

MINUTES OF THE ANNUAL 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, November 5, 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
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
Carol Meredith, Assistant Director

Also present:

Tina Vick, Director, Womens Empowerment Development, Inc.
Natalie Robertson, PhD: Chief Communications Strategist and owner of 360 Virtual Assistance, L.L.C.
Lisa Cipriano, Director of Budget and Evaluation
Ralph L. (Bo) Clayton, Assistant City Manager

Also present (continued):

Robert Pealo, Deputy City Attorney

Call to Order

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

Presentation by City's Director of Budget & Evaluation

Ms. Cipriano greeted the Board and stated that she would be providing an overview presentation on the City's Capital and Operating Budget. She explained that the City's FY 2022 Total Operating Budget was \$971,508,286, which comprised the General Fund, the School Operating Fund, Separate Funds including Waterworks, General Services, and CDBG Funds, and Special Revenue Funds which included the EDA. Ms. Cipriano noted the various categories of services that were included in General Fund Expense as the base of City operations.

She informed the Board that the Capital Improvement Plan (CIP) process was undertaken annually and was accomplished in three steps—the first being to create the plan to submit to City Council, the second being to secure bond authorization for funding, and the third being final appropriation by City Council. Ms. Cipriano explained that the CIP was designed to be a working framework, as opposed to a traditional budget, in that it involved flexible sources of funding. She reported that it was a multiyear plan that was updated annually as necessary.

Ms. Cipriano stated that the CIP reflected the City's Strategic Initiatives and Comprehensive Plan, and that the highest priority capital projects and equipment purchases were considered first. She emphasized the importance of the CIP to the City's quality of life and outlined how the CIP process timeline takes place over the course of the fiscal year. Ms. Cipriano listed the CIP Project Categories as Community Development, Environment, Equipment, Parks, Recreation, Tourism, Public Buildings, Schools, Streets and Bridges, and Transit.

She explained that the funding sources for CIP projects included cash capital from the General Fund as part of the annual Operating Budget, General Obligation Bonds, utility user fees, federal and state grant support, and other funding such as developer contributions. Ms. Cipriano outlined the financial policies that govern the CIP regarding debt obligations,

minimum revenue balances and ratios. She stated that Bond Authorization Ordinances were adopted by City Council to issue bonds and appropriate funding for individual projects identified in the approved CIP. Ms. Cipriano welcomed any questions or comments from Board Members.

Mr. Bell thanked Ms. Cipriano and expressed that the presentation was well-delivered and provided insight to the City's budget and CIP. Ms. Gargiulo asked, in comparing the level of funding between the four- and five-year CIP structures, if there would be a significant difference between the two plans if the annual rates were made equal, and which rates of inflation were used in calculating the budget. Ms. Cipriano stated that several different pricing metrics were considered, including the interest rate on debt, and that projections were based on inflation rates between 3% and 5%, and potentially higher depending on the type of project being funded. She explained that each year's CIP was unique due to the periodic occurrences of large, unique, one-time projects and the multitude of funding sources used. Mrs. Kingston added that the timing of large community development projects spanning over the course of multiple CIPs was another aspect that made comparing them difficult.

Ms. Johnson asked how the determination was made to appropriate \$21.4 million to the EDA from the Special Revenue Fund and what the EDA could be doing to increase the City's tax base and optimize the City's debt-burden ratio. Ms. Cipriano explained that the upward trend observed over the last few years in the housing market had led to an influx of residential tax revenue that would reduce the City's debt-burden ratio, and that the EDA could play a role in bolstering the housing market by continuing to foster economic growth. She stated that the largest component of the EDA's budget was allocated for debt funding, as well as its regular operations, staffing, and business incentives. Mrs. Kingston noted that the EDA budget is approved by the EDA Board and is ultimately incorporated into the City's Operating Budget by the City Manager and proposed to City Council.

Ms. Smith-Brown thanked Ms. Cipriano for her presentation, reiterated that it was informative and insightful, and emphasized the important role the EDA serves within the City.

2022 Virginia Statewide Business District Resurgence Grants

Mrs. Kingston advised Board Members that the EDA had applied for \$150,000 from the 2022 Virginia Statewide Business District Resurgence Grant (Resurgence Grant) available through the Virginia Department of Housing and Community Development (DHCD) to

support conducting a Southeast Community Commercial District Assessment, expanding the established Micro Enterprise Grant program to the full Southeast Community, and delivering business consulting and technical assistance through Point Management Group (PMG). She was happy to report that, following the Governor's announcement in October, the EDA was awarded a grant of \$86,000 for the purpose of expanding the Micro Enterprise Grant program and providing technical and consulting assistance to the broader Southeast Community. Mrs. Kingston advised that the technical assistance and business consulting would be facilitated by Point Management Group (PMG) and that expertise and engagement from EDA Board Members was desired in that effort. She stated that \$51,790 in match—\$50,000 from the existing Micro Enterprise Grant funding and \$1,790 in-kind from PMG—was committed to support the grant. Mrs. Kingston explained that the changes to the Micro Enterprise Grant and authorization of the contract with PMG as part of the implementation of the grant activities would be brought to a future Board Meeting.

Mrs. Kingston also highlighted that a component of the Governor's recent announcement was award of \$50,000 to Womens Empowerment Development, Inc. (WED) to complete a Southeast Community Commercial District Assessment. She explained that both WED and the EDA unknowingly applied for funding for similar activities, and that DHCD decided to align the requests and awarded \$50,000 to WED to develop, in conjunction with the EDA activities, a strategic action plan for the Southeast Community in the historic Jefferson Avenue and Chestnut Avenue commercial districts. Mrs. Kingston expressed excitement for the opportunity to partner with WED, and welcomed the Director, Tina Vick, and Chief Communications Strategist, Natalie Robertson, to share information about the organization and their strategy to create the Southeast Community Commercial District Strategic Action Plan (SCCDSAP).

Ms. Vick explained that she started WED in 2015 to meet the needs of women in the community, by directing them to resources such as Human Services, assistance with housing and childcare, and employment services. She stated that the need for these services has been concentrated in the southern part of the Southeast Community, and noted that her organization sponsored a Girls' Camp for young women in that section of the City. Ms. Vick reported that since its inception, WED had been engaged in providing these services to the Southeast Community and that it was well-positioned to expand its operations with the funding provided by the Resurgence Grant. She stated that focus group meetings would be held along with other activities in support of entrepreneurs, and that WED would adopt a plan that was aligned with EDA priorities.

Ms. Robertson reported that the WED's experience in providing services to an underserved community made it a perfect fit to receive the award, and that the grant application was submitted in recognition of the need for the expansion of those services. She stated that the Resurgence Grant would fund the planning process that would ultimately lead to the adoption of the SCCDSAP that would be designed to focus on providing assistance to small businesses and entrepreneurs in order to achieve three Resurgence Grant Goals: provide a more inclusive framework for community-driven, comprehensive revitalization and vitality of the District; provide entrepreneurial readiness support to nascent minority entrepreneurs; and to provide business support services to aid startups and minority-owned small businesses in the District. Ms. Robertson emphasized the importance of engaging community members in the creation of the SCCDSAP so that perspectives are heard and the needs and desires of the residents are met. She stated that there would be four focus group meetings—two for businesses and two for consumers. Ms. Robertson and Ms. Vick welcomed questions from the Board.

Ms. Williams asked if the EDA's Resurgence Grant activities would overlap those of WED. Mrs. Kingston responded that they would be coordinated and complementary of one another, and that the SCCDSAP would be used to guide the partnership.

Mrs. Kingston stated that she was seeking a motion to approve the Memorandum of Understanding with DHCD to support small business growth and entrepreneurship in the Southeast Community by enhancing its existing programs and capability to provide deliberate, hands-on technical and financial assistance to small businesses in the community. Ms. Smith-Brown introduced a motion to authorize execution of a Memorandum of Understanding between the EDA and Department of Housing and Community Development for the FY 2022 Virginia Statewide Business District Resurgence Grant in support of providing financial and technical assistance business resources in the Southeast Community of Newport News. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Approval of Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement (ERCR Agreement) by and between Aery Aviation, LLC and EDA

Mrs. Kingston noted that on September 14th, the Governor announced Aery Aviation, LLC's (Aery) plan to expand its operations in Newport News by creating 211 new jobs and investing \$15.2 million in the construction of a new 60,000-square-foot hangar facility and engineering technology center, with access to the Newport News/Williamsburg International

Airport runway in order to add capabilities in maintenance and modification services. She stated that Newport News competed with locations in West Virginia, South Carolina, Maryland and Ohio for the project. Mrs. Kingston explained that Aery was founded in 2016 by a team of aviation experts, and that it was a full-service commercial and government services provider to the aerospace industry.

Mrs. Kingston informed the Board that of the several state and local incentives related to this expansion, a critical part of the state incentive package for Aery was the \$280,000 grant from the Commonwealth's Development Opportunity Fund (COF). She reported that the COF grant funds would be used to support the establishment of Aery's new facility, and that the local Enterprise Zone Expansion/Relocation Cost Reduction (ERCR) incentive administered by the EDA would provide the required local match for the COF grant. Mrs. Kingston explained that the performance-based \$336,033 ERCR incentive would be delivered in the form of a grant, and that it would be funded by half of the new taxes generated by Aery over the first six years of the expansion. She outlined that the COF Performance Agreement was authorized by the EDA on October 1st and authorized and appropriated by City Council on October 26th. Mrs. Kingston stated that she was now seeking EDA authorization of the ERCR Agreement. She asked if there were any questions. There were none.

Ms. Smith Brown requested a motion to authorize that certain Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement by and between Aery Aviation, LLC and the EDA, in connection with the Aery Aviation, LLC project planned in AirCommerce Park at the Newport News/Williamsburg International Airport, 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.

Secretary/Treasurer's Report

Mrs. Kingston stated that in December of 2014, a motion was approved by the EDA to authorize execution of a license agreement between the EDA and the Lee Hall Train Station Foundation for the non-exclusive use of a portion of the EDA-owned, adjacent property at 75 Yorktown Road. She stated that the agreement was never finalized or executed, and that the City had recently requested a similar license agreement between the EDA and City which would document the use of the approximately 0.38 acres of property to site refurbished, vintage train cars and equipment on rail tracks, mechanical equipment to serve the Lee Hall Train Depot, and a length of fencing to help separate the Lee Hall Depot outside exhibits from the adjacent CSX railroad. Mrs. Kingston noted that all proposed

improvements would be installed and maintained by the City. She advised that she would be seeking a motion at the end of her report to authorize the execution of the license agreement.

Mrs. Kingston reported that a proposal had been received from Entry Guard Systems to provide Flowbird automated parking machines at two Downtown locations—one at 23rd Street near the VASCIC Building, and two at the Huntington Avenue lot location. She stated that Flowbird was the largest provider of parking technology systems in the world, and that in Virginia, it had been installed in Virginia Beach, Richmond, Norfolk, Roanoke, Charlottesville and Northern Virginia, with service available locally. Mrs. Kingston explained that the existing parking honor boxes were outdated, manual, cash-only lock and key boxes, and that the new automated system would allow for the use of cards as well as cash, and would increase efficiency, security and revenue collection, while adding capacity to staff by eliminating manual duties. She noted that the machines were solar-powered and moveable, should they need to be relocated. Mrs. Kingston outlined that the initial start-up cost was \$39,935, which included a Year 1 unlimited card processing transaction fee of \$180 per month and ticket roll supply. An annual maintenance contract, after the Year 1 full warranty, would be put in place to include quarterly preventive maintenance, at an annual cost of \$1,960. She advised that the funding for the purchase and installation of the parking upgrades had been allocated in the EDA budget, and that no formal action was needed.

Mrs. Kingston reported that on October 21st, the Virginia Economic Development Partnership Board of Directors formally approved Ferguson's request to extend its Headquarters 3 state and local incentive performance dates from January 1, 2022 to April 1, 2023, and that the associated amendment to Ferguson's agreement with the EDA would be considered at the December Board meeting. She pointed out that on October 28th, the Hampton Roads Association of Commercial Real Estate (HRACRE) awarded Ferguson and its architect Clark Nexsen the 2021 Award of Excellence for the Best Commercial/Office Building.

Mrs. Kingston stated that she was honored to have been invited to speak at several different events in October to share various success stories of the Newport News economic development landscape. On October 18th, she was one of three panelists of Peninsula development directors that presented at the Hampton Roads Association of Commercial Real Estate's program luncheon at the Marriott Conference Center. Mrs. Kingston reported that the presentations highlighted the large number of significant current and near-term investments being made by the City, EDA, and the region's businesses and investors, such as the Downtown Reimagined and CNI initiatives, investments by Aery Aviation and W.M.

Jordan at the airport and Tech Center, the Denbigh-Warwick Area Plan, and the Endview development proposal.

On October 22nd, at the LEAD Virginia Alumni Summit in Richmond, under the Session topic of “Personal Stories of Social Capital,” Mrs. Kingston spoke about the evolution that led to the Brooks Crossing development overall, as well as the unique partnerships and investment in the Innovation and Opportunity Center. On October 25th, she provided a guest lecture to the Christopher Newport University undergraduate-level “Urban Economics” class which emphasized to students the importance of creating vibrant, sustainable communities through support of large and small businesses, job creation, delivery of basic services and quality of life amenities.

She also provided an interview to Daybreak reporter Kaicey Baylor on October 29th, which aired on Channel 13 News and covered the latest round of revitalization grants awarded by the Commonwealth to the EDA, for the benefit of the City. She commented that she always enjoyed engaging with audiences eager to learn about positive future developments.

Mrs. Kingston highlighted Mr. Hoege’s recent speaking role on October 26th as one of an impressive panel of speakers for a virtual 757 Vision Series event hosted by the Virginia Peninsula Chamber of Commerce and focused on “Connectedness and Culture.”

Mrs. Kingston reported that the City, through Parks, Recreation and Tourism, would host its third Family Movie Night on November 6th, at the former Kmart site located at 401 Oriana Road. She noted that the feature film was the 2020 computer-animated film “Soul” produced by Pixar Animated Studios and released by Walt Disney Pictures and that gates would open at 7:00 p.m. with the movie to begin at 7:30 p.m. Mrs. Kingston stated that the event was free and open to the public, with free popcorn available while supplies last, and that attendees were encouraged to bring lawn chairs or blankets.

Mrs. Kingston reported that Newport News would be the host City for the Sixth Annual Black Diamond Weekend, themed “Diamond University: It’s a Different World,” to be held November 12th-14th at the Holiday Inn—City Center. She stated that the three-day event was produced by Black BRAND, a 501(c)(3) organization focused on business, research, analytics, networking and development, which also served as the Black Chamber of Commerce for Virginia’s Hampton Roads and Dan River Regions, promoting group economics through professional development and community empowerment. Mrs. Kingston reported that this year’s presenting sponsor was Dominion Energy and that it would be the first year the event was held on the Peninsula. She noted that Black Diamond Weekend

was Virginia's largest black business conference, with 54 hours of business development content, keynote speakers, an all-new Tech Track, black business marketplace, and Entrepreneurship Certificate and Continuing Education Units offered by Thomas Nelson Community College.

Mrs. Kingston stated that staff continued to work with Mercana Furniture & Décor regarding its acquisition of 120 Enterprise Drive during the 60-day due diligence period, which was expected to end November 30th, and that the Board would be advised once closing had occurred.

Mrs. Kingston advised that the groundbreaking ceremony for the new C. C. Carter Funeral Home, located at 3700 Marshall Avenue, would take place on Tuesday, December 7th at 3:00 p.m. She spoke of the collaboration in partnering with Reverend Carter to assist with the growth of his business.

Mrs. Kingston informed the Board that an important training opportunity for Board members would be conducted by the Virginia Institute for Economic Development and the Virginia Industrial Development Institute on Wednesday, December 15th and Thursday, December 16th. She stated that the agenda had not yet been released, but that the sessions would be virtual and would include fundamentals of economic development, serving on and using IDA's/EDA's, and economic development as public policy. Mrs. Kingston noted that many EDA Board Members have attended in the past, and universally shared that the training was invaluable. She encouraged Board Members to participate in this learning experience specifically tailored for economic development professionals and EDA/IDA members and staffs. Mr. Bell, having participated in prior training sessions, emphasized the value the program offered as an opportunity to gain insight on other EDA/IDAs and to learn what practices are effective around the state.

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. There were none.

Mrs. Kingston reported that each year the EDA/IDA financials were separately audited, before incorporation into the City's Audit, and that typically, the Auditors presented the EDA/IDA Audit at a Board Meeting, prior to release of the City's Audit. She stated that it was common practice and preference that the EDA/IDA approve its Audit before it was released with the City's Audit, and that this year, due to timing constraints, the Audit was not ready for presentation at today's meeting, and by the December Board Meeting the release

by the City would have already taken place. Mrs. Kingston advised that the auditors were, therefore, planning to present the Audit at the Executive Committee meeting on November 16th at noon, and that Board Members not serving on Executive Committee would be asked to attend to hear the Audit presentation. Mrs. Kingston stated that she would be seeking a Motion to delegate authority to the Executive Committee to approve the EDA/IDA FY2021 Audit.

Mrs. Kingston reported that the City had designated November as "Attitude of Gratitude" month, and extended her thanks to Mr. Pealo and Mr. Suttle for their ongoing and recent diligence and effort on the finalization of several documents.

Mrs. Kingston offered Mr. Clayton the opportunity to provide comments. Mr. Clayton thanked Ms. Cipriano for her presentation and commended her for the clear conveyance of complex information. He highlighted several additional projects and events happening in the City, including work being done at Tech Center, 23rd Street, the STEM event at Brooks Crossing Innovation and Opportunity Center and the Sherwood Shopping Center vaccine clinic. Mr. Clayton commended Mrs. Kingston and her staff for their continued dedication and hard work.

Ms. Smith-Brown introduced a motion to authorize execution of a license agreement between the EDA and the City of Newport News for the non-exclusive use of a portion of EDA-owned property at 75 Yorktown Road, totaling approximately 0.38 acres, between adjacent City-owned property, on which the Lee Hall Train Depot is located, and the CSX corridor, to site refurbished, vintage train cars and equipment on rail tracks, mechanical equipment to serve the Lee Hall Train Depot, and a length of fencing to help separate the Lee Hall Depot outside exhibits from the adjacent CSX railroad. She stated that this license shall be executed with no consideration, for an initial period of five (5) years, with automatic renewal every five (5) years unless either party gives 90-day notice of termination, and with all necessary licensure and liability insurance amounts and documentation subject to EDA Legal Counsel review and approval. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Ms. Smith-Brown introduced a motion to delegate authority to the Executive Committee to approve the EDA/IDA FY2021 Audit. Mr. Bell so moved and Mr. Skinner 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 11:04 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 prospective businesses interested in locating in the northern section of the City. Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

At 11:36 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.

Choice Neighborhood Initiatives Activities

Mrs. Kingston reminded the Board that the City and the EDA were identified as the implementation leads for the Neighborhood Plan for Choice Neighborhoods Initiatives (CNI), which included an implementation role for the Critical Community Improvements (CCI), as well as other activities like the EDA's role at Brooks Crossing Innovation and Opportunity

Center (BCIOC) and the EDA's work at The Offices @ Two Five & J. She stated that at a minimum, with respect to CNI-funded projects, the EDA would have a role in the rehabilitation of 2510 Jefferson Avenue, and may also participate in the development of the seafood market, which is another CCI.

Mrs. Kingston explained that because the EDA would be a participant in some of the federally-funded project elements, a Memorandum of Agreement (MOA) would be executed with the City and Newport News Redevelopment & Housing Authority (NNRHA) as co-grantees of the CNI Implementation Grant, and that similar MOAs were in place with the other implementation partners who received CNI funds. Mrs. Kingston noted that the MOA was a very high level agreement that outlined the partnership and the role of the City, NNRHA and EDA with respect to the implementation and administration of the grant.

Mrs. Kingston advised that because Jones, Blechman, Woltz and Kelly (JBWK) represented both the NNRHA and EDA, she was seeking a motion that the EDA waive any potential conflicts of interest related to JBWK's representation of the EDA and NNRHA on the matter. She stated that as part of the fulfillment of the EDA's role as a Neighborhood implementation lead, she was requesting authorization of a MOA between the EDA, City and NNRHA for implementation activities associated with the CNI Implementation Grant.

Ms. Smith-Brown introduced a motion to authorize 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 the Newport News Redevelopment & Housing Authority, in connection with the Memorandum of Agreement with the City of Newport News, Virginia, Newport News Redevelopment & Housing Authority and the EDA for activities associated with the implementation of the Choice Neighborhood Initiative Implementation Grant. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Ms. Smith-Brown introduced a motion to authorize execution of a Memorandum of Agreement by and between the City of Newport News, Virginia, Newport News Redevelopment & Housing Authority and the EDA for activities associated with the implementation of the Choice Neighborhood Initiative Implementation Grant, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

Scope of Services for Design, and Funding, for Rehabilitation of 2510 Jefferson Avenue

Mrs. Kingston stated that she was pleased to report that, as announced by the Governor in October, the EDA was awarded \$250,000 from the Industrial Revitalization Fund (IRF) to support the rehabilitation of 2510 Jefferson Avenue, the building directly adjacent to The Offices @ Two Five & J. She stated that the rehabilitation of the building was included as a Critical Community Improvement in the Choice Neighborhood Initiative Implementation Grant, and that the vision was for the building to provide new retail/commercial space on the first floor and new office space on the second floor. Mrs. Kingston explained that the IRF grant funding would supplement the City and CNI funding that support the project, and that funding from the Port Host Communities Revitalization Fund was also applied for in support of the project.

Mrs. Kingston reminded Board Members that a request for proposals for design services (RFP) for 2510 Jefferson Avenue had been initiated with the EDA, in coordination with the City's Purchasing Office. She stated that the RFP was issued during the summer and interviews were held in August and September, and that the RFP evaluation committee was comprised of representatives from Development Department staff, as well as the Engineering and Planning Departments and a member of the CNI Citizen Advisory Committee. Mrs. Kingston reported that the committee unanimously selected Work Program Architects (WPA) to perform the work, and that WPA understood the project's context within CNI and had been engaged in some of Norfolk's CNI activities. She explained that the WPA team had the technical experience and creativity to successfully complete the project, and that the design scope of work was anticipated to take around 9 months, including all of the required reviews and process associated with the federal funding. Mrs. Kingston stated that she was seeking authorization of a fee proposal from Work Program Architects and approval of funding in the amount of \$280,364, which included contingency.

Ms. Smith-Brown introduced a motion to authorize a fee proposal from Work Program Architects, LLC, and funding, in an amount not to exceed \$280,364 which includes a contingency, in connection with RFP #21-3421-3608, for professional design services for the rehabilitation of 2510 Jefferson Avenue, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Lease Agreement by and between the EDA and River Port, LLC for a Portion of 1511 Harbor Lane

Mrs. Kingston reported that at the end of September, the EDA closed on 1511 Harbor Lane, of which approximately 17 acres would be used by S23 Holdings for its expansion project, and that the EDA would reserve approximately 3 acres of frontage on Jefferson Avenue for future commercial development. She advised that prior to the property closing, NNRHA had a lease in place with River Port, LLC, one of S23's affiliated entities, for its use of the two existing warehouse structures on the site to support its operations at 1201 Terminal Avenue, and that the buildings would ultimately be rehabilitated to create S23's training facility.

Mrs. Kingston explained that until the land is sold to S23 and the property is conveyed, a lease would be entered by River Port for its continued use of the improvements for a term of one year, with a monthly rent of \$1,175, which was consistent with the lease in place with NNRHA. She noted that the lease would automatically terminate upon sale of the land, which was expected to happen prior to the end of the term. Mrs. Kingston stated that she was requesting authorization of the lease with River Port, LLC for an approximately 9.9-acre portion of 1511 Harbor Lane, at a monthly rent of \$1,175.

Ms. Smith-Brown introduced a motion to authorize execution of a Commercial Lease Agreement between the EDA and River Port, LLC for an approximately 9.9-acre portion of 1511 Harbor Lane, for a term of one year and monthly rent of \$1,175, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Ms. Johnson seconded the motion, which passed unanimously on a roll call vote.

Sale of Pointe Hope, LLC's City Center at Oyster Point Assets and Transfer of Responsibilities

Mrs. Kingston asked Ms. Meredith to provide an overview of this transaction. Ms. Meredith informed the Board that City Center was established as a public private partnership between the EDA and Newport News Town Center (NNTC), and that over time as the project evolved, the composition of private ownership evolved. She explained that in 2005, Northwestern Mutual Life Insurance Company became an institutional investor in City Center, and that in 2016, a group of local investors, Pointe Hope, LLC, purchased the assets and operations from Northwestern. Ms. Meredith advised that the Pointe Hope, LLC investors had entered into a contract to sell its City Center portfolio to CCOP, LLC, a newly-created entity owned by Brant Point Properties, a real estate investment company based in Ft. Lauderdale, FL. She noted that the company was owned by the Murphy family, which is

comprised of William (Bill), the patriarch, and his two children Kate and Patrick. Ms. Meredith stated that Brant Point Properties was in the process of conducting its due diligence. She outlined the properties included in the sale as: Fountain Plaza One; Fountain Plaza Two (City offices); Merchants Walk One; Merchants Walk Two; The Cove; One City Center; City Center Retail; Two City Center; Town Center One; and a portion of Mariners Row (street) between Merchants Walk and Fountain Way. Ms. Meredith noted that the sale comprised a total of 574,466 square feet of building space. She listed the properties not included in the sale as being: Ferguson HQ3; Fountain Plaza Three/Langley Federal Credit Union; Marriott Hotel and Conference Center; Cinemark/Neo/MyPi/Travinia block; 4 parking garages (owned by the EDA or City); and any undeveloped land.

Ms. Meredith reported that the Mayor, City Manager, Mrs. Kingston and she met with the Brant Point Properties (CCOP, LLC) principals on October 7th and were pleased with their long-term investment strategy, extensive experience, knowledge of City Center and enthusiasm to bring new life and energy to the project. She stated that CCOP, LLC made certain requests of the City and the EDA which would enable them to obtain financing for the assets, and that City action was required on matters relating to Fountain Plaza Two, which was on City Council's agenda for its next meeting. Ms. Meredith explained that Pointe Hope, LLC had submitted a letter of request for the City and EDA to provide releases and waivers required to effectuate the sale of Pointe Hope's assets to CCOP, LLC and that a copy of that letter had been provided to Board Members.

Ms. Meredith, outlining the historical context on how Fountain Plaza Two came to be, explained that in order for NNTC to obtain the requisite density and financing for the project, in 2001, the City signed a 25-year lease for the 84,000-square-foot building, and that at certain points during the lease, the City retained the right to purchase the building at full current market price, as determined by appraisals, as well as the right of first refusal. She stated that careful consideration had been given to whether or not the City would purchase Fountain Plaza Two at full market price in the foreseeable future, and that given the success of the office market and the very high office occupancy rates in City Center, it was no longer critical for the City to occupy, and was better suited for a private entity.

Ms. Meredith advised that Fountain Plaza One and the Merchants Walk garage were built under a condominium regime with two elements—the garage unit and the office unit. She explained that the EDA owned the garage unit and had a right of first refusal to purchase the office unit, which was essentially the Fountain Plaza One office building, and that CCOP, LLC had requested the EDA to waive its right of first refusal to purchase the office unit at current market rates. Ms. Meredith stated that the requested waiver was associated with

this transaction only and would be retained for all future ownership transfers. She noted that the purchaser also requested that the EDA approve the assignment of the Master Parking Agreement.

Ms. Meredith informed the Board that the City Manager requested EDA staff to negotiate with the Murphy family in order to obtain written commitments in pledge of specific support to the City and EDA in consideration of the requested waivers, and that those negotiations were ongoing. She stated that it had been expressed to the Murphy family that City and EDA leadership were seeking an active management partner who would be involved, committed, engaged and supportive in City Center events and activities.

Ms. Meredith advised that the Murphy family formally submitted a letter committing to:

- sponsorship of the 2022 NlightN Holiday Programming in the amount of \$75,000;
- funding of non-holiday special events at City Center over the next three years in an amount of \$350,000;
- spearheading a creative concept in the area surrounding the fountain in an amount of \$100,000 designed to drive traffic to City Center;
- programming non-occupied retail spaces with pop-up shops, entrepreneurial spaces and artist-in-residence locations;
- working with local businesses to organize free community events such as wine appreciation nights, yoga sessions, chef demonstrations and multicultural exploration;
- investing in the physical and capital needs of the CCOP-owned public spaces throughout City Center; and
- facilitating ongoing City Center Focus Group meetings with the new owners and EDA staff.

She stated that a copy of the letter had been provided to Board Members and expressed excitement about the opportunity to bring new, fresh and committed capital to City Center.

Ms. Gargiulo asked if other properties owned by the Murphy family were of the same market segment and quality standards as those in City Center. Ms. Meredith explained that the Murphy family's portfolio included town center style developments along the East Coast of the U.S., and that they expressed great interest in making investments to increase the attraction of City Center.

Ms. Smith-Brown introduced a motion to authorize 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 Pointe Hope, LLC, in connection with the Sale of Pointe Hope, LLC's sale of City Center assets and transfer of responsibilities to CCOP, LLC. Mr. Bell so moved and Ms. Johnson seconded the motion, which passed unanimously on a roll call vote.

Ms. Smith-Brown introduced a motion to waive the EDA Right of First Refusal to purchase the Office Unit component of Fountain Plaza One, as provided for in the "Declaration of Fountain Plaza One Condominium", granted solely in conjunction with this sale; acknowledge its waiver of the Right of Repurchase for twelve (12) parcels by virtue of the completion of approved improvements on the properties under the "Declaration of Protective Covenants and Conditions Oyster Point Urban Core Parcel/Oyster Point Town Center" (those properties include Two City Center, Town Center One, Fountain Plaza One, Fountain Plaza Connector, Merchants Walk One, Fountain Plaza Two, Merchants Walk Two, One City Center, City Center Retail, (3 parcels) and Mariners Row) which waiver is granted in perpetuity; approve assignment and assumption of the "Master Parking Agreement" from Pointe Hope, LLC, to CCOP, LLC, granted solely in association with the sale of Pointe Hope, LLC's City Center at Oyster Point assets to CCOP, LLC; and authorize the execution of any other necessary documents to facilitate the transfer of assets and responsibilities from Pointe Hope, LLC to CCOP, LLC, all document execution subject to the review and approval of EDA Legal Counsel. Mr. Bell 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 and South Newport News Committee Report, which did not require Board ratification.

Election of Officers

Chair Smith-Brown called for nominations from the floor for Chair of the EDA/IDA for 2022. Mr. Bell moved to nominate Ms. Smith-Brown for Chair. Ms. Williams seconded the motion. Ms. Gargiulo moved to close nominations for Chair. Mr. Hoege seconded the motion, which passed unanimously on a roll call vote. Chair Smith-Brown called for nominations from the floor for Vice-Chair of the EDA/IDA for 2022. Mr. Skinner moved to nominate Mr. Hoege for Vice-Chair. Ms. Williams seconded the motion. Ms. Johnson moved to close nominations for Vice-Chair. Ms. Gargiulo seconded the motion, which passed unanimously on a roll call vote. Mr. Bell moved to elect Ms. Smith-Brown as Chair and Mr. Hoege as Vice-Chair of the

EDA/IDA for Calendar Year 2022. Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Special Meeting of October 19, 2021

Ms. Smith-Brown asked for approval of the Minutes of the Special Meeting of October 19, 2021. Mr. Bell so moved, and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of October 1, 2021

Ms. Smith-Brown asked for approval of the Minutes of the Regular Meeting of October 1, 2021. Mr. Bell so moved, and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Special Meeting of September 21, 2021

Ms. Smith-Brown asked for approval of the Minutes of the Special Meeting of September 21, 2021. Mr. Skinner asked that page 4 be modified to reflect his request that information summarizing EDA grants and incentives be provided to Board Members as a tool for them to promote the programs outside of the organization. Ms. Smith-Brown asked for approval of the proposed modification to the Minutes of the Special Meeting of September 21, 2021. Mr. Bell so moved, and Ms. Gargiulo seconded the motion, which passed unanimously on a roll call vote.

Board Member Engagement and Support Follow-up Discussion

Ms. Smith-Brown requested that in the interest of time and due to the unexpected length of discussion on previous agenda items, the Board Member Engagement and Support Follow-up Discussion be deferred.

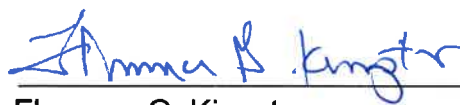
Unfinished Business

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 12:18 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: November 5, 2021

The Executive Committee met on October 19th. The Committee's items were handled in Closed Session. This Report does not require Board ratification.


Howard H. Hoeg

HHH:clc

P:\IDA\DA21-22\Committees 21-22\Executive Committee\ExecutiveCommitteeChair'sReport110521.docx

Date, Time and Location: October 19, 2021, at 12:30 pm at 740 Town Center Drive, Newport News, VA

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

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

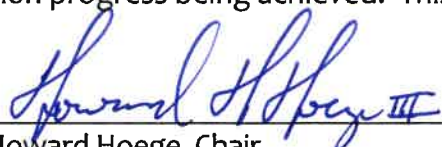
FROM: Chair, South Newport News Committee

SUBJECT: Chair's Report

DATE: November 5, 2021

The South Newport News Committee met on October 5th. Matt Johnson and Marc Rodgers with the City's Department of Development provided the Committee with a comprehensive update and visuals on activities related to the City's current Downtown revitalization initiative, outlining multiple goals and proposals. Committee Members were briefed on the James River Strand project, which will connect an underutilized Christopher Newport Park with Victory Landing Park via a boardwalk-style path, incorporate a small amphitheater and stage for entertaining, and provide visitors with a clear view-shed of the James River, currently obstructed by a heavily vegetated bluff. The 23rd Street Improvements Project, in support of the businesses, existing, recently-opened and planned, along the 23rd Street Corridor included road improvements, pedestrian improvements, enhanced lighting and a wind art sculpture at the corner of 23rd Street and West Avenue. Finally, Committee Members were provided an understanding of the branding of the broader commercial portion of Downtown as the Yard District.

All of these initiatives, designed to increase activity and opportunity in the area, were well-received by the Committee. Committee Members were impressed with the wealth of information provided and the implementation progress being achieved. This Report does not require Board ratification.


Howard Hoege, Chair

HH:mar

P:\DA\DA21-22\Board Meetings 21-22\November 2021\Chair Reports\SouthNewportNewsCommitteeChair'sReport11052021.docx

Date, Time and Location: October 5, 2021, 4:00 p.m. at City Hall, 6th Floor Communications Department Conference Room
Members Present: Howard Hoege, Faye Garguilo, Cathy Williams, Carl Burt, Troy Smith, Jr. and Richard Coleman
Members Absent: None