

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, May 7, 2021, in the Pearl Ballroom of the Newport News Marriott Conference Center at 740 Town Center Drive, Newport News, Virginia.

Those members present were:

Jennifer Smith-Brown, Chair
Alonzo R. Bell, Jr.
Faye P. Gargiulo
Howard H. Hoege, III
Jameka R. Johnson
Cathy T. Williams
Cynthia D. Rohlf, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Jonathan P. Skinner (excused)

Legal Counsel:

Raymond H. Suttle, Jr.
Conway Sheild

Staff:

Cherry Croushore, Assistant Secretary
Jameson LeClair, Recording Secretary
Carol Meredith, Assistant Director

Also present:

Jack Hession, Senior Vice President, Madison Government Affairs (remote)
Collins Owens, Jr., City Attorney
Robert Pealo, Deputy City Attorney
Jerri Wilson, Intergovernmental Affairs Manager

Call to Order

Ms. Smith-Brown opened the meeting by welcoming everyone and provided a brief introduction of Department of Development staff for the benefit of newly-appointed Board Members.

Presentation on City's Strategic Plan and FY 2022 Operating Budget

Ms. Smith-Brown welcomed Ms. Rohlf to provide a presentation of the City's Strategic Plan and highlights of the approved FY 2022 Operating Budget. Ms. Rohlf reported that the Strategic Plan represented a comprehensive strategy that prioritized and incorporated many ideas from the City's formal conceptual plans. She stated that a Shared Leadership model has been adopted to promote the utilization of every department to address the City's priorities and interests more holistically. Ms. Rohlf explained that the Strategic Plan was based on the prioritization of People, Places and Government, and that each priority consisted of strategic goals and objectives. She noted that Strategic Plan priorities had associated funding in the City's Operating Budget and Capital Improvements Plan.

Ms. Rohlf identified the Strategic Plan's values as being community engagement, opportunity for all, creativity and innovation, stewardship and fun. She highlighted the objective of economic development and business vitality to attract and retain employers and businesses for a diverse array of employment and career opportunities. Ms. Rohlf defined the employment and career opportunity objective as the development of a highly-educated, highly-skilled workforce that would meet the needs of the business community and would result in career opportunities and higher wages. She recognized Brooks Crossing Innovation and Opportunity Center (BCIOC) as a community-oriented initiative dedicated to promoting economic development and business vitality. Ms. Rohlf expressed the importance of wealth building, financial empowerment and independence to the vitality of the City. She emphasized that each objective in the Strategic Plan was critical to the function and overall health of the City.

Ms. Rohlf welcomed questions and comments from the Board. Mr. Hoege asked Ms. Rohlf if she would elaborate on the Strategic Plan's idea of connecting neighborhoods, and she explained the importance of understanding that neighborhoods are different and have different needs, and that improved access to transportation and increased diversity in housing types and businesses would help to unify and link areas of the City together. She stressed the importance of engaging local leaders and organizations to propose and support community development projects. Ms. Gargiulo emphasized the importance of the different

sections of the City and their cultural features to collaborate to form a unified identity and vision for the City. Ms. Rohlf agreed and noted that adopting a shared identity was a priority for the City. Ms. Smith-Brown asked Ms. Rohlf to comment on the EDA's fit within the Strategic Plan. Ms. Rohlf responded that the EDA's role continues to be to provide leadership, guidance, diversity, economic development initiatives and projects, and noted that she welcomed ideas from Board Members on increased participation with City Strategic Plan priorities, as the best results for the citizens are achieved with everyone working together as a team. Mr. Bell expressed support for the Strategic Plan, particularly its emphasis on citizen interests.

Ms. Rohlf also advised Board Members that she felt it was critical to advance implementation of strategic priorities and approved conceptual plans. She noted that Department of Development staff continued to work tirelessly on economic development projects and initiatives, utilizing its staff capacity, but that she wanted additional assistance to help the organization advance special and particular projects. To that end, Ms. Rohlf reported that she had recently issued a Request for Proposals for Consulting Services to aid in advancing direction, strategies and efforts to implement special economic development projects. She noted that the selected respondent would be under her direction.

Ms. Smith-Brown thanked Ms. Rohlf for her presentation and comments.

Secretary/Treasurer's Report

Mrs. Kingston noted that in June 2020, the EDA granted a one-year extension of the Development Agreement with Newport News Town Center, LLC (NNTC IV), associated with development rights for three remaining undeveloped parcels in City Center. She stated that because COVID-19 continued to persist and impacted the ability to develop the subject parcels, staff supported the developer's request to further extend the Development Agreement through December 27, 2022. Mrs. Kingston advised that she would be seeking a motion at the end of her report to authorize the extension.

Mrs. Kingston reported that as part of the housing plan for Choice Neighborhoods Initiative (CNI), Newport News Redevelopment and Housing Authority (NNRHA) had been working to demolish the current Ridley Place Apartment Community and its various buildings, and was well-underway in the relocation of residents. She noted that one of the buildings within Ridley Place was where Hampton Roads Community Action Program (HRCAP) had been operating its Lift and Connect Center to provide various support services to residents of the Marshall-Ridley Choice Neighborhood.

Mrs. Kingston informed the Board that a relocation facility within the community, and in close proximity to Ridley Place, was needed for HRCAP's activities, to allow the Lift and Connect Center functions to be adjusted ahead of the scheduled demolition, and to prevent a lapse in service delivery to Ridley residents. She stated that on behalf of the City and NNRHA, staff had been working with the owner of the 25th Street Shopping Center toward an agreement to lease the former Rite Aid space, and with the City's Engineering Department to develop buildout plans that would accommodate HRCAP's case management and service delivery needs. Mrs. Kingston advised that, once determined, the terms of the lease and associated buildout costs would be brought back to the Board for consideration and approval.

Mrs. Kingston reported that Ferguson's new HQ3 building at City Center received state and local incentives based on targeted investment and job creation, that the parameters were memorialized in separate agreements with the State and the EDA, and that in accordance with those agreements, Ferguson submitted its latest report in April. She stated that the report reflected that Ferguson had, to date, invested over \$80.5 million toward its investment target of \$82.8 million, and that it had not yet achieved its job creation target, due in large part to the impacts of COVID-19. Mrs. Kingston noted that the State's agreement provided a performance date of January 1, 2022, for meeting the investment and job creation targets, with a mechanism to request a 15-month extension, which Ferguson planned to request. She stated that staff was working closely with Ferguson to submit a joint request to the State to formalize Ferguson's desire to extend the deadline to April 1, 2023, and that it was anticipated that the State would respond to the request within the next few months.

Mrs. Kingston commended the Hampton Roads Small Business Development Center (SBDC) for its commitment to the EDA regarding the CNI project. She highlighted that during the first quarter of 2021, Debra Farley with SBDC created a cohort of eight participants from the CNI area to be involved in her CNI Cohort #1 Group Session from January 8, 2021, through March 26, 2021. Mrs. Kingston stated that Ms. Farley provided several group and one-on-one counseling sessions and shared various aspects of starting a business and developing a business plan, and that each participant presented their business plan or concept virtually to Tricia Wilson and Bill Holloran, Strategic Planner for the SBDC. Mrs. Kingston reported that Ms. Farley provided approximately 48 hours of client assistance targeted to the CNI cohort.

Mrs. Kingston announced that on April 29th, Ms. Wilson had the opportunity to highlight Newport News' business loan and matching grant programs as a presenter as part of a SBDC virtual seminar entitled "Loans and Alternative Financing for Small Businesses". Mrs. Kingston noted that the session was intended to inform businesses on how lenders

considered applications for loans and how the businesses could best prepare themselves. She reported that 24 attendees received information from various lenders and professionals on the topics of personal and business credit scores, the five C's of lending, how multiple lenders could work together to assist businesses and alternative financing options. Mrs. Kingston stated that Ms. Wilson shared information on the new Peninsula Cares Act Fund, which was being administered by the Department of Development in conjunction with the Peninsula Industrial Finance Corporation.

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 comments. Ms. Rohlf did not have any further comments for the Board.

Ms. Smith-Brown introduced a motion to authorize execution of an extension to December 27, 2022 of the Second Amended and Restated Development Agreement between the EDA and NNTC IV, dated February 21, 2005, as amended, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Ms. Gargiulo 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 had been provided in written format and asked Mr. Hession to present an overview. Mr. Hession reported that the draft federal budget was released in April, with the final version expected to be delivered to Congress later in May. He highlighted the priorities that were funded, including housing and infrastructure projects.

Mr. Hession stated that the City submitted three community funding projects to Congressman Bobby Scott's office to be considered by the Appropriations Committee, and that a decision was expected to be made in late May or June. He reported that on April 9th,

Congresswoman Elaine Luria met with and was given a tour of Fort Eustis by Commander Thigpen and the Fort Eustis Civic Leaders Association (ECLA). Mr. Hession noted that Paul Hirsch, Bo Clayton and Jerri Wilson were also in attendance. He advised that on March 1st, Howard Hoege and Bo Clayton began their terms as co-chairs of the ECLA. Ms. Smith-Brown asked if there were any questions for Mr. Hession. There were none. Ms. Smith-Brown thanked him for his report.

At 10:25 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 proposed property dispositions in the southern and northern sections of the City and a proposed property acquisition in the central 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 southern section of the City and a prospective business interested in locating in the northern section of the City. Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

At 10:47 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. Ms. Gargiulo seconded the motion, which passed 5-0-1 on a roll call vote, with Mr. Bell abstaining.

Committee Reports

Ms. Smith-Brown called for the Committee Reports, and Mr. Hoege presented the Executive Committee Report, which did not require Board ratification. Ms. Meredith presented the Revolving Loan Fund Committee Report, which passed unanimously on a roll call vote. Mr. Hoege presented the South Newport News Committee Report, which did not require Board ratification.

Approval of Minutes of the Regular Meeting of April 9, 2021

Ms. Smith-Brown asked for approval of the Minutes of the Regular Meeting of April 9, 2021. Mr. Bell so moved, and Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

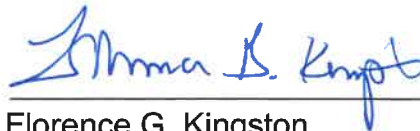
Unfinished Business

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 10:52 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: May 7, 2021

The Executive Committee met on April 20th. The Committee's items were handled in Closed Session. This Report does not require Board ratification.


Howard Hoega

HHH:clc

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Date, Time and Location: April 20, 2021, at 12:00 pm at 740 Town Center Drive, Newport News, VA

Members Present: Alonzo Bell, Howard Hoega, Jonathan Skinner, Jennifer Smith-Brown

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: May 7, 2021

The Revolving Loan Fund Committee met electronically on April 28th 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.

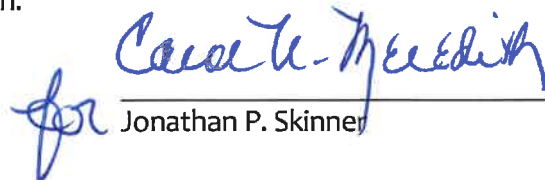
Committee members were provided financial statements for the Newport News Capital Fund for the period ending March 31, 2021. The Committee was also provided information related to the Peninsula CARES Act Fund.

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

- FIG request for \$20,000 from JRT Virginia Properties, LLC for exterior painting at 2700 Washington Avenue.

The FIG request was unanimously approved.

This Report requires Board ratification.


Jonathan P. Skinner

JPS:tfw

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Date, Time and Location: April 28, 2021 at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jameka Johnson, Cathy Williams, Susan Harris, George B. Knight, John Lunsford and Sharon D. Owens

Members Absent: Jonathan Skinner



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, South Newport News Committee
SUBJECT: Chair's Report
DATE: May 7, 2021

The South Newport News Committee met on April 13th. The Committee was provided an insightful tour of the new redevelopment projects currently underway on 23rd Street in the City's Downtown—Coastal Fermentory Brewery and the Bloxom Brothers Mixed-use Apartment Buildings. Brewery owners Brandon Samuels and David Lamb, and Bloxom Brothers Buildings and brewery building developer Jonathan Provost, talked to Committee Members about the projects and process of bringing them to fruition. The Committee was also briefed on the significant role City staff and leadership have played in support of the projects.

Following a tour of the state-of-the-art brewery facility, the Committee toured the neighboring mixed-use apartment buildings. Anticipated to house 32 one- and two-bedroom apartment units, along with three restaurant/retail spaces on the first floor, the developer and his project manager shared how the use of historic tax credit financing helped preserve many of the truly distinctive architectural features of the former grocery warehouse buildings, which had been vacant for over 40 years. Touring both facilities was fascinating.

Committee members were very excited by the substantial investment and activity these projects were bringing to revitalize the City's Downtown District. Please support these very enthusiastic, very pioneering entrepreneurs!

This Report does not require Board ratification.



Howard Hoega

HHH:mar

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Date, Time and Location: April 13, 2021 at 4:00 p.m. at 208 23rd Street, Newport News, VA
Members Present: Howard Hoega, Carl Burt, Richard Coleman and Troy Smith, Jr.
Members Absent: None