

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, June 4, 2021, in the Grand Ballroom Salons III, IV and V 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
Jonathan P. Skinner
Cathy T. Williams
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

None

Legal Counsel:

Raymond H. Suttle, Jr.
Conway Sheild

Staff:

Cherry Croushore, Assistant Secretary
Jameson LeClair, Recording Secretary

Also present:

Tim Ryan, President, Arcphor, and Executive Director, StartWheel
Robert Pealo, Deputy City Attorney

Call to Order

Ms. Smith-Brown opened the meeting and welcomed everyone. She highlighted the Hampton Roads Alliance Investor Spotlight publication which recognized Newport News Development as one of the highest performing development agencies in the Commonwealth. Ms. Smith-Brown commended the ongoing dedication, hard work and professionalism of Development staff, and encouraged anyone who had not yet read the report to do so.

About START Peninsula

Ms. Smith-Brown welcomed Tim Ryan to present an overview of the entrepreneurial initiative, Start Peninsula. Mr. Ryan greeted Board Members and explained that Start Peninsula was the region's longest-running entrepreneurial initiative, begun as a weekend business pitch competition at Christopher Newport University with local entrepreneurs with a "Shark Tank" theme. He stated that Start Peninsula has evolved through a MOA between Peninsula localities, and it transitioned into a year-round set of activities focused on providing entrepreneurs the tools and resources needed to start a business, including a "Pitch Perfect" component to coach participants on how to pitch. Mr. Ryan described the current pitch format as a series of four "micro-pitches" throughout the year, with a final competition in November. He reported that previous Start Peninsula contestants included one who secured a deal on ABC's Shark Tank, seven 757 Accelerate graduates, and many others achieving success. Mr. Ryan noted that Start Peninsula companies had surpassed \$10 million in capital raised, and that 54% of the businesses participating in Start were women and/or minority-owned. He highlighted two Newport News entrepreneurs who used Start Peninsula to help develop their businesses and have been successful in securing investments to help fund their start-ups. Mr. Ryan provided a list of upcoming events and pitch dates, and welcomed any input, questions, and comments.

Mrs. Kingston stated that Mr. Ryan had been a great ally and advocate for Newport News businesses for many years, and his role is in providing contractual program and events management for Start Peninsula, which has grown in success since its inception nine years ago. She noted that the Board had recently approved a renewal MOA along with neighboring Peninsula localities to support Start Peninsula, which was operated by a Core Team of one development staff person from each locality and Mr. Ryan. She thanked Mr. Ryan and stated that she was pleased to have him provide his perspective to the Board.

Ms. Smith-Brown spoke of her support and enthusiasm for the Start Peninsula program and encouraged Board Members to participate. She thanked Mr. Ryan for his presentation and for the work he has been doing to assist new businesses.

Secretary/Treasurer's Report

Mrs. Kingston reported that staff continued to work with Jefferson Lab and the Department of Energy to finalize the conveyance of the Applied Research Center (ARC), and that the EDA's existing lease with Jefferson Science Associates (JSA) for space in the ARC Building required a three-month extension, through September 30, 2021, with the flexibility to go month-to-month for up to another three months, through December 31, 2021. All other terms and conditions of the existing lease would remain in place. Mrs. Kingston stated that she would be seeking a motion to authorize the lease extension at the end of her report.

Mrs. Kingston advised that the EDA was the lessor under an existing ground lease in the Sherwood Shopping Center with D.K. Chicken Corp., the owners of the Popeye's Chicken franchise, and that the lease had 14 years remaining in its term. She reported that D.K. Chicken Corp. had asked the EDA to authorize an amendment to the lease to approve an additional use to allow it to sublet space and collocate a Zips dry cleaners within its existing building, and to extend the term another six years.

She stated that the Zips franchise agreement required an underlying lease term of 20 years, and that an agreement had been reached on consent for the additional collocated dry cleaning use, the 6-year extension of the lease term, a 20% rent increase and the parties' strong desire to achieve a second Zips location, as a drop-off only facility, in Brooks Crossing. Mrs. Kingston noted that the lease amendment would be structured to eliminate the additional 20% rent, at such time as D.K. Chicken successfully completes lease negotiations and opens a Brooks Crossing Zips facility. She pointed out that future redevelopment of the Sherwood Shopping Center site envisioned that the Popeye's Chicken operations would continue. She stated that she would be seeking authorization to approve the lease amendment at the end of her report.

Mrs. Kingston reported that the EDA-owned Mariners Row Parking Garage, which opened in 2006, was experiencing limited water intrusion issues and required minor structural repairs to various areas throughout the garage. She stated that based on proposals obtained by Harvey Lindsay Property Management, under its management agreement with the EDA for the City Center garages, Richmond Primoid, Inc. was determined to be the lowest responsive, responsible bidder with a total proposal cost of \$63,482.50, and estimated

projection completion time-frame of 30 days after notice to proceed is given. Mrs. Kingston noted that the proposal from Richmond Primoid included the Neogard waterproofing system, which was the same waterproofing system successfully utilized in other EDA parking garages. She stated that she would be seeking authorization to approve the proposal and contract, as well as funding, at the end of her report.

Mrs. Kingston advised the Board that Ritchie-Curbow was completing construction at The Offices @ Two Five & J and that staff was working closely with Point Management Group (PMG) to outfit the space and complete a few construction-related items. She noted that PMG was successful in generating interest and was actively engaged with the surrounding community and potential users. Mrs. Kingston expressed excitement to report that the space was ready to accept clients and that two businesses were signed up to lease office space. She encouraged Board Members to attend the Ribbon Cutting Ceremony on June 12th.

Mrs. Kingston recalled that as the Choice Neighborhood Initiative (CNI) project began, there was a vision to educate and equip Marshall-Ridley citizens to become vocal advocates for positive change in their community and the Neighborhood Leadership Institute (NLI) was offered. She explained that the NLI had continued for several years and was now a 16-week educational and interactive experience that encompassed areas such as how local government works, capacity building, team-building, leadership styles, community engagement/partnerships and entrepreneurship. Mrs. Kingston stated that the current class included 12 Newport News citizens ranging in age from 23 to 72, and that although the majority of NLI participants were from the Marshall-Ridley area, the classes were open to citizens in other parts of the City.

Mrs. Kingston reported that on May 19th, Tricia Wilson, Priscilla Green and Elizabeth McCoury participated in a virtual NLI Entrepreneurship Session, alongside Dr. Rhonda Alexander—a staff member of Norfolk State University, entrepreneur and mentor for new entrepreneurs. She stated that staff shared the Department's services and resources with eight engaged participants of the NLI who were interested in entrepreneurship and possibly starting their own businesses.

Mrs. Kingston reminded the Board that the EDA strategically acquired four properties located across Wickham Avenue from Downing-Gross Cultural Arts Center and across the intersection from Pearl Bailey Library. She reported that the properties were acquired at the City's request, to improve the aesthetics of the corridor next to the public facilities and to

remove the dilapidated structures, and that demolition of the structures would be facilitated by the City's Building Services Department by the end of the month.

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.

Ms. Smith-Brown introduced a motion to authorize the extension of the EDA's existing lease to Jefferson Science Associates for space in the ARC Building for a three-month term, through September 30, 2021, with the option to continue on a month-to-month basis for up to an additional three months, through December 31, 2021, all other terms and conditions remaining the same, subject to review and approval of EDA Legal Counsel. Mr. Bell so moved and Mr. Hoege seconded the motion, which passed unanimously on a roll call vote with 6 votes, Mr. Skinner having departed.

Ms. Smith-Brown introduced a motion to authorize a lease amendment to the EDA's existing ground lease in the Sherwood Shopping Center with D.K Chicken, the material terms of which would allow the additional collocated drycleaning use, extend the term six years, increase the rent 20% and provide a mechanism for the rent increase to abate upon the opening of a Zips facility in Brooks Crossing, subject to the review and approval of EDA Legal Counsel. Mr. Bell so moved and Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

Ms. Smith-Brown introduced a motion to authorize a proposal and contract with Richmond Primoid, Inc., dated February 23, 2021 and verified June 2, 2021, for concrete repair and application of a waterproofing system to resolve limited water intrusion issues in the Mariners Row Parking Garage, and funding, in an amount not to exceed \$69,830.75, which includes a small contingency, subject to review and approval of all necessary documentation by EDA Legal Counsel. 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 9:50 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 (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 and an unannounced expansion of an existing business located in the northern section of the City. Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

At 10:22 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. Bell seconded the motion, which passed unanimously on a roll call vote.

Acquisition of 520 21st Street

Mrs. Kingston advised that the firm of Jones, Blechman, Woltz & Kelly, P.C., and Ray Suttle specifically, represented both the EDA and Newport News Redevelopment & Housing Authority (NNRHA), and that Mr. Suttle had been working closely with EDA and NNRHA staff to facilitate the purchase and sale of property at 520 21st Street. She stated that in connection with that transaction, Jones, Blechman, Woltz & Kelly asked for a conflict of interest waiver from both the EDA and NNRHA as related to the sale of the property. Mrs. Kingston explained that the EDA and NNRHA had been working jointly to facilitate the transaction and because there was no reason to believe that a conflict of interest existed, she was recommending approval for consent to waiving any potential conflict of interest. Ms. Smith-Brown requested a motion to consent to waiving any potential conflict of interest

to allow its legal counsel, Jones, Blechman, Woltz & Kelly, to continue representation of the EDA, as well as to continue representation of NNRHA, in connection with the sale and transfer of the property located at 520 21st Street. Mr. Bell so moved and Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

Mrs. Kingston reported that in fall of 2019, Virginia Housing and indieDwell began discussions with the EDA to bring an east coast indieDwell fabrication facility to Virginia and specifically to Newport News. She stated that after evaluation of available site locations, indieDwell and Virginia Housing narrowed their focus to the former NNRHA Dickerson Courts site at 520 21st Street, and that under the proposed structure for the project, the EDA would purchase the site from NNRHA, and then lease a portion to NNRHA in support of the indieDwell project, with the remaining portion of the site reserved for CNI implementation and related redevelopment activities in the Southeast Community.

Mrs. Kingston advised that in accordance with a requirement to received HUD approval of NNRHA's disposition application for the site, the EDA would purchase 520 21st Street for an agreed-upon purchase price of \$1,134,000 (\$68,603/acre), which represented 81% of the appraised value (\$1,400,000 or \$84,694/acre), with City funding used to support the purchase of the property. She noted that the transaction and purchase agreement would be subject to the described HUD approval and the release of any restrictions on the property by HUD, and that the EDA would not close on the purchase until the HUD approval was secured. Mrs. Kingston reported that the EDA was coordinating with NNRHA and indieDwell Virginia on rezoning efforts necessary to allow the site to be utilized for the proposed use. She stated that she was recommending approval to authorize the acquisition. Ms. Smith-Brown requested a motion to authorize the EDA acquisition of 520 21st Street at an agreed-upon purchase price of \$1,134,400, from NNRHA, to support strategic redevelopment efforts and economic development initiatives in the Southeast Community, subject to the review and approval of all documentation by EDA Legal Counsel. Mr. Bell so moved and Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

Phase 2 Environmental Services and Funding in Connection with the EDA's Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund Site Remediation Grant for 1300 Marshall Avenue (Former Chase Packaging Site)

Mrs. Kingston noted that the EDA had been administering a \$500,000 grant from the Virginia Brownfield Assistance Fund (VBAF) to support the continuation of environmental remediation work at 1300 Marshall Avenue, the former Chase Packaging site. She stated

that since the grant award notification was received, staff had been working with the Virginia Department of Environmental Quality (DEQ) and the City to move the former Chase site through the State's Voluntary Remediation Program (VRP), which was an important tool in providing future property owners a level of comfort about the environmental condition of the site and redevelopment potential.

Mrs. Kingston advised that a Scope of Services under the City's Annual Services Contract with Arcadis U.S., Inc. had been procured as the next step in accomplishing the remediation activities required by the VRP and that it would be the final phase of Arcadis' work. She outlined that under the proposed Scope of Services, Arcadis would perform site characterization field activities, prepare a site characterization report, conduct risk assessment, prepare a remedial action plan and demonstrate sufficient completion of VRP requirements to obtain a Certificate of Satisfactory Completion. Mrs. Kingston stated that she was recommending approval to authorize the proposed contract. Ms. Smith-Brown requested a motion to authorize a scope of services under the City of Newport News Annual Services Contract with Arcadis U.S., Inc., for the final phase of environmental and oversight services in connection with site remediation at 1300 Marshall Avenue (former Chase Packaging Site), and funding, in an amount not to exceed \$225,133, including a small contingency partially reimbursable by grant funds, with the remaining funding coming from appropriated CIP funds for the Southeast Community, and subject to review and approval by EDA Legal Counsel. Ms. Johnson so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Memorandum of Agreement Between the EDA and Community College Workforce Cooperative Related to Space and Operations at the Brooks Crossing Innovation and Opportunity Center (BCIOC)

Mrs. Kingston informed the Board she was requesting approval of a Memorandum of Agreement (MOA) with the Community College Workforce Cooperative (CCWC) related to space at BCIOC to support the organization's career training program delivery and ancillary operations. She explained that CCWC was an association between Paul D. Community College, Thomas Nelson Community College and Tidewater Community College with the mission of creating customized and credentialed career training programs to support large employers throughout the region to help meet their growing needs, and that it served as the single point of contact for the community college network to ensure the three community colleges could respond to the training needs of regional businesses in a timely, comprehensive and cost-effective manner. Mrs. Kingston noted that given the mission and activities that were currently underway at BCIOC and the collaborative partnerships that

existed there, the career and workforce training services to be provided by CCWC at BCIOC were a reasonable fit.

Mrs. Kingston recalled that at the end of 2020, the Board took action to approve buildout of four additional offices within the BCIOC space. She stated that through the described MOA, the EDA would permit CCWC to occupy two of the four recently completed private offices and an administrative assistant station to provide its workforce development and career training services, as well as access to the shared space and office amenities. Mrs. Kingston reported that CCWC would make monthly payments of \$610 (\$7,320 annually) for use of the offices, and that the MOA would be effective for five years from the date of its full execution, to be renewed automatically each year for up to three years, unless terminated with 3 months' written notice. She noted that staff recommended approval of the MOA with CCWC to support the operation of its customized and credentialed career training services at BCIOC as an opportunity to partner with the Community College Workforce Cooperative, particularly with its connection to Thomas Nelson Community College, Tidewater Community College, and Paul D. Camp Community College, as services out of BCIOC expanded.

Mrs. Kingston advised that she was seeking authorization for execution of the MOA. Ms. Smith-Brown requested a motion to authorize execution of the MOA between the EDA and Community College Workforce Cooperative, in support of leased space and establishment of the organization's customized career training and workforce development program delivery at BCIOC, subject to review and approval by EDA Legal Counsel. Ms. Gargiulo so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Committee Reports

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

Approval of Minutes of the Regular Meeting of May 7, 2021

Ms. Smith-Brown asked for approval of the Minutes of the Regular Meeting of May 7, 2021. Mr. Bell so moved, and Ms. Johnson seconded the motion, which passed unanimously on a roll call vote.

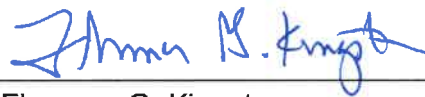
Unfinished Business

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: June 4, 2021

The Executive Committee met on May 18th. The Committee was briefed on a request from Huntington Ingalls Incorporated (HII) for a 12-month extension of its existing Lease of the EDA-owned former Virginia Specialty Stores (VSS) Building at 2800 Washington Avenue and associated Parking Garage at 2900 Washington Avenue in Downtown. HII and/or its predecessor entities have leased the VSS Building and Parking Garage since 1998. A graphic of the site is attached to this report for context. The Committee approved a 12-month extension, through June 30, 2022, of the EDA's existing Lease with HII for VSS, all other terms and conditions remaining the same, subject to review and approval of all necessary documentation by EDA Legal Counsel.

The Committee's remaining items were handled in Closed Session. This Report requires Board ratification.


Howard Hoega

HHH:clc

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Date, Time and Location: May 18, 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



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2800 & 2900 Washington Avenue

Former VSS Building & Parking Garage





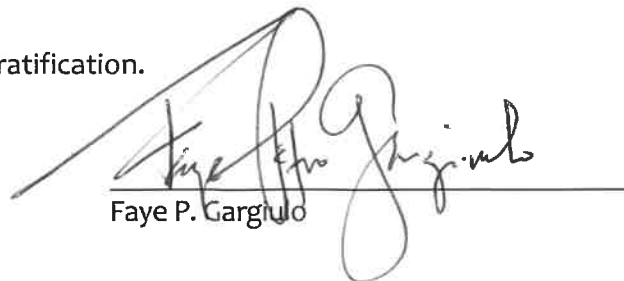
ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: June 4, 2021

The Marketing Committee met electronically on May 20th 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.

Sarah Bowman of the City's Department of Communications presented highlights of the City's planned branding initiative. The presentation was very well-received and Committee members requested that Ms. Bowman keep them briefed and proactively involved as the project progresses. The group was also pleased to review Howell Creative Group's progress on digital marketing projects for The Offices @ Two Five & J and Brooks Crossing Innovation and Opportunity Center.

This Report does not require Board ratification.



Faye P. Gargiulo

FPG:mb

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Date, Time and Location: May 20, 2021 at 11:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA
Members Present: Faye Gargiulo, Jameka Johnson, Jennifer Smith-Brown, Don Blankenship, Gary Hunter
Members Absent: Dan Powell



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: June 4, 2021

The Revolving Loan Fund Committee met electronically on May 26th 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.

Staff presented two Façade Improvement Grant (FIG) Program requests:

- FIG request for \$20,000 from 307 Main St. LLC for paving and window/door at 307 Main Street.

This FIG request was unanimously approved.

- FIG request for \$20,000 from JMAC Property Holdings, LLC for exterior painting (including prep), landscaping improvements, paving, roofing, windows/doors at 749 Thimble Shoals Boulevard.

This FIG request was approved by the Committee on a 4-0-1 vote, with one abstention.

This Report requires Board ratification.



Alonzo R. Bell, Jr.

ARB:tfw

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Date, Time and Location: May 26, 2021 at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo R. Bell, Jr., Jameka Johnson, Cathy Williams, Susan Harris and John Lunsford

Members Absent: George B. Knight and Sharon D. Owens