

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

Ms. Smith-Brown called the meeting to order at 9:00 a.m. on Friday, January 8, 2021, in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia, via electronic videoconference.

Those members present were:

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

Absent:

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

Legal Counsel:

Raymond H. Suttle, Jr. (In-Person)
Conway Shield (remote)

Staff:

Cherry Croushore, Assistant Secretary (remote)
Jameson LeClair, Recording Secretary (In-Person)
Carol Meredith, Assistant Director (remote)
Joy Robison, Zoom Meeting Moderator (In-Person)

Also present:

Leslie F. Roberts, Partner, Brown, Edwards & Company, L.L.P. (remote)
Mark Butcher, General Manager of Newport News Marriott at City Center (remote)
Ralph L. (Bo) Clayton, Assistant City Manager (remote)
Robert Pealo, Deputy City Attorney (remote)

Special Meeting Statement

Ms. Smith-Brown opened the meeting and welcomed everyone with a statement declaring the Regular 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 in accordance with the budget bill of the Commonwealth of Virginia (the "Commonwealth") for the biennium ending June 30, 2020, as adopted by the reconvened session of the 2020 Virginia General Assembly, because the Governor of the Commonwealth had issued Executive Order Fifty-One (2020) declaring a state of emergency, which declaration continued in force and effect. She 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 more importantly, based on what was known 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. She apologized for any inconvenience to anyone, but asked for understanding and compliance temporarily.

Newport News Marriott at City Center

Ms. Smith-Brown asked for the Conference Center Marketing 2019 Expense Review. Ms. Roberts greeted the Board and stated that she was pleased to present her report. She explained that Brown, Edwards & Company, L.L.P. performed an Agreed-Upon Procedures engagement, the purpose of which was to evaluate the marketing transactions of Oyster Point Hotel Associates (OPHA) for the Marriott Conference Center for the year ending December 31, 2019 according to the Joint Marketing Agreement between the EDA, OPHA and the City. Ms. Roberts reported that supporting documentation was reviewed for approximately 94% of expenses charged under the Agreement, and that all expenses were for qualified marketing costs with no exceptions noted. She stated that all of these procedures were detailed in their report, which included a schedule of the money spent under the Joint Marketing Agreement and those items that were tested in each category, and that no exceptions were found and there were no findings to report.

Ms. Smith-Brown asked if there were any questions for Ms. Roberts, and there were none.

Ms. Smith-Brown asked for the Conference Center 2019 Activity Review. Mr. Butcher reminded Board Members that the Newport News Marriott at City Center was the only full-service Marriott on the Peninsula and that the Conference Center hosted corporate and civic

events, reunions and weddings, as well as both public and private functions. He stated that the facility contributed over 192 jobs and that employees have had a sustainable impact on the community by focusing on the environment, social engagement and contributing to the economy through the purchase of local goods and services.

Mr. Butcher reported that Conference Center guest satisfaction ranked in the top 10% of all Marriott Hotels worldwide, and that due to their focus on customer service, guests return time and again. He stated that the industry as a whole had experienced growth in taxable revenue through 2019, and that weddings, social events and reunions had remained strong in the summer months and had resulted in excellent ratings on social media and wedding review sites. Mr. Butcher highlighted that both the Hotel and Conference Center had benefited from strong activity in the sports market from local universities and other Peninsula sports facilities, spill-over from large events in the region, and corporate meetings and events by local companies. He noted that surrounding hotels had been valuable partners, assisting with accommodations for overflow business resulting from large group events.

Ms. Smith-Brown thanked Mr. Butcher and asked if there were any questions. Ms. Meredith reiterated that both Mr. Butcher and Ms. Roberts were reporting on fiscal year 2019, and therefore, their reports were prior to any negative effects caused by COVID-19. She advised that the marketing expenses monitored in the report were only a portion of the total Newport News Marriott Marketing expenditures. Ms. Meredith commended both Brown, Edwards & Company, L.L.P. for their excellent service to the EDA and the Newport News Marriott team for maintaining good records so that the review could be performed efficiently, and noted that the Conference Center 2020 Expense Review and Activity Review presentation was expected to come before the Board in August 2021.

Secretary/Treasurer's Report

Mrs. Kingston wished everyone a Happy New Year and said she was confident that 2021 would bring another successful year for the work the EDA/IDA does for the citizens of Newport News.

Mrs. Kingston welcomed Ms. Smith-Brown as Board Chair, and stated that she looked forward to the leadership and value she would bring to the EDA.

Mrs. Kingston advised that staff and Howell Creative Group had been working to complete the EDA/IDA 2020 Annual Report, that she looked forward to another comprehensive

publication for City Council and anticipated the continued use of the Report as a marketing tool in strategic communications with partners and prospects. She noted that Board Members were previously provided draft copies for review, and that in preparation for printing and delivery to City Council no later than its first February meeting, she would be seeking a Motion to approve the Annual Report as presented at the conclusion of her Report.

Mrs. Kingston stated that she was pleased to report that the EDA/IDA 2019 Annual Report had won an American Graphic Design Award, and that this was the third year in a row that the Report had received the award—the 2017 and 2018 Reports having also been recognized.

Mrs. Kingston reminded the Board that the Peninsula Industrial Finance Corporation (PIFC) Board was the approval body for one of the US EDA's loan programs, the Peninsula Revolving Loan Fund, which was designated for businesses in both Newport News and Hampton. She stated that PIFC had a five-member Board and that both Hampton and Newport News EDA/IDA Boards made appointments to the PIFC Board, with two members from Hampton and three from Newport News. Mrs. Kingston explained that Newport News representatives were Sylvia Weinstein Craft, Joycelyn Spight Roache and Beth Moore, and that Joycelyn served as Chair. She advised that all three of the Board appointees required reappointment, were willing to continue to serve and were eligible to be reappointed. Mrs. Kingston stated that she would be asking for a motion at the end of her Report to approve the reappointments to the PIFC Board.

Mrs. Kingston reiterated that the EDA established three new small business grants to help businesses recover from financial challenges due to COVID-19 and to expand and enhance their E-Commerce capabilities—the Resiliency Grant, the Back to Business Grant and the Grow Your eBusiness Grant. She noted that these programs were funded by the federal CARES Act, and that a requirement of using federal grant funding was a compliance audit. Mrs. Kingston explained that staff had coordinated with the Finance Department to ensure the information and process were aligned with both City and Federal requirements, and worked with the City's IT Department to create an electronic expenditure report form and an online processing HUB to conduct random audits of the grants. She informed the Board that in the next few weeks, notifications would be sent to businesses requiring the completion of the expenditure form, together with required supporting documentation.

Mrs. Kingston advised that she was invited to give a virtual presentation to Urban Land Institute (ULI) Virginia to highlight the various economic development projects and growth taking place in Newport News. She explained that ULI is one of the largest groups of multi-discipline land use and developers, and emphasized the importance of the opportunity to share all of the activity happening in Newport News. Mrs. Kingston stated that the presentation was well-received and created a greater awareness of the full breadth of the City's economic development activities, especially in areas such as the Southeast Community, Downtown and the Denbigh-Warwick area.

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

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 reported that the City continued to monitor trends related to COVID-19 and stated that while Newport News' numbers were not as high as other areas in the state, as cases continued to rise it was anticipated that some City services may be altered to limit personal contact. She noted that the City was also closely following the rollout of the COVID-19 vaccine to prepare for local distribution. Ms. Rohlf stated that the City continued to encourage its employees to telework and utilize staggered shifts to mitigate the spread of the virus while maintaining critical services. She noted that despite the challenges posed by the pandemic, projects continued to move forward and the City was well-positioned to make additional capital investments in the new year. Ms. Rohlf explained that there was a potential for the City to receive another round of federal COVID-19 relief funding, and that the previous relief programs offered to businesses and citizens in the City received positive feedback.

Ms. Smith-Brown asked if there were any questions or comments for Ms. Rohlf, and there were none. Ms. Smith-Brown commended Ms. Rohlf and the rest of the City's leadership personnel for their prudent governance during the COVID-19 pandemic.

Ms. Smith-Brown stated that she was seeking a motion to approve the EDA/IDA 2020 Annual Report as previously outlined. Mr. Bell so moved, and Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

Ms. Smith-Brown introduced a motion for approval of the reappointments of Beth Moore and Joycelyn Spight Roache, each to serve a three-year term ending on December 31, 2023, and Sylvia Weinstein Craft, to continue serving a two-year term ending on December 31, 2021. Mr. Bell so moved, and Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

Assistant Secretary's Report

Ms. Smith-Brown asked for the Assistant Secretary's Report, and Ms. Croushore advised the Board that the Committee Meeting Schedule was in their packages and noted relevant details.

Madison Government Affairs' Consultant Report

Ms. Smith-Brown advised the Board that the Madison Government Affairs Report was in written format and asked if there were any comments or questions. There were none.

At 9:37 a.m., Mr. Verhoef 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 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 central section of the City and proposed property dispositions in the northern 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 a prospective business interested in locating in the central section of the City. Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

At 11:30 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Verhoef, in accordance with VA Code Section §2.2-3712(D) that to the best of each member's knowledge: (D) (i) only public business matters lawfully exempted from open meeting requirements under this chapter; and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body. Mr. Hoege seconded the motion, which passed on a 3-0-1 roll call vote, Mr. Bell abstaining, having stepped out of the meeting and

not participated in the discussion of a Closed Session matter on which he could have a potential conflict of interest.

Committee Reports

Ms. Smith-Brown called for the Committee Reports, and Mr. Bell presented the Design Review Committee Report, which passed unanimously on a roll call vote. Ms. Smith-Brown presented the Executive Committee Report, which passed unanimously on a roll call vote. Mr. Hoege presented the Marketing Committee Report, followed by the South Newport News Committee Report, neither of which required Board ratification.

Approval of Minutes of the Regular Meeting of December 4, 2020

Ms. Smith-Brown asked for approval of the Minutes of the Regular Meeting of December 4, 2020. Mr. Bell so moved, and Mr. Verhoef seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

Ms. Smith-Brown asked for any unfinished business. There was none.

New Business

Ms. Smith-Brown asked for any new business. There was none.

There being no further business to come before the Board, Ms. Smith-Brown adjourned the meeting at 11:43 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: January 8, 2021

The Design Review Committee met electronically on December 17th via Zoom Videoconferencing, in accordance with the budget bill of the Commonwealth of Virginia (the "Commonwealth") for the biennium ending June 30, 2020, as adopted by the reconvened session of the 2020 Virginia General Assembly, and with the public health emergency declared by Governor Northam in his Executive Order dated March 12, 2020.

The Committee considered a request by Allegra/image360, on behalf of Draw Newport, LLC, and Guaranteed Supply Company, for approval of a digital rendering for a proposed monument sign modification, to include replacing the existing channel lettering with a new high-density urethane sign, at 261 Picketts Line, in Oakland Industrial Park. 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.


Jonathan P. Skinner 

JPS:mej

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Date, Time and Location: December 17, 2020, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jonathan P. Skinner, Alonzo R. Bell, Jr., Carl Breiner, Thomas Herbert, Robert Mann, Teresa Nettles, Bryan Trainum, Sylvia Weinstein

Members Absent: Mary C. Aldrich, Elizabeth Willis



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: January 8, 2021

The Executive Committee met electronically on December 15th via Zoom Videoconferencing, in accordance with the budget bill of the Commonwealth of Virginia (the "Commonwealth") for the biennium ending June 30, 2020, as adopted by the reconvened session of the 2020 Virginia General Assembly, and with the public health emergency declared by Governor Northam in his Executive Order dated March 12, 2020.

The Committee was advised that the existing Lease between the City and the IDA for 2295 Harbor Road was due to expire December 31, 2020, and that a new five-year lease, commencing January 1, 2021 and ending December 31, 2025, was approved by City Council at its December 8, 2020 Meeting. The Committee approved the new five-year lease between the City and the IDA, commencing January 1, 2021, for the property at 2295 Harbor Road.

Committee Members received an update on the renovation improvements project underway at 2700 Huntington Avenue (former Sears Building) in Downtown Newport News. Staff advised that during roof replacement work, unforeseen issues with the underlying insulation had recently been discovered, requiring removal and replacement of areas of wet and/or damaged insulation. While the full extent of the additional costs associated with the insulation issue would not be definitively ascertained until the roof replacement work was complete, staff recommended that additional funding in an amount not to exceed \$60,000 be authorized should the existing budget not be sufficient to absorb all costs and to allow timely payment of invoices. The Committee authorized additional funding in an amount not to exceed \$60,000 for the Sears Renovation Improvements Project to address unforeseen costs related to the removal and replacement of wet or damaged insulation discovered during the replacement of the roof.

Executive Committee Chair's Report
January 8, 2021
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The Committee's remaining items were handled in Closed Session. This Report requires Board ratification.



Jennifer Smith-Brown

JSB:clc

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Date, Time and Location: December 15, 2020, at 12:00 pm at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Mary Aldrich, Alonzo Bell, Jennifer Smith-Brown, Jeff Verhoef

Members Absent: None

Also Present: Jonathan Skinner



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: January 8, 2021

The Marketing Committee met electronically on December 17th via Zoom Videoconferencing, in accordance with the budget bill of the Commonwealth of Virginia (the "Commonwealth") for the biennium ending June 30, 2020, as adopted by the reconvened session of the 2020 Virginia General Assembly, and with the public health emergency declared by Governor Northam in his Executive Order dated March 12, 2020.

Special guests Steve Harrison (Vice President, Business Intelligence and Communications) and Jillian Goodwin (Director, Marketing and Communications) of the Hampton Roads Alliance presented an overview of the Alliance, including marketing and business development efforts, and research resources for attracting and expanding businesses in our region. Committee members were complimentary of the wealth of information presented.

This Report does not require Board ratification.



Cassandra P. Greene

CPG:mb

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Date, Time and Location: December 17, 2020 at 11:00 a.m., 11820 Fountain Way, Suite 301, Newport News, VA 23606

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

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, South Newport News Committee

SUBJECT: Chair's Report

DATE: January 8, 2021

The South Newport News Committee met on January 5th, via Zoom Videoconferencing, in accordance with the budget bill of the Commonwealth of Virginia (the "Commonwealth") for the biennium ending June 30, 2020, as adopted by the reconvened session of the 2020 Virginia General Assembly, and with the public health emergency declared by Governor Northam in his Executive Order dated March 12, 2020.

Derek Perry, with the City's Department of Development, provided the Committee with a comprehensive update on the Choice Neighborhoods Initiative (CNI), outlining the various goals and initiatives connected with the implementation of the Transformation Plan for the Marshall-Ridley Choice Neighborhood and the \$30 million CNI Implementation Grant awarded to the City and Newport News Redevelopment and Housing Authority. Committee Members were briefed on ongoing and planned activities that are a part of the implementation of the Housing, People and Neighborhood Plans. Specifically, Mr. Perry shared information about the Critical Community Improvements, that include gateway improvements, a seafood market, a health and wellness trail network, housing rehabilitation program and building rehabilitation to support neighborhood commercial development, as well as about a other City and EDA projects, such as The Offices @ Two Five & J, concrete demolition on the Chase Packaging site and the S23 Holdings, LLC expansion project. Committee Members were impressed with the wealth of information provided and the implementation progress being achieved.

South Newport News Committee Chair's Report
January 8, 2021
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The Committee also received staff updates on the Brooks Crossing development project, Downtown redevelopment activities, and projects recently completed by Newport News Redevelopment and Housing Authority.

This Report does not require Board ratification.


Mary Aldrich, Chair

MA:mar

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Date, Time and Location: January 5, 2021, 4:00 p.m. at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia (Via Electronic Meeting)

Members Present: Cassandra Greene, Howard Hoegge, Carl Burt, Richard Coleman, Troy Smith, Jr.

Members Absent: Mary Aldrich