

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, February 5, 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)
Mary C. Aldrich (remote)
Alonzo R. Bell, Jr. (remote)
Howard H. Hoege, III (remote)
Jonathan P. Skinner (remote)
Cynthia D. Rohlff, 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)
Jameson LeClair, Recording Secretary (In-Person)
Jared Midkiff, Marketing & Development Coordinator (In-Person)
Derek Perry, Economic Development Manager (Fiscal & Economic) (remote)

Also present:

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.

She then spoke briefly emphasizing the EDA/IDA mission and the importance of the Board's work and the benefits it provides to the citizens of Newport News.

Secretary/Treasurer's Report

Mrs. Kingston stated that the START Peninsula 2020 Activity Report was included in Board Members' Agenda packages, and that the initiative continued its success in finding and validating entrepreneurial business ideas and budding companies, through programming which included a series of three MicroPitch competitions, leading up to a Main Event Pitch competition in November each year. She explained that START also offered "Pitch Perfect" training throughout the year, plus several topical training sessions. She noted that the START Core Team was made up of one Development staff representative from each Peninsula locality, with the responsibility of planning and executing all matters related to START.

Mrs. Kingston outlined that the program was funded primarily through a Memorandum of Understanding (MOU) between the Peninsula localities, with each locality contributing ten cents per capita, and that Newport News contributed \$18,071 annually from the EDA budget. Mrs. Kingston stated that the existing MOU would expire June 30, 2021 and that she would be requesting a motion coming out of her report for approval of a new MOU and

Fiscal Agency Agreement effective July 1, 2021, for a five-year period, subject to annual appropriation and agreement by the locality to extend each year, and subject to legal counsel review. She expressed excitement about the progress and momentum START had gained since its inception nine years ago, and encouraged anyone who wished to learn more to contact Sam Workman or Shakir Johnson.

Mrs. Kingston reported that as a first step in the environmental remediation of the Sherwood-Kazis site, a proposal had been secured from Arcadis U.S., Inc., to deliver services to conduct the property through the Virginia Department of Environmental Quality's Voluntary Remediation Program (VRP). She advised that costs associated with this work were partially reimbursable under the EDA's \$50,000 Virginia Brownfields Assistance Fund Grant for Sherwood-Kazis, and that the work was a necessary step in readying the EDA-owned site for redevelopment consistent with the Denbigh-Warwick Area Plan. Mrs. Kingston stated that she recommended acceptance of the Arcadis proposal and that she would be seeking a motion to authorize funding for it at the end of her report.

Mrs. Kingston announced that she was pleased to highlight the delivery of the 2020 EDA/IDA Annual Report to Board Members, and that staff and Howell Creative Group continued to raise the bar each year. She congratulated the Board for its accomplishments, and commended all who contributed to the exceptional quality of the Report, noting Robin Boyd for her lead role.

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, however, Ms. Rohlf was experiencing intermittent technical difficulties. Mrs. Kingston shared on behalf of Ms. Rohlf that the City and EDA were recently engaged in discussions with bond credit rating companies Moody's and Standard & Poor's related to a new issuance of public bonds, underscoring the level of economic activity that existed in the City. Ms. Smith-Brown thanked Mrs. Kingston for her report. She asked if there were any questions and there were none.

Ms. Smith-Brown stated that she was seeking a motion to authorize the Chair to enter into an MOU and Fiscal Agency Agreement for START Peninsula, effective July 1, 2021, for a period of five years, subject to annual appropriation of funds and annual agreement by the

locality to extend each year, and subject to legal counsel review. Mr. Bell so moved, and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

Ms. Smith-Brown introduced a motion to authorize acceptance and funding of Arcadis' proposal for Sherwood-Kazis Voluntary Remediation Program Site Investigations and Voluntary Remediation Report, in an amount not to exceed \$143,000, which included a small contingency, with funding to be partially reimbursed under the Virginia Brownfields Assistance Fund Grant, subject to all necessary documents being reviewed and approved by EDA Legal Counsel. Mr. Bell so moved, and Ms. Aldrich 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 9:13 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 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. Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

At 9:53 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: (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. Skinner seconded the motion, which passed on a 4-0-1 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.

Action(s) Coming Out of Closed Session

Ms. Smith-Brown stated that there was an action coming out of Closed Session and introduced a motion to authorize the acquisition of 801 Omni Boulevard at an agreed upon purchase price of \$2,925,000, together with a related \$30,000 exterior improvement allowance, from contract purchaser Hillview Realty, Inc., as a strategic property acquisition supporting the future expansion of City Center, subject to the review and approval of all documentation by EDA Legal Counsel. Mr. Skinner so moved, and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

The Offices @ Two Five & J

Ms. Smith-Brown called for The Offices @ Two Five & J progress presentation. Mr. Perry reported that staff had been working with Ritchie-Curbow on the rehabilitation of 2506 Jefferson Avenue and buildout of the space with Point Management Group (PMG) to develop guidelines and procedures for facility operation upon completion of The Offices @ Two Five & J. He stated that construction had steadily progressed on the rehabilitation of the building, which included extensive shoring of the front façade when the original structure was being removed until the new structural steel was affixed.

Mr. Perry outlined that the targeted substantial completion for the building was the end of the current quarter, as staff continued to work closely with the Department of Engineering, which was managing Ritchie-Curbow through construction, as well as PMG, who had been developing administrative manuals and facility documents in concert with staff. Mr. Perry explained that the purpose and goal for the project was to create a location which served as a hub of business assistance resources within the community and supported entrepreneurship through the provision of services along with low cost office space in order to reduce barriers to obtaining assistance.

Mr. Perry stated that the amenities offered by The Offices @ Two Five & J were consistent with other coworking facilities, noting that clients would have access to printers, high-speed internet including fiber optic technology, and furnished spaces.

Mr. Perry outlined proposed membership levels, pricing, and eligibility and use criteria. He noted that as part of the application for the CNI Implementation Grant, the EDA made commitments to support implementation of the People Plan supporting Ridley Place residents, and advised that staff continued to work on a concept to provide \$2,500 “scholarships” to Ridley Place residents for The Offices @ Two Five & J memberships.

Ms. Smith-Brown introduced a motion to authorize the Operating and Pricing Policy of The Offices @ Two Five & J as presented. Mr. Bell so moved and Ms. Aldrich seconded the motion which passed unanimously on a roll call vote.

Committee Reports

Ms. Smith-Brown presented the Executive Committee Report, which did not require Board ratification.

FY 2022 EDA/IDA Budget

Mrs. Kingston outlined the Budget Summary before the Board, providing a review of each category and noting relevant specifics. Mrs. Kingston stated she recommended approval of the FY 2022 budget as presented. Ms. Smith-Brown asked for a motion to approve the FY 2022 EDA/IDA Budget as presented. Mr. Bell so moved and Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of January 8, 2021

Ms. Smith-Brown asked for approval of the Minutes of the Regular Meeting of January 8, 2021. Mr. Bell so moved, and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

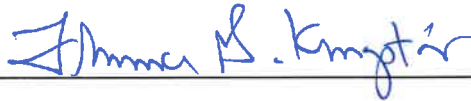
Unfinished Business

Ms. Smith-Brown asked for any unfinished business. Mrs. Kingston announced that the City Center garage currently under construction was nearing completion and that it would be named the “Pearl Way Garage.”

New Business

Ms. Smith-Brown asked for any new business. Mrs. Kingston reported that there was an opportunity for the EDA to refund its Series 2012A bonds, which would result in substantial lowering of debt payments made by the EDA, and that she was requesting a motion to approve Resolution 21-1 to refund the bonds as outlined. Ms. Smith-Brown asked for approval of Resolution 21-1 as presented. Mr. Bell so moved and Ms. Aldrich seconded the motion, which passed unanimously on a roll call vote.

There being no further business to come before the Board, Ms. Smith-Brown adjourned the meeting at 10:35 a.m.



Florence G. Kingston
Secretary/Treasurer



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: February 5, 2021

The Executive Committee met on January 25th. The Committee received a presentation on the EDA/IDA FY 2022 Budget, which the Board will receive later in today's Agenda. Based on the presentation received, the Executive Committee is recommending approval of the Budget. Formal action on the Budget by the Board, however, will follow presentation of the Budget to the Board, rather than take the form of ratification of this item in the Executive Committee Report.

The Committee also received a presentation, and provided feedback, on progress and efforts related to The Offices @ Two Five & J. The Board received an updated presentation and took an action on this topic earlier in today's Agenda.

Committee Members were also provided a brief update on the renovation improvements project underway at 2700 Huntington Avenue (former Sears Building) in Downtown Newport News. Staff advised that they were now optimistic that the contingency included in the original funding for the project would absorb the unforeseen additional costs associated with the roof insulation issue.

The Committee's remaining items were handled in Closed Session. This Report does not require Board ratification.


Jennifer Smith-Brown

JSB:clc

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Date, Time and Location: January 25, 2020, at 12:00 pm at 740 Town Center Drive, Newport News, VA

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

Members Absent: None