

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 9:02 a.m. on Friday, July 9, 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
Jonathan P. Skinner
Cynthia D. Rohlf, City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Cathy T. Williams

Legal Counsel:

Raymond H. Suttle, Jr.
Conway Sheild

Staff:

Cherry Croushore, Assistant Secretary
Doreen Kopacz, Port Development Administrator
Jameson LeClair, Recording Secretary

Also present:

Leslie Roberts, Partner, Brown, Edwards & Company, L.L.P.
Mark Butcher, General Manager, Newport News Marriott Conference Center
Lee Downey, Hunton Andrews Kurth LLP
Todd Haymore, Hunton Andrews Kurth LLP
Ralph "Bo" Clayton, Assistant City Manager

Also present (continued):

Robert Pealo, Deputy City Attorney
Jerri Wilson, Intergovernmental Affairs Manager

Call to Order

Ms. Smith-Brown opened the meeting and welcomed everyone.

Newport News Marriott at City Center

Ms. Smith-Brown asked for the Conference Center Marketing 2020 Expense Review. Ms. Roberts reported that an Agreed-Upon Procedures engagement had been performed to evaluate the marketing transactions of Oyster Point Hotel Associates (OPHA) for the Marriott Conference Center for the year ending December 31, 2020 according to the Joint Marketing Agreement between the EDA, OPHA and the City. She said that they reviewed supporting documentation for approximately 98% of that total and upon review agreed that the expenses were for the qualified marketing expenses under the Joint Marketing Agreement. Ms. Roberts stated 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 2020 Activity Review. Mr. Butcher explained that the Marriott had operated at a restricted capacity under the COVID-19 guidance issued by the Commonwealth and Centers for Disease Control and Prevention (CDC), and that prior to the pandemic, the Conference Center was on track to achieve record performance. He noted several ways the disruptions caused by the pandemic were mitigated while maintaining a safe and healthy facility, such as converting the use of guest rooms to personal office space and coordinating with local organizations to provide to-go meals to first responders and the Virginia Peninsula Foodbank. He stated that while some layoffs of Marriott staff were made, they retained as many employees as possible.

Mr. Butcher told the Board that he anticipated a strong post-pandemic recovery would materialize for the Conference Center based on the recent uptick in reservations and programs booked in advance, and that projected sales numbers suggested 2022 would be a record year. He noted that some discussion regarding future renovations had begun among the owners and management. Mr. Butcher concluded his remarks by saying that as the

circumstances of the pandemic evolved, the Conference Center would continue to adjust its operations as needed to host meetings and events.

Ms. Smith-Brown thanked Mr. Butcher and asked if there were any questions.

Ms. Gargiulo asked about the level of technological capability the Conference Center offered to host meetings or events that included a combination of in-person and virtual attendees. Mr. Butcher stated that the Marriott had a contract with a video and audio production company to support clients' needs and could broadcast any type of meeting with professional quality.

Mr. Bell commented that some of the adjustments implemented by businesses in response to the pandemic created new permanent revenue streams, and asked if any such opportunities were realized by the Conference Center. Mr. Butcher replied that there were, including changes made to realize efficiencies in scheduling and in assigning staff duties.

Ms. Johnson asked whether the Marriott anticipated reaching the pre-pandemic levels of employment by the end of 2021, and whether hiring was expected to continue into 2022. Mr. Butcher stated that the Marriott was actively hiring to fill new and vacated positions, and that he expected hiring to continue in 2022.

Secretary/Treasurer's Report

Mrs. Kingston expressed excitement in reporting that Ferguson's HQ3 employees had begun working in the company's new facility, and that positive feedback had been received regarding the new location. She encouraged Board Members to visit the property if they had not seen it already, and stated that she would keep them apprised of the ribbon-cutting event, to include tours of the building, anticipated to take place in September or October.

Mrs. Kingston advised the Board that the 17,000-square-foot City Center entertainment venue, formerly known first as "Toby Keith's I Love This Bar & Grill" and subsequently as "Boathouse Live," would be reopening soon as "Good Vibes." She explained that Matt Lockhart, a local entertainer and real estate investor, executed a lease with Pointe Hope, LLC, and planned to transform the venue into a multi-use event hall, dining facility and entertainment destination with a family-friendly atmosphere, a variety of multi-generational appropriate entertainment, and a commitment to quality and respect for all employees, customers and vendors. Mrs. Kingston stated that the opening date was planned for Friday, September 17th, with Saturday and Sunday brunches featuring the world's largest Bloody

Mary bar. She noted that several staff members were working with Mr. Lockhart to assist and expedite the opening, and that she would provide updates to the Board as the opening date approached.

Mrs. Kingston reported that as part of its role in implementing CNI the EDA would be rehabilitating the property at 2510 Jefferson Avenue, which was the building adjacent to "The Offices @ Two Five & J". She stated that rehabilitation of the building for use as retail/commercial and office was one of the Critical Community Improvements (CCI) identified in the CCI Plan, and that it would support commercial development in the Marshall-Ridley Choice Neighborhood. Mrs. Kingston advised that the project would be supported by both CNI and City CIP dollars, and that two grant opportunities to help supplement the local and federal funding were being pursued—the Port Host Communities Revitalization Fund and the Industrial Revitalization Fund, both managed by the Virginia Department of Housing and Community Development.

Mrs. Kingston informed the Board that at City Council's July 13th meeting, it would have for consideration a resolution supporting the project and grant application for the Industrial Revitalization Fund and identifying the EDA as the implementation agent. She pointed out that staff coordinated with the City's Purchasing Office to issue an RFP for design services for the rehabilitation, responses for which were due on July 13th. Mrs. Kingston stated that CNI implementation was ramping up and that updates would continue be provided to the Board.

Mrs. Kingston recalled that in 2018, the EDA approved a \$150,000 Newport News Capital Fund loan to Boathouse Live, LLC, which was personally guaranteed by its owner, Sean Pepe. She stated that there had been no payments on the 10-year loan, partially secured by furniture, fixtures and equipment (FF&E), since 2019. Mrs. Kingston reported that staff and Mr. Pepe had verbally agreed on a plan of repayment for the remaining \$108,177.60 balance due on the loan, and that legal counsel was preparing a forbearance and settlement agreement to formalize the terms.

Mrs. Kingston advised that Mr. Pepe would commence making payments of \$500 per month. She stated that Mr. Pepe expressed willingness to repay the entire loan balance in full. Mrs. Kingston noted that the arrangement was the best chance for recovery and further demonstrated a willingness to work with the small business community, in good times and bad.

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. Ms. Smith-Brown highlighted the importance of Tourism Zones to attract investment to the City such as the previously described venue set to open in City Center.

Mrs. Kingston offered Ms. Rohlf the opportunity to provide comments. Ms. Rohlf stated that she would forgo her usual briefing, and introduced Mr. Haymore and Mr. Downey from Hunton Andrews Kurth LLP to give an overview of their role as economic development consultants to the City Manager's office.

Mr. Haymore greeted the Board and introduced himself as the Managing Director of Hunton Andrews Kurth LLP's Public Affairs Consultancy, which works closely on projects related to state and local economic development, government relations, strategic communication and advocacy. He explained his personal connection with Newport News, that he was a University of Richmond graduate and outlined his professional experience working in private sector economic development and trade, a Congressional office, as Virginia Secretary of Agriculture and Forestry under the administrations of Governors Tim Kaine and Bob McDonnell, and as Virginia Secretary of Commerce and Trade under the administration of Governor Terry McAuliffe. He noted that he had previously worked on projects with Mrs. Kingston and Development staff, and that he was proud to be serving local and state governments with Hunton Andrews Kurth LLP.

Mr. Haymore introduced Mr. Downey, who described his role and expertise to the Board. Mr. Downey highlighted his experience at the local, regional, and state levels as a private-sector planner, a project manager with Virginia Economic Development Partnership (VEDP), Director of Economic and Community Development with the City of Richmond, and Deputy and Chief Administrative Officer of Economic Development, Planning, Permitting, and Code Enforcement functions with the City of Richmond. He noted that he had worked with Choice Neighborhood Initiative (CNI) projects in Richmond, and that he specialized in economic development and redevelopment project management. Mr. Downey expressed excitement to work with Newport News and its unique set of assets that could leverage a variety of economic development investments. He identified the City and region for its willingness to collaborate and form alliances as another benefit for attracting developers. Mr. Downey thanked the Board for the opportunity to introduce himself and Mr. Haymore and welcomed any questions.

Ms. Smith-Brown commended Ms. Rohlf for commissioning an experienced and capable team to assist in developing and implementing a strategy to achieve the City's economic

interests. She asked the consultant team how the Board could assist in their efforts. Mr. Haymore stated that their services would be guided by and utilized at the request of the City Manager and Director of the Department of Development, and that good communication would be critical.

Ms. Garguilo asked whether the role of the consultants would be to support strategic planning and prioritization of new concepts or to provide operational assistance for ongoing projects. Ms. Rohlf stated that the firm would potentially be involved in all aspects of a project or concept, from creating the urban design plan to the implementation and physical construction. She added that the consultants were currently reviewing ongoing projects to provide operational assistance.

Mr. Bell expressed his support for employing additional, high-level expertise to augment existing economic development efforts and recognized Mr. Haymore and Mr. Downey as being highly-credentialed. He stated that he was optimistic that the partnership would ultimately benefit the citizens of Newport News.

Mr. Hoege extended support for the initiative and noted that the City was in an ideal position to expand its development activities and identify further opportunities for economic growth. Ms. Smith-Brown echoed the sentiment that the partnership would be supplemental to what was already a highly-effective Department of Development.

Mr. Skinner identified the Hampton Roads Alliance (The Alliance) as a similarly valuable partner. Mrs. Kingston stated that she and staff continued to be actively engaged with the Alliance on regional economic development strategies and implementations, including offshore wind and other aligned priorities.

Seafood Industrial Park (SIP) Presentation

Ms. Smith-Brown asked Ms. Kopacz to provide her presentation on the Seafood Industrial Park (SIP). Ms. Kopacz informed the Board that the SIP was an important City asset comprised of 39 acres, located at the Southern Terminus of Jefferson Avenue and Terminal Avenue. She explained that the City-owned parcels were leased and managed by the Department of Development and rented by various maritime related tenants who owned their improvements. Ms. Kopacz noted that in fiscal year 2020, over a million dollars in parcel rent and mooring fees were collected and since 2015, the SIP had received over two million dollars in grant funding from the Commonwealth to build capacity and maintain the facility. She explained that Newport News' landings accounted for more than a half of the

fresh seafood entering Hampton Roads for distribution and consumption, with the most popular product being scallops. Ms. Kopacz stated that the SIP was an important employment generator for the City, and that in the last thirty years, over \$22 million in direct revenue had been collected through SIP fees.

Ms. Smith-Brown thanked Ms. Kopacz for her presentation and asked if there were any questions. Mr. Bell asked whether the SIP was fully leased, and Ms. Kopacz confirmed that it was.

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 10:30 a.m., Mr. Bell 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 southern 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 an unannounced expansion of an existing business located in the northern section of the City and an existing business located in the central section of the City and a prospective business interested in locating in the northern section of the City. Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

At 10:49 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Bell, 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. Johnson seconded the motion, which passed unanimously on a roll call vote.

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 sale of 3700 Marshall Avenue to Cornelius Carter Group, LLC, trading as C.C. Carter Funeral Home, at an agreed-upon purchase price of \$400,000, together with a 2.5% real estate commission paid to Wainwright Real Estate, for construction of a funeral home facility and related improvements to the property, subject to the review and approval of all documentation by EDA Legal Counsel. Mr. Bell so moved, and Ms. Johnson seconded the motion, which passed unanimously on a roll call vote.

Committee Reports

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

Approval of Minutes of the Regular Meeting of June 4, 2021

Ms. Smith-Brown asked for approval of the Minutes of the Regular Meeting of June 4, 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.

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There being no further business to come before the Board, Ms. Smith-Brown adjourned the meeting at 10:53 a.m.



Florence G. Kingston
Secretary/Treasurer

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ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: July 9, 2021

The Design Review Committee met electronically on June 22nd 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 MSA, P.C. on behalf of Taurus Technologies and East End Academy, for approval of a site plan and building elevations for a proposed building addition at 804 City Center Boulevard, in Oyster Point of Newport News. 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:kpw

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Date, Time and Location: June 22, 2021, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

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

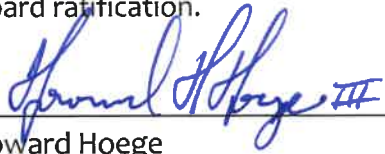
Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: July 9, 2021

The Executive Committee met on June 15th. 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: June 15, 2021, at 12:45 pm at 11820 Fountain Way, Suite 301, 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, Marketing Committee
SUBJECT: Chair's Report
DATE: July 9, 2021

The Marketing Committee met on June 17th. Staff gave an overview of the Peninsula CARES Loan, a business assistance program jointly administered by the Cities of Newport News and Hampton. Members were encouraged to share the information with their colleagues.

Howell Creative Group shared an update on the performance of the EDA's website and social media. The Committee was pleased to hear that overall website traffic increased 43% over the past year, with a 100% increase in traffic which originated from social media.

This Report does not require Board ratification.



Faye P. Gargiulo

FPG:rmb

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Date, Time and Location: June 17, 2021 at 11:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Faye Gargiulo, Jameka Johnson, Jennifer Smith-Brown, Gary Hunter

Members Absent: Don Blankenship, Dan Powell