

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, September 10, 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
Cynthia D. Rohlf, City Manager, ex-officio
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:

Lee Downey, Hunton Andrews Kurth LLP
Angela Hopkins, Senior Planner, Department of Planning
Ralph L. (Bo) Clayton, Assistant City Manager
Robert Pealo, Deputy City Attorney

Call to Order

Ms. Smith-Brown opened the meeting and welcomed everyone. She noted that EDA staff continued to perform exceptional work and commended them for their efforts.

Denbigh-Warwick Area Plan Presentation

Ms. Smith-Brown asked for the Denbigh-Warwick Area Plan Presentation. Ms. Hopkins reported that the City's Planning Department was responsible for the Denbigh-Warwick Area Plan process and that the Plan was adopted by City Council on October 22, 2019. She stated that she served as the Project Manager and worked with various City departments, partner organizations, a consultant team and a citizen advisory group to create the plan vision and design. Ms. Hopkins expressed excitement to report that the Denbigh-Warwick Area Plan was recognized as one of the Commonwealth Plan of the Year winners by the American Planning Association, Virginia Chapter at its 2020 Annual Conference for outstanding work completed. She explained that the City's "One City, One Future 2040 Comprehensive Plan" identified Denbigh as a Planning Opportunity Area and defined the long-term vision and identity for the area. Ms. Hopkins noted that the overall purpose for the plan was to improve health and safety, enhance quality of life and stimulate economic investment activity along the upper Warwick Boulevard corridor. She discussed the demographic statistics of the area and community engagement efforts which included multiple surveys and input by residents, business and property owners, civic groups and other stakeholders from the Denbigh area.

Ms. Hopkins stated that the plan was structured around five themes, which were identified as health and safety, placemaking, connectivity, economic revitalization and natural systems. She outlined the vision for the Denbigh-Warwick area as being a diverse and welcoming community with tree-lined neighborhoods and a lively town center connected to a series of village hubs to support restaurants, arts, cultural events, parks and trails. Ms. Hopkins noted that for many years, the City and the EDA have invested in strategic properties in the Denbigh-Warwick area to increase opportunity for redevelopment, including the former Kmart site, former Hills site, Sherwood Shopping Center site and adjacent Sherwood Kazis site. She advised that the Sherwood Shopping Center site was now undergoing a site planning process associated with the Denbigh-Warwick Area Plan. She concluded her presentation with a brief overview of the proposed layout of the community and highlighted several proposed gateways, village centers, residential areas and a civic hub.

Ms. Smith-Brown thanked Ms. Hopkins and asked if the pandemic had any impact on the Denbigh-Warwick Area Plan. Ms. Hopkins stated that other than having to work and hold meetings virtually, the pandemic had not been a challenge for the planning process, and all of the stakeholders have continued to express excitement. Ms. Gargiulo highlighted the prominent Asian descent population in the area and asked whether there had been efforts to ensure inclusion of their interests specifically. Ms. Hopkins replied that the project manager from the consultant firm hired by the Planning Department was of Asian descent and had been effective in communicating with the community, and that the Planning Department had been engaged in outreach to Asian and other minority populations in the area.

Ms. Johnson asked if there was an aspirational timeline for implementation of the plan. Ms. Hopkins replied that redevelopment of the Sherwood Shopping Center site would be the first step in implementation and that it would take place after the site planning process concluded. She stated that an accurate timeline could not be provided until construction dates were determined. Mrs. Kingston reported that the pandemic delayed the start of the Sherwood Shopping Center site redevelopment process and led the City to reconsider its future use. She noted that the Capital Improvement Plan (CIP) budget would influence the implementation and timeline of the plan and that the EDA would play an integral role in determining the public use element and pedestrian corridor. Ms. Rohlf emphasized that since the pandemic started there had been significantly lower demand for office space, which would change the composition of the proposed mixed-use development for the Sherwood Shopping Center site. She advised that the City had allocated about \$15 million out of the CIP budget for the completion of projects in the Denbigh-Warwick district. Ms. Smith-Brown noted that Mr. Skinner was appointed to the Denbigh-Warwick Area Plan Executive Leadership Team and would be instrumental in pursuing the community's economic interests. Ms. Hopkins stated that there would also be a Community Advisory Team and that EDA representation was desired on it as well.

Secretary/Treasurer's Report

Mrs. Kingston reported to the Board that Human Services recently provided notice that the carpet in its 3rd floor space in Rouse Tower needed replacement, and that upon an inspection of the space, staff agreed that new carpet installation was warranted. She advised that the building's property management team solicited quotes from three vendors, and that Atlantic Coast Commercial Services was identified as the lowest responsive, responsible bidder with a total cost of \$45,650 to cover all work required to install approximately 10,800 square feet of new carpet tiles, including removal and disposal of the existing carpet, installation of new cove base, and relocation of furniture to facilitate removal

of the existing carpet and new carpet tile installation. Mrs. Kingston stated that she would seek a motion at the end of her report to authorize the contract and funding.

Mrs. Kingston reported that a new proposed tenant for the Brooks Crossing development project was presented by project developer Southeast Commerce Center Associates, L.L.C. (SECCA), and that a local kidney dialysis center, Fresenius Medical Care, had been proposed for the project outparcel located between 31st and 32nd Streets and Jefferson Avenue and Brooks Crossing Way. She advised that Fresenius had approximately 11 locations throughout the Tidewater area, with one located in Newport News on Chesapeake Avenue, and that per the project's development agreement, staff was working with SECCA on the acquisition of this 0.89-acre lot. Mrs. Kingston stated that the proposed end-user for the parcel was performing due diligence activities on the parcel, and that the project's building design and elevations were approved. She explained that the project's site plan would proceed through the City's site plan review process following the end-user's due diligence activities and that the Board would be apprised as the project advanced through the review process.

Mrs. Kingston encouraged Board Members to attend the 2021 Home-Based Business Conference on October 13th, which would include two keynote speakers and a variety of sessions covering topics important to home-based businesses such as cybersecurity, insurance, taxes, legal requirements and marketing.

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. Johnson asked why the ARC expenses and revenues were shown to exceed the budget, and Mrs. Kingston explained that it was due to the transfer of the property to the U.S. Department of Energy taking longer than anticipated. Mr. Hoege asked what the \$4.8 million influx of cash flow from the City was directed towards, and Mrs. Kingston stated that it was for capital project funding.

Mrs. Kingston offered Ms. Rohlf the opportunity to provide comments. Ms. Rohlf expressed excitement about the progress made on the Choice Neighborhoods Initiative (CNI) project and the finalization of the master plan for the Southeast Community Resource Area as well as the construction of Huntington Middle School and new community center. She reported that the 2023 CIP and budget was being prepared, and that federal pandemic relief funds were being reviewed to determine flexibility for funding transformational City projects. Ms. Rohlf noted that the City was also monitoring the possibility of increased federal spending on infrastructure, as well as potential state funding. She noted that the following day would

be September 11th, and that a 9/11 Remembrance Ceremony would be held at the Newport News/Williamsburg International Airport. Ms. Rohlf also referenced that Governor Northam was scheduled to make an economic development announcement on September 14th at the Airport.

Mr. Hoege asked to what extent the federal pandemic relief funds received by the City were used to support existing programs and expenses versus funding new transformational projects. Ms. Rohlf explained that much of the federal relief money was dedicated towards the sharp increase in need for human services, but that transformational concepts were being explored as a possible use for the funding. Mrs. Kingston noted that a portion of the funding would help ensure the CNI implementation timeline remained on schedule.

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

Ms. Smith-Brown introduced a motion to authorize the Atlantic Coast Commercial Services proposal dated September 2, 2021, to provide replacement of carpet in the Human Services space on the 3rd Floor of Rouse Tower, and funding in an amount not to exceed \$50,215, which includes a small contingency, 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.

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 9:40 a.m., Ms. Johnson 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 acquisition in the

central section of the City, and proposed property dispositions in the southern and northern sections 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 prospective business interested in locating in the northern section of the City. Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

At 10:34 a.m., the EDA/IDA Board returned to open session following a certification motion by Ms. Johnson, 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 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 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 record owner Wilcox Business Properties, LLC, as a strategic property acquisition supporting the future expansion of City Center, with any necessary modifications to the terms of the Agreement for Purchase and Sale of Real Property or associated lease delegated to Executive Committee, subject to the review and approval of all documentation by EDA Legal Counsel. This motion supersedes the motion approved by the Board at its February 5, 2021 meeting related to this property. Mr. Hoege so moved and Ms. Gargiulo 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 did not require Board Ratification. 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 August 6, 2021

Ms. Smith-Brown asked for approval of the Minutes of the Regular Meeting of August 6, 2021. Mr. Bell so moved, and Mr. Skinner 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 10:43 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: September 10, 2021

The Executive Committee met on August 27th. Based on the authority delegated to it by the Board, the Committee approved an EDA parking lot landscaping maintenance contract with Alliance Lawn Care for the period September 1, 2021 through March 31, 2023, and funding in an amount not to exceed \$152,072, which includes a small contingency and some initial cleanup.

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



Howard H. Hoega

HHH:clc

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Date, Time and Location: August 27, 2021, at 9:00 am 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: September 10, 2021

The Marketing Committee met on August 19th. Staff presented an update on The Offices @ Two Five & J, the new coworking space located at 2506 Jefferson Avenue in the Southeast Community. Point Management Group staff highlighted the variety of industries represented by members of the facility, and also shared that the space (which opened in June) is almost at full capacity. Committee members were pleased to hear about The Offices' success and requested future updates.

This Report does not require Board ratification.



Faye P. Gargiulo

FPG:rnb
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Date, Time and Location: August 19, 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



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: September 10, 2021

The Revolving Loan Fund Committee met on August 25th.

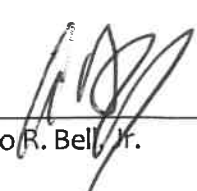
Committee members were provided financial statements and the loan compliance status report for the Newport News Capital Fund (NCF) as of June 30, 2021. Staff presented two Façade Improvement Grant (FIG) Program requests:

- FIG request for \$20,000 from Fox Ventures, LLC for exterior finishes and materials at 499 Muller Lane; and
- FIG request for \$20,000 from Territory Titans, LLC for exterior painting, including prep and windows/doors at 3404 Washington Avenue.

The FIG requests were unanimously approved.

Staff and the Committee discussed loan guideline adjustments for the NCF loan program that would be modeled after the Peninsula Cares Act Fund (PCAF) Loan Program. The adjustments pertained to interest rates, deferment of principal and interest payments and term options. Staff would seek approval from US Economic Development Administration and update the Committee at the next meeting.

This Report requires Board ratification.



Alonzo R. Bell, Jr.

ARB:tfw

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Date, Time and Location: August 25, 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, George B. Knight, John Lunsford and Sharon D. Owens
Members Absent: None