

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, January 7, 2022, in the Virginia Ballroom of the Newport News Holiday Inn at 980 Omni Boulevard, 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  
Matthew Meadows

Staff:

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

Also present:

Paul Hirsch, President, Madison Government Affairs (virtual)  
Jack Hession, Senior Vice President, Madison Government Affairs (virtual)  
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 stated that she hoped everyone had a safe and happy holiday season and welcomed the New Year.

### Secretary/Treasurer's Report

Mrs. Kingston expressed optimism and excitement for the New Year and the future success of the EDA. She reported that staff and Howell Creative Group were nearing completion of the 2021 EDA/IDA Annual Report, and that she looked forward to another exceptional publication for City Council and for use in marketing and strategic communications with our partners and prospects. Mrs. Kingston noted that draft copies were provided to Board Members for review, and that in preparation for printing and delivery to City Council, she would be seeking a motion to approve the 2021 EDA/IDA Annual Report.

Mrs. Kingston highlighted that the EDA/IDA 2020 Annual Report was the fourth consecutive Report that received the American Graphic Design Award, and it also received the Summit International Award. She noted that the EDA/IDA 2021 Annual Report had the potential to be the fifth.

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 offered Ms. Rohlf the opportunity to provide comments. Ms. Rohlf advised that the City was undergoing its annual budget process and that staff was working to complete the draft Capital Improvement Plan (CIP), which was expected to be considered by City Council in March. She stated that the City was examining where it could work together with the state under the new Governor's administration. Ms. Rohlf reported that the COVID-19 vaccination clinic at Sherwood Shopping Center would be joined on January 10<sup>th</sup> by an adjacent COVID-19 testing center in response to the strong demand for the service. She expressed excitement for the progress being made in the execution of various Neighborhood Plans, and noted that a housing study was underway to evaluate the City's housing stock. Ms. Rohlf outlined that the City received feedback from, and was working with, its consultant regarding the rebranding initiative, and welcomed any additional ideas from Board Members. Ms. Smith-Brown asked Ms. Rohlf if there were any preliminary key points or takeaways from the consultant's work to date. Ms. Rohlf stated that there was a sentiment that the City should be more active and direct in marketing its assets and

attractive characteristics, and that it should focus on those to develop its outside reputation. Ms. Meredith noted that a presentation on the consultant's findings would be provided to the Marketing Committee by the Communications Department in February.

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

Ms. Smith-Brown introduced a motion to approve the 2021 EDA/IDA Annual Report. Ms. Gargiulo so moved and Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

Ms. Smith-Brown noted the effort by EDA staff in responding to Board Members' requests for information regarding EDA programs, available incentives and list of assets, and asked for discussion regarding Board Member engagement and support. She requested that a project tracking dashboard be considered for Board Members to use as a tool to support and advocate for the EDA. Ms. Smith-Brown emphasized the importance of using performance metrics in measuring the progress of work. Other Board Members expressed support for the idea of implementing a project and performance tracking system. Mr. Bell stated that the EDA was effective in promoting job growth and investment in the City, and that its success is empirically supported. Mrs. Kingston pointed out that some of the outcomes and success that the EDA contributed to were difficult to measure quantitatively, and that qualitative ways of defining success were most important. She noted that over the years, the ways in which successful economic development was achieved in Newport News had varied, and that the current approach was to focus on investing in people and equitable access to economic success, while achieving the mission to grow and diversify the tax and employment base of the City.

#### 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 asked for the Madison Government Affairs Report. Mr. Hirsch and Mr. Hession participated virtually via Zoom. Mr. Hession reported that Democratic lawmakers were working to pass the Build Back Better Act and elections reforms bill, and were considering a procedural change to filibuster rules to do so. He noted that funding for

universal pre-kindergarten childcare was a priority of the Build Back Better Act that would impact Newport News. Mr. Hession stated that the Senate would vote to apply economic sanctions to Russia in response to recent aggression towards Eastern Europe. He explained that Congress would be reaching a government funding deadline in mid-February, and that negotiations to reach an agreement was expected.

Mr. Hirsch outlined that the National Defense Authorization Act (NDAA) for Fiscal Year 2022 was recently signed into law, and that its funding would depend on the appropriations bill passing in February. He noted that another stopgap bill would likely be passed to temporarily fund the government, but that it left uncertainty for the future of military construction projects. Mr. Hirsch reported that Ft. Eustis continued to make improvements to the base to enhance the quality of life for the Army's new recruits and soldiers. He stated that upgrades were also being made to the Army's naval port at Ft. Eustis in support of its maritime activities, and that land acquisition and construction of the new main gate had begun.

Ms. Smith-Brown asked if there were any questions for Mr. Hession or Mr. Hirsch. There were none. Ms. Smith-Brown thanked them for their report.

At 10:01 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 southern section of the City and 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 an unannounced prospective businesses interested in locating in the northern 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 10:58 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.

S23 Holdings, LLC Expansion Project

Mrs. Kingston reported that as S23 continues to evaluate how the company will prioritize and plan its future for 1511 Harbor Lane and 1201 Terminal Avenue, the EDA had been working to update the purchase agreement and option agreement for the two blocks of 1511 Harbor Lane to be consistent with the company's investment decisions and timing. She stated that the creation of the training facility was the first priority for the owner of S23, Jorge Rivera, and that he desired to have ownership of the property before making that investment. Mrs. Kingston reported that Mr. Rivera's desire was to invest in and establish the training facility, prior to starting work on the larger warehouse/fabrication site. She advised that the purchase and option agreements had been reviewed by staff and EDA legal counsel, and described the relevant adjustments to the terms, which included reducing the purchase price to \$50,000/acre due to unforeseen soil conditions impacting developability of the property and adjusting the timelines identified to reflect the current schedule. She also noted that it would be the fourth amendment to the purchase agreement, after three earlier amendments extending the inspection period on the property.

Mrs. Kingston stated that she was seeking approval of the fourth amendment to the purchase and sale agreement and amendment to the option agreement connected with 1511 Harbor Lane, as consistent with the modified terms outlined. Ms. Smith-Brown asked for a motion to authorize that certain Fourth Amendment to Agreement of Purchase and Sale of Commercial Real Estate, by and between the EDA and S23 Holdings, LLC, in connection with the significant S23 Holdings, LLC project planned in the Southeast Community of Newport News, 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.

Ms. Smith-Brown asked for a motion to authorize that certain Amendment to Option Agreement, by and between the EDA and S23 Holdings, LLC, in connection with the significant S23 Holdings, LLC project planned in the Southeast Community of Newport News, 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.

Option Agreement by and between the EDA and WeldenField of Virginia, LLC for  
Development of Endview Tract

Mrs. Kingston reported that in order to facilitate the development of the Endview Tract, WeldenField and the EDA would enter into an Option Agreement for 350 Yorktown Road outlining the rights and responsibilities of the parties. She outlined that WeldenField's exclusive right and option to purchase portions of the Endview Tract to implement the master plan would expire on January 1, 2037. Mrs. Kingston noted that the EDA and WeldenField would enter into a Land Disposition Contract (LDC) for each phase, and that prior to approval of the contract, WeldenField must provide a completion timeline, lot release prices, unit count and mix, and finance plan. Mrs. Kingston explained that prior to the execution of any LDC, the development plan for the phase would require approval by the City's Department of Planning.

Mrs. Kingston advised that the appraised value of the Endview Tract was \$53,684 per acre, and that WeldenField would pay for the portions of the Endview Tract conveyed to them. She stated that the purchase price and lot release prices to facilitate the development would be identified for each phase LDC. For the first phase, the lot release price will be \$12,500 per lot, with the remaining value of the first phase property being apportioned over the remaining phases.

Mrs. Kingston reported that WeldenField would timely install, at its expense, all infrastructure proposed as part of the development plans for a phase, and that the EDA would agree to make a loan to WeldenField in the amount of \$1,950,000, with no interest to fund public infrastructure and offsite improvements to service the property. The loan would be administered in a manner consistent with a construction loan and in accordance with the loan documents, and due and payable in full upon the earlier of WeldenField obtaining its construction loan for the second phase or December 31, 2029.

She advised that WeldenField will prepare and submit an application to the City of Newport News for the rezoning of the property, any proffers subject to approval of WeldenField. She outlined the next steps as being to coordinate the rezoning application and submission to the City's Department of Planning along with the abandonment of Paradise Way, and for WeldenField to facilitate community outreach on a conceptual master plan. Mrs. Kingston advised that she was seeking authorization to approve the Option Agreement with WeldenField as described.

Mr. Hoege, identifying the risks in the Agreement to the EDA and how they would be mitigated, noted that the loan made by the EDA to WeldenField would provide public infrastructure improvements, that the conveyance of EDA-owned parcels for less than market value under the first phase of development would ultimately become taxable private property, that any third-party developers enlisted by WeldenField would require EDA review and approval to ensure the desired level of quality is achieved, and that as a sponsor of the development plan, the EDA would have authority to ensure standards of quality were met.

Ms. Smith-Brown requested a motion to authorize that certain Option Agreement, by and between the EDA and WeldenField of Virginia, LLC, in connection with the development of the Endview Tract located at 350 Yorktown Road, 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.

#### Committee Reports

Ms. Smith-Brown called for the Committee Reports, and Ms. Williams presented the Design Review Committee Report, which passed unanimously on a roll call vote.

Ms. Johnson presented the Revolving Loan Fund Committee Report, which passed unanimously on a roll call vote.

#### Board Appointments to Committees

Ms. Smith-Brown asked for the Board Appointments to Committees update, and Ms. Croushore advised that the Board Appointments to Committees document was provided to Board Members and noted specifics.

#### Approval of Minutes of the Regular Meeting of December 10, 2021

Ms. Smith-Brown asked for approval of the Minutes of the Regular Meeting of December 10, 2021. Mr. Bell so moved, and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

#### Unfinished Business

Ms. Smith-Brown asked for any unfinished business. Mrs. Kingston reported that the Virginia Department of Health (VDH) and the City were seeking to establish a community


testing center for the administration of COVID-19 testing at the EDA's Sherwood-Kazis property, to be located in the parking area adjacent to the building currently being utilized as a community vaccination center. She stated that the City intended to operate the testing center in partnership with public or private partners, such as VDH and their respective contractors. Mrs. Kingston advised that she was seeking authorization for the use of the property. Ms. Smith-Brown asked whether the Board would be advised when and if the use of the property changed, and Mrs. Kingston confirmed that it would. Ms. Smith-Brown stated that she was pleased that the property was being used for testing at a peak time during the pandemic and when tests themselves were extremely scarce and in high demand. She requested a motion for the EDA Secretary/Treasurer to take all necessary steps and actions to facilitate the location and operation of a community testing center at the EDA's Sherwood-Kazis property for use by the City, or its designee(s), and for any and all other purposes for which the site may be utilized. Mr. Bell so moved, and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

New Business

Ms. Smith-Brown asked for any new business. There was none.

Ms. Gargiulo recognized the multi-day, virtual EDA Board training conducted by the Virginia Institute for Economic Development and the Virginia Industrial Development Institute in December as being highly beneficial and informative for anyone involved in economic development.

There being no further business to come before the Board, Ms. Smith-Brown adjourned the meeting at 11:39 a.m.



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Florence G. Kingston  
Secretary/Treasurer






ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Design Review Committee  
SUBJECT: Chair's Report  
DATE: January 7, 2022

The Design Review Committee met on December 14<sup>th</sup>. The Committee considered a request by Fastsigns, on behalf of Rock Landing Partners I, LLC and Adler Physical Therapy Group, for approval of internally illuminated building mounted signage and directional signage at 11832 Rock Landing Drive, in Oyster Point of Newport News. Upon review, the Committee voted 5-0-1, with one abstention, to recommend approval of the request, subject to all applicable City codes and regulations.

This Report requires Board ratification.



Cathy T. Williams

CW:kpw

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Date, Time and Location: December 14, 2021, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Cathy T. Williams, Robert Mann, Teresa Nettles, Bryan Trainum, Sylvia Weinstein, Elizabeth Willis

Members Absent: Alonzo C. Bell, Jr., Jonathan P. Skinner, Carl Breiner, Thomas Herbert



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Revolving Loan Fund Committee  
SUBJECT: Chair's Report  
DATE: January 7, 2022

The Revolving Loan Fund Committee met on January 4<sup>th</sup>.

Committee members were provided the loan compliance status report for the Newport News Capital Fund (NNCF) as of September 30, 2021. Staff provided the Committee with a resolution to approve the Annual Plan Certification for the NNCF for the period ending December 31, 2021, which was unanimously approved.

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

- FIG request for \$16,957 from 619 Properties, LLC for exterior finishes and materials at 10361 Warwick Boulevard.

The FIG request was unanimously approved.

This Report requires Board ratification, which includes approval of the attached Resolution.



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Alonzo R. Bell, Jr.

ARB:tfw

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Date, Time and Location: January 4, 2022, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

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

Members Absent: Alonzo R. Bell, Jr. and Cathy Williams

**RESOLUTION NO. 22-1**

**A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE  
CITY OF NEWPORT NEWS, VIRGINIA  
APPROVING AN ANNUAL PLAN CERTIFICATION FOR  
THE NEWPORT NEWS CAPITAL FUND**

**WHEREAS**, the Newport News Capital Fund (NNCF) was originally capitalized with funds from the Economic Development Administration, United States Department of Commerce (US EDA), for the purpose of making economic development loans within the City of Newport News, Virginia, and as such carries certain program requirements; and

**WHEREAS**, the City of Newport News (City) is Grantee for the US EDA funding and the Industrial Development Authority of the City of Newport News, Virginia (IDA) serves as Sub-Grantee; and


**WHEREAS**, the IDA administers said NNCF program on behalf of the City; and


**WHEREAS**, one of the US EDA program requirements is an annual certification that all loan activity for the preceding year is consistent with the regional economic development strategy and the NNCF Administrative Plan (NNCF Plan).

**NOW, THEREFORE, BE IT RESOLVED** by the Industrial Development Authority of the City of Newport News, Virginia, that for the twelve-month period ending December 31, 2021, the following is true:

1. The NNCF Plan is consistent with and supportive of the current regional economic development strategy adhered to by the City of Newport News, Virginia.
2. The NNCF is being operated in accordance with the policies and procedures contained in the NNCF Plan and the loan portfolio meets the standards contained therein.

**PASSED BY THE DIRECTORS OF THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF NEWPORT NEWS, VIRGINIA, ON  
JANUARY 7, 2022**

  
Jennifer Smith-Brown, Chair  
Industrial Development Authority of  
the City of Newport News, Virginia

  
Florence G. Kingston, Secretary/Treasurer  
Industrial Development Authority of  
the City of Newport News, Virginia