the Southeast Community of Newport News, subject to review and approval by EDA Legal Counsel, and subject to Newport News City Council authorization of the Commonwealth's Development Opportunity Fund Performance Agreement, Appropriation of the \$664,000 Commonwealth's Development Opportunity Fund Grant and Appropriation of the \$1.1 million Expansion/Relocation Cost

Reduction Enterprise Zone Incentive. Ms. Smith-Brown so moved and Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

Mr. Bell requested a motion to authorize that certain Commonwealth's Development Opportunity Fund Performance Agreement by and among the City of Newport News, S23 Holdings, LLC, the Virginia Economic Development Partnership Authority and the EDA, in connection with the significant S23 project planned in the Southeast Community of Newport News, subject to review and approval by EDA Legal Counsel, and subject to Newport News City Council authorization of the Commonwealth's Development Opportunity Fund Performance Agreement, Appropriation of the \$664,000 Commonwealth's Development Opportunity Fund Grant and Appropriation of the \$1.1 million Expansion/Relocation Cost Reduction Enterprise Zone Incentive. Mr. Skinner so moved and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

Secretary/Treasurer's Report

Mrs. Kingston reminded the Board that during the month of October the EDA facilitated a naming contest, which was open to those who lived or owned a business in the 23607 zip code, for the coworking space at 2506 Jefferson Avenue. She noted that the contest was broadly marketed through physical, email and social media distributions, and that the EDA had received 18 eligible submissions for consideration by the Coworking Space Naming Contest Evaluation Committee. Mrs. Kingston stated that the committee members included Ms. Smith-Brown, Mr. Hoege, Ray Ransom with Point Management Group, community stakeholders LaTonya Wallace and Kemi Goodwin, and herself. She reported that the Committee unanimously recommended the name "The Offices @ Two Five & J" to the EDA Board. Mrs. Kingston explained that the name was submitted by Tanya Williams as an acknowledgement of the moniker the community associated with the location. She highlighted the generosity of Hornsby Tire, a local business that donated a \$100 Visa gift card for the winner, as well as Ms. Smith-Brown, who offered to give a \$5 McDonald's gift card to each of the individuals who submitted an entry. Mrs. Kingston stated that she would be requesting a motion to accept the recommendation by the Committee at the end of her report, and opened the floor for any questions from the Board. Mr. Bell commended Mr. Hoege and Ms. Smith-Brown for their contributions as committee members and expressed support and appreciation for the selected name.

Mrs. Kingston informed the Board that the EDA had recently received inquiries from several workforce development organizations interested in occupying space in the Brooks Crossing Innovation and Opportunity Center (BCIOC), including Community College Workforce

Development Cooperative (CCWC), an association of regional community colleges serving regional employers, and from community development financial institution non-profit, LISC (Local Initiatives Support Corporation), a provider of personal career coaching and job placement programs, financial and credit literacy training and access to public benefits. She noted that in order to accommodate these interests, the EDA would build out four additional offices within the BCIOC space, and would utilize the City's Engineering Department's open contract with Centennial Contractors to perform project construction, which was estimated to cost \$76,500. Mrs. Kingston advised that she would be seeking a motion to authorize a contract and funding related to the BCIOC office buildout.

Mrs. Kingston reported that along with other improvement projects made to the Rouse Tower property, there would be opportunity to modify the parking lot area to create a more welcoming environment for tenants and visitors with improved traffic flow, installation of new landscaping and implementation of additional safety features. She noted that the EDA would use the City's Engineering Annual Services contract with ATCS, PLC for these services. Mrs. Kingston advised that she would present a motion to authorize a contract relative to the Rouse Tower parking lot improvements.

Mrs. Kingston stated that on Thursday, November 12th, she would speak and participate in a panel discussion held by the Council of Development Finance Agencies as part of its Virtual National Summit. She explained that the Summit theme was "Financing Our COVID Recovery," and that the topic of her panel, "Rapid Response Strategies for Supporting Small Business," would present how the EDA provided assistance to COVID-affected small businesses and workers earlier in the year through its deployment of CARES funding. She noted that the EDA would serve as sponsor for the November 12th program schedule.

Mrs. Kingston advised that she conducted virtual presentations to Christopher Newport University classes in October. She stated that the presentations provided an overview of economic development in the City to the undergraduate-level "Urban Economics" class. Mrs. Kingston advised that she also presented to a graduate-level "Economic Development Planning Topics" class at Virginia Tech on the development of City Center and the utilization of public-private partnerships. She explained that students in both classes asked insightful questions and that she appreciated the opportunity to share the story of Newport News with the next generation of business leaders.

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 informed the Board that City Council approved the FY2021 Capital Improvement Plan (CIP) at its most recent meeting, and that a \$69 million bond authorization would be proposed at the next City Council meeting to fund the CIP projects, which included the new Grissom Library and a new fire station, as well as a substantial amount dedicated to support economic development activities in the Southeast, Central, and North Districts in the City. She stated that the City's first quarterly financial report was being reviewed, and that given the circumstances surrounding the pandemic, she and staff remained cautiously optimistic as meals taxes began a rebound and the real estate market appeared strong. Ms. Rohlf reported that the recently announced Hampton Roads Transit funding expansion was anticipated to be impactful to the City's economy, and that plans were being discussed to operate buses at 15-minute intervals between stops. She noted that more frequent stops and a general increase in transportation services had been a common request by the community.

Ms. Rohlf highlighted that the 2020 Virtual State of the City address had been recently delivered by the Mayor, and commended the excellent production work performed by staff, who created the high-quality presentation despite the constraints of the pandemic. She stated that she was excited that each Councilmember was able to be heard, and that the address was well-received. Ms. Rohlf emphasized the importance and value of all City staff, including EDA and Development, who had contributed to the success and progress of the City, as conveyed by the address. She commended the EDA Board for moving important projects forward and for its leadership, particularly in challenging times.

Mr. Bell asked if there were any questions or comments for Ms. Rohlf, and there were none.

Mr. Bell thanked Ms. Rohlf, and introduced a motion to accept the recommendation from the Coworking Space Naming Contest Evaluation Committee and establish the name of the new coworking space at 2506 Jefferson Avenue as "The Offices @ Two Five & J". Mr. Skinner so moved and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Mr. Bell requested a motion to authorize a contract with Centennial Contractors, and funding in an amount not to exceed \$90,000, which included a contingency, for work related to the construction of four additional offices in the BCIOC, in support of workforce development and community support service partners, subject to landlord approval in accordance with the Lease. Mr. Skinner so moved and Mr. Verhoef seconded the motion, which passed unanimously on a roll call vote.

Mr. Bell presented a motion to authorize a contract with ATCS, PLC, under the City of Newport News Engineering Annual Services contract, for assessment and design services of improvements to the Rouse Tower parking lot, and associated funding in an amount not to exceed \$75,000, subject to review and approval of EDA Legal Counsel. Mr. Hoege so moved and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

Ms. Smith-Brown expressed her appreciation for the efforts made by the EDA, specifically related to the coworking space naming project and the BCIOC improvements, and highlighted the meaningfulness of them to the Southeast Community. She conveyed her excitement that the community was fully engaged and enthusiastic about the Coworking Space Naming Contest and that there was a great deal of support for the purpose of the coworking space itself. Ms. Smith-Brown emphasized that she, as a business owner located in the area, was personally effected by the ongoing work of the EDA in the Southeast Community, and was gratified to be engaged in the progress.

Mrs. Kingston echoed Ms. Smith-Brown's comments regarding the importance of the work performed by the EDA, and stated that the coworking space would continue to be a valued asset for creating connections with business and community leaders from the surrounding area. Mr. Bell expressed that the residents living in the Southeast Community had taken a great deal of pride in the area, and that he appreciated that the EDA encouraged their participation in the revitalization process.

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.

At 8:38 a.m., Mr. Skinner moved for the Authority to go into a closed meeting pursuant to VA Code Section §2.2-3711.A: Real Estate (3) for the following purpose and subject: (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 a proposed property acquisition in the southern section of the City. Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

At 8:48 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Skinner, in accordance with VA Code Section §2.2-3712(D) that to the best of each member's knowledge: (D) (i) only public business matters lawfully exempted from open meeting requirements under this chapter; and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body. Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Action(s) Coming Out of Closed Session

Mr. Bell stated that there was an action coming out of Closed Session and introduced a motion to authorize the acquisition of 2403 Wickham Avenue at an agreed-upon purchase price of \$51,600, from record owner Sycamore Property, LLC, to support strategic redevelopment efforts in the Southeast Community, subject to the review and approval of all documentation by EDA Legal Counsel. Ms. Aldrich so moved and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

Committee Reports

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

Election of Officers

Chair Bell called for nominations from the floor for Chair of the EDA/IDA for 2021. Mr. Verhoef moved to nominate Ms. Smith-Brown for Chair. Ms. Aldrich seconded the motion. Mr. Skinner moved to close nominations for Chair. Mr. Hoege seconded the motion, which passed unanimously on a roll call vote. Chair Bell called for nominations from the floor for Vice-Chair of the EDA/IDA for 2021. Mr. Hoege moved to nominate Mr. Verhoef for Vice-Chair. Mr. Skinner seconded the motion. Ms. Smith-Brown moved to close nominations for Vice-Chair. Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote. Ms. Aldrich moved to elect Ms. Smith-Brown as Chair and Mr. Verhoef as Vice-Chair of the EDA/IDA for Calendar Year 2021. Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of October 9, 2020

Mr. Bell asked for approval of the Minutes of the Regular Meeting of October 9, 2020. Mr. Verhoef so moved, and Ms. Smith-Brown seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

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

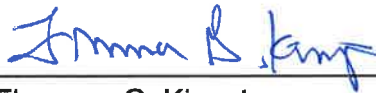
New Business

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

Mr. Hoege reported that he wished to offer a free year-long Mariner's Museum family membership to the winner of the Coworking Space Naming Contest, as well as a free behind-the-scenes tour of the Museum to each person who submitted an entry. Mr. Bell commended Mr. Hoege for his generosity.

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 adjourned the meeting at 8:54 a.m.



Florence G. Kingston
Secretary/Treasurer



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

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

The Marketing Committee met electronically on October 22nd via Zoom Videoconferencing, in accordance with the public health emergency declared by Governor Northam in his Executive Order dated March 12, 2020.

Staff provided an informational briefing about marketing efforts to promote the EDA's recent relief, engagement and sponsorship activities, including Open for Business, CARES grant programs, Coworking Name the Space Contest, State of the City, 2020 Annual Report and HRACRE's Regional Collaboration presentation. Howell Creative Group gave a review of website and social media performance for 2020. The EDA website experienced a 260% increase in traffic originating from social media (from January – September 2019), with a nearly 10% increase in time spent on the site. A more detailed report of site performance accompanies this report.

This Report does not require Board ratification.


Cassandra P. Greene

CPG:mb

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Date, Time and Location: October 22, 2020 at 1:00 p.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

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

Members Absent: None



date: 10/15/20
client: Newport News EDA
subject: Marketing Committee – Key Analytics/Notes
job number: 2010377

Part A – 2020 Website Statistics

Comparisons from Jan 1 – Sept 30 timeframe (each year)

	2020	2019	2018
Visitors	17,544	17,009	10,026
Page Views	35,197	34,344	20,629
Organic Search	10,480	10,054	6,431
Social Traffic	2,058	574	131
2nd Most Visited Page <i>(behind top regional employers)</i>	Launch & Grow Roadmap <i>(yesnewportnews.com)</i> 2,813	Launch & Grow Roadmap <i>(yesnewportnews.com)</i> 2,318	Staff Directory 827

Jan 1 – September 30, 2020 Highlights

- 9% increase in time spent on site
- 260% increase in traffic from social
- 4% increase in traffic from organic search
- 267 downloads of the small business PDF
- 155 users clicked to read more information about COVID
- 223 users clicked to see Small Business Grant information
- 83 users clicked to get more information on the Resiliency Grant
 - 65 users clicked directly to apply



Part B – 2020 Social Media Overview

2020 Facebook Metrics

- 74 followers gained in 2020 (12% increase from 2019)
- Top 3 posts
 - COVID-19 NN Waterworks Graphic – 6/4/2020
 - 1882 people reached, 29 likes, comments & shares, 57 post clicks
 - Endview Development Concept Virtual Meeting – 8/20/20
 - 1794 people reached, 29 reactions, comments & shares, 66 post clicks
 - COVID-19 Small Business Resiliency Grant – 5/4/20
 - 1580 people reached, 35 reactions, comments & shares, 50 post clicks

2020 LinkedIn Metrics

- 32 followers gained in 2020, 8 new followers in month of Sept



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: November 6, 2020

The Revolving Loan Fund Committee met electronically on November 2nd 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 September 30, 2020. Staff recapped the Committee on the COVID Grant Relief Programs.

Staff presented a Façade Improvement Grant (FIG) Program request:

- FIG request for \$20,000 from Warwick Denbigh Company of Newport News, LP for exterior lighting improvements at 14347 Warwick Boulevard.

The FIG request was unanimously approved.

This Report requires Board ratification.



Jeffrey C. Verhoef

JCV:tfw

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Date, Time and Location: November 2, 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 and John Lunsford

Members Absent: Jonathan Skinner and Sharon Owens