

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 August 5, 2022, in the Pearl Ballroom of the Newport News Marriott Conference Center at 740 Town Center Drive, Newport News, Virginia.

Those members present were:

Alonzo R. Bell, Jr.  
Faye P. Gargiulo  
Howard H. Hoege, III  
Jennifer Smith-Brown, Chair  
Cathy T. Williams  
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Jameka R. Johnson  
Jonathan P. Skinner

Legal Counsel:

Raymond H. Suttle, Jr.  
Conway Sheild  
Matthew Meadows

Staff:

Joy Robison, Assistant Secretary  
Jessica Jacobs, Recording Secretary

Also present:

Bo Clayton, Assistant City Manager  
Douglas L. Hornsby, Esq., CEO, Christopher Newport University Real Estate  
Foundation  
T.W. Bruno, CNU Bond Counsel, McGuireWoods LLP  
Larry Brunson, Executive Director, Brooks Crossing Innovation & Opportunity Center  
Cherry Croushore, former Assistant Secretary of the EDA/IDA Board

### Call to Order

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

### Opening Statement and Introduction of Guests

Ms. Smith-Brown somberly stated that we recently learned about the passing of former Board Member, Sylvia Berry on June 30<sup>th</sup>. She stated that Ms. Berry served on the EDA/IDA Board from February 2001 through December 2008, in addition to also serving as Chair of the Board from 2007 to 2009. Ms. Smith-Brown shared that Ms. Berry was the first woman to serve in that capacity, and she wanted to recognize her for her leadership and accomplishments. Ms. Smith-Brown noted that Ms. Berry was a well-respected real estate professional and was instrumental in advancing some of the Board's most ambitious projects including City Center at Oyster Point and the Canon Virginia expansion.

Ms. Smith-Brown announced that there were several special guests present that she wanted to introduce. She welcomed Amy Jordan, a Vice President for Business Development with the Hampton Roads Alliance. She stated that Ms. Jordan joined the Alliance in June 2019 and focused on attracting and expanding three of the region's targeted sectors – Food and Beverage Processing, Technology, Advanced Manufacturing, and Maritime Industries, in addition to helping to grow sub-sectors in Unmanned Systems and Robotics. Ms. Smith-Brown informed the Board that Ms. Kingston would share more about Ms. Jordan's attendance in the Secretary/Treasurer's Report.

Ms. Smith-Brown welcomed Larry Brunson, the new Executive Director of the Brooks Crossing Innovation & Opportunity Center. She stated that Mr. Brunson was hired by the City Manager's office to run the center in early June, and that Mrs. Kingston would give him an opportunity to share his vision for the Center during the Secretary/Treasurer's Report.

### Presentation of Resolution of Appreciation

Ms. Smith-Brown stated that the Board would be presenting a Resolution of Appreciation to Ms. Croushore in honor of her service to the City. Ms. Smith-Brown recognized Ms. Croushore for her legal expertise, ardent attention to detail, environmental remediation knowledge, and comprehensive project and contract management skills. Ms. Smith-Brown acknowledged Ms. Croushore's importance in numerous projects including Brooks Crossing and the South Police Precinct, as well as the significance of her effective administration of the EDA/IDA Board. Ms. Croushore expressed her gratitude for this

recognition. Ms. Smith-Brown shared that it was an honor to present the Resolution to Ms. Croushore.

Resolution Approving Request by Christopher Newport University Real Estate Foundation for IDA Final Authorization of the Issuance of its Revenue Bonds in an Amount Not to Exceed \$28,500,000

Ms. Smith-Brown reminded the Board that at the June 3<sup>rd</sup> Board meeting there was a public hearing regarding two Christopher Newport University Real Estate Foundation bond issuance requests. She stated the one was for \$28.5 Million and a separate one for \$7.5 Million. Ms. Smith-Brown shared that both bond requests were approved by the Board and were also approved by City Council at its June 28<sup>th</sup> regular Council meeting. She advised the Board that they were being asked to approve final authorization for both bond issuances as the bond closings were scheduled for later in August. Ms. Smith-Brown added that Mr. Bruno, the applicant's bond attorney and Mr. Hornsby with CNU Real Estate Foundation, was present should there be any questions. There were none.

Ms. Smith-Brown asked for a motion approving IDA Resolution 22-4, as presented. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Resolution Approving Request by Christopher Newport University Real Estate Foundation for IDA Final Authorization of the Issuance of its Revenue Bonds in an Amount Not to Exceed \$7,500,000

Ms. Smith-Brown asked for a motion approving IDA Resolution 22-5, as presented. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Commonwealth's Development Opportunity Fund Grant, First Amendment to Performance Agreement by and Among the City of Newport News, S23 Holdings, LLC, the EDA, and the Virginia Economic Development Partnership Authority

Mrs. Kingston informed the Board that staff has continued coordination with S23 Holdings, LLC on its expansion at 1201 Terminal Avenue, at 1550 Terminal Avenue and 1511 Harbor Lane, emphasizing that S23 continued to make steady progress toward its anticipated capital investment and job creation targets, \$64.4M and 332, respectively. She stated that to date, S23 had invested over \$39M between the acquisition of 1201 Terminal Avenue, the rehabilitation of the piers and bulkhead on that property, and the purchase of machinery

and equipment supporting its operations, and that the company has created 91 new jobs. Mrs. Kingston shared that S23 had also made progress on its site plan for the development of the first block of property at 1550 Terminal Avenue and was coordinating with Cox and Verizon on the abandonment of easements on the property. She further noted that closing was anticipated within the next 45 days, pending site plan approval and vacation of the easements.

Mrs. Kingston reminded the Board that the State's incentive included \$650,000 in funding from the Economic Development Access Program (EDAP) to support public infrastructure and intersection improvements along Terminal Avenue, supporting connectivity between the S23's properties. She stated that following the project's announcement, staff was informed that the anticipated infrastructure improvements were not eligible for EDAP funding. Mrs. Kingston explained that after additional coordination with the Virginia Economic Development Partnership (VEDP), it was successfully negotiated to increase the Commonwealth's Development Opportunity Fund (COF) amount by \$650,000 to be used for the infrastructure work.

Mrs. Kingston shared that the total COF grant amount increased to \$1,314,000 and the value of the discounted purchase price on the land from the EDA provided the additional required local match. She further noted that staff worked with VEDP to draft an amendment to the COF Performance Agreement, taking into account that the funds would be an earned incentive.

Mrs. Kingston reported that because the City would be initiating and completing the Terminal Avenue improvements, there would be no risk to the EDA, in addition to the fact that work would be improving the public roadway, and with S23's current progress toward its targets, the risk to the City would be minimal as well. She was pleased to report that S23 had been awarded its first major deep water contract for the repair of the USS Cole. She said she was seeking a motion to request approval of a first amendment to the COF performance agreement, subject to approval by City Council, which will consider this item at its upcoming meeting on Tuesday, August 9<sup>th</sup>.

Ms. Smith-Brown asked if there were any questions. There were none. She made a Motion to authorize that certain First Amendment to Performance Agreement by and among the City of Newport News, S23 Holdings, LLC, the Virginia Economic Development Partnership Authority and the EDA, in connection with an additional \$650,000 in funding from the Commonwealth's Development Opportunity Fund awarded to S23 Holdings, LLC in support of its expansion project in the Southeast Community of Newport News, subject to review and approval by EDA Legal Counsel, and subject to Newport News City Council

authorization of the First Amendment to Performance Agreement and Appropriation of the additional \$650,000 from the Commonwealth's Development Opportunity Fund Grant. Mr. Bell so moved, and Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

#### Secretary/Treasurer's Report

Mrs. Kingston stated she was pleased to introduce the Department's two summer interns. She introduced Katelyn (Kat) Sheeley and noted that Kat was a graduate student at University of North Carolina-Wilmington and was pursuing dual Master's degrees in Public Administration and Environmental Science. Mrs. Kingston further noted that Kat held a desire to pursue a career in public policy. She introduced Jordan Wilson, and noted that he was a senior at Old Dominion University majoring in Business Administration with an emphasis in Financial Management. Mrs. Kingston highlighted that Jordan, a member of the Nu Theta Chapter of Alpha Phi Alpha Fraternity Inc., had worked with various organizations on campus administering intercultural programs and provided fiscal oversight of annual budgets. She shared that both Kat and Jordan had participated in the 2022 HRACRE Summer Intern Program which included 29 interns across Hampton Roads and was established to improve their understanding of the commercial real estate industry. Mrs. Kingston advised the Board that Jordan was one of six interns who were awarded scholarships. She expressed excitement to advise the Board that as Jordan was a local student at Old Dominion University, the Department was able to extend his internship into the fall while he completes his courses.

Mrs. Kingston reminded the Board that as the Chair shared during her introductions, Amy Jordan was with the Hampton Roads Alliance, the Board's regional economic development partner with a primary focus on new business attraction. She noted that in recent months, the Alliance had teamed staff with member localities with the goal of working more closely in developing messaging, strategies and tactics that encourage businesses to expand and locate in Hampton Roads. Mrs. Kingston shared that as part of this new Alliance initiative, Ms. Jordan would regularly attend open sessions of the EDA's monthly Board meetings. She further noted that Ms. Jordan was no stranger to the Peninsula — previously leading the Office of Economic Development for James City County, serving as Hampton's Redevelopment Manager, and as intern with both Newport News' Development and Planning departments early in her career. Mrs. Kingston shared her enthusiasm to utilize the Alliance partnership to help achieve continued success.

Mrs. Kingston said she was pleased to introduce Larry Brunson to the Board as the new Executive Director at Brooks Crossing Innovation & Opportunity Center (BCIOC). She

noted that while Mr. Brunson would report to Alan Archer in the City Manager's Office, Development will continue to work closely with him and workforce development providers at BCIOC, under his guidance, in furthering linkages with the business community and with citizens. Mrs. Kingston highlighted that Mr. Brunson had a deep work experience in workforce development and public administration, and came to us most recently from the City of Suffolk Workforce Development Center. She expressed excitement to have Mr. Brunson join the City in this capacity, and offered him the opportunity to say a few words.

Mr. Brunson thanked the Board for inviting him to formally introduce himself, and acknowledged the importance of the Board's work, which played an integral role in the success of BCIOC. Mr. Brunson shared his background, which included growing up in Hampton Roads, his over twenty-five years of experience in workforce development, and his participation on the National Workforce Development Board. He stated that he understood the importance of the collaboration with Development, referencing that without economic development there would be no need for workforce development. Mr. Brunson shared his vision for BCIOC which included being a "One Stop Shop," for career development training, skill assessment and job matching, hiring and networking events, as well as employee and business development. Mr. Brunson again thanked the Board, and Mrs. Kingston thanked him for his time.

Mrs. Kingston stated that the Avelo Air event at the Airport on Tuesday, July 26<sup>th</sup> received excellent media coverage for the announcement of Avelo's new service to Orlando and Fort Lauderdale from Newport News International Airport. She noted that the announcement was attended by the Peninsula Airport Commission and City leaders from each of the Peninsula localities. Mrs. Kingston shared that staff had worked with Avelo to develop a Marketing Agreement between Avelo and the EDA to include the agreed upon provision of up to \$250,000 from regional air service locality contributions in marketing support (formerly RAISE funds), in the EDA's role as fiscal agent for these funds. She said she would seek a motion at the end of her report to Authorize entering into a Marketing Agreement with Avelo Air in the amount of up to \$250,000 to provide marketing support for new air service to Orlando and Ft. Lauderdale.

Mrs. Kingston explained that the EDA-owned River Park Tower parking garage at 2601 West Avenue required significant, age-related maintenance to address water intrusion issues and to mitigate future structural repairs. She stated that Richmond Primoid, Inc., a contractor highly experienced in making repairs of this type, did similar work for the Commonwealth and other localities under a state contract, which had been awarded through a competitive solicitation process. Mrs. Kingston clarified that public procurement rules allowed the EDA, through the City, to cooperatively utilize the existing state contract,

allowing these issues to be addressed swiftly. She shared that Development received a quote of \$591,158 from Richmond Primoid to perform a variety of repairs to include repairing concrete blocks on the stairwell tower, removing patio block walls, performing routine and specialized concrete repairs, replacing waterproof membrane, repairing cracks and painting. Mrs. Kingston noted that Richmond Primoid's quote included application of the Neogard waterproofing system, which was the same waterproofing system utilized in the Rouse Tower parking garage with great success, and that the project would be funded from EDA parking reserves. She stated she would be seeking a Motion at the end of her report to authorize acceptance of Richmond Primoid, Inc.'s proposal dated May 24, 2022, under Virginia State Contract #DGS-200511-RP, for various repairs and application of a waterproofing system in the River Park Tower Parking Garage, with funding from the EDA Parking Budget in an amount not to exceed \$591,158.

Mr. Bell inquired about the parking agreement with River Park Tower apartments. Mrs. Kingston explained that the EDA has an agreement with the apartments to allow them a certain number of spaces that meet their code requirement, and that those which aren't used by tenants are allowed to be leased by the EDA. Mr. Bell followed up by asking if there were multiple parking agreements within the garage. Mrs. Kingston stated that there were multiple, adding that River Park accounts for approximately 30%. Ms. Gargiulo inquired as to what percent of needed maintenance this repair would be completed. Mrs. Kingston shared that the repairs are expected to maintain the garage for an additional seventeen years and that approximately \$30,000 a year was budgeted for similar repairs to ensure the ability to fund similar projects internally. Ms. Smith-Brown requested that an overview of the EDA's parking assets and responsibilities be presented to the Board at a future date. Mrs. Kingston agreed it would be an informative presentation.

Mrs. Kingston reported successful continued development at Tech Center, highlighting an event on June 23<sup>rd</sup>. She shared that Development joined the W.M. Jordan team to celebrate the commencement of construction of Building Two @ Tech Center with a Beam Signing ceremony. Mrs. Kingston added that an upbeat and well-attended public block party immediately followed the ceremony featuring food and beverage vendors, and entertainment by The Deloreans.

Mrs. Kingston briefed the Board on the City of Newport News' two state-designated Virginia Enterprise Zones that span nearly every commercial and industrial area of the City and offer qualifying businesses and investors a variety of state and local grants, as well as local tax incentives. She noted the importance of the Enterprise Zone Program as being one of the most effective methods of using incentives to stimulate economic development through private investment and job creation. She reported that 12 Newport News property owners

and businesses applied for the state's Real Property Investment Grant and Job Creation Grant in 2021, and that applicants received \$1,193,250 in state grants, or 8.7% of all funds dispersed by the Commonwealth's Enterprise Zone Program, noting that this was the first instance in recent years in which 100% of eligible funds were dispersed. She further stated that these applicants invested over \$57 million and hired nearly 210 people in Newport News' Enterprise Zones in 2021; noting that this year, there was no proration by the State.

Mrs. Kingston was delighted to share that Mallory Butler had been promoted to Economic Development Manager for Business Development, effective June 27th. She stated that in this new role, Ms. Butler would proactively execute initiatives to facilitate business attraction, expansion and, when appropriate, retention. She reminded the Board that Ms. Butler had significant economic development experience, having worked for both regional and local organizations in Hampton Roads for nearly 35 years. Mrs. Kingston stated that most recently, she served as our Senior Economic Analyst, managing our successful Enterprise Zone program and coordinating incentive packages. She further highlighted that in Fiscal Year 2022, Ms. Butler led our team in facilitating over \$80 million in private investment by Aery Aviation, Certified Origins, High Liner Foods, and Muhlbauer.

Mrs. Kingston shared that in late July, staff joined the Hampton Roads Alliance for a regional familiarization tour for 13 new Business Investment representatives from the Virginia Economic Development Partnership (VEDP). She stated that on July 28<sup>th</sup>, Ms. Butler provided a brief overview of Oakland Industrial Park highlighting the \$90 million in private investment currently underway and promoting the remaining three sites measuring 21, 35, and 45 acres respectively. Mrs. Kingston informed the Board that on July 29<sup>th</sup>, she and Ms. Boyd joined Ms. Butler as the VEDP representatives toured Ferguson's HQ3 building, giving special thanks to Board member Cathy Williams for assisting with the arrangements. Mrs. Kingston noted that the Newport News portion of the tour concluded with a visit to Tech Center Research Park and presentations by the park's director Jeff Johnson and Jefferson Lab's Director Stuart Henderson. She further stated that VEDP's Business Investment team collaborates with local, regional, and state partners to encourage the expansion and diversification of Virginia's economy, and is responsible for marketing and lead generation, as well as business retention, expansion, and attraction. She also referenced that this team works closely with its colleagues and Newport News staff to provide performance-based incentives and talent solutions for businesses.

Mrs. Kingston shared with the Board that we often are asked to provide guest presentations to different university classes. She stated that in the prior month, Mr. Perry gave a presentation to the Economic Development and Planning Topics class at Virginia Tech, which we have done in previous years. Mrs. Kingston shared that students were able to



learn about the development of City Center and Oyster Point and the long-term vision and implementation that resulted in the economic development asset we have today. Mrs. Kingston stated that Mr. Perry shared some of the City's recent excellent work in CNI and The Offices @ Two Five & J to highlight some of the variety in the work in which the Department is involved. She stated that the presentation was well received and helped support class goals while increasing awareness of some of the projects within the City.

Mrs. Kingston shared that on Thursday, July 28<sup>th</sup>, staff helped to facilitate a tour for members of the Virginia Peninsula Association of Realtors (VPAR) to highlight the investments that the City, EDA and partners are making in the Southeast Community, including CNI. She highlighted that several EDA projects were showcased including Brooks Crossing, BCIOC and 2510 Jefferson Avenue, and one of the stops was at The Offices @ Two Five & J. Mrs. Kingston stated that around 60 people participated on the tour and it was a great opportunity to share the work and bring some new attention to the transformations being made within the community. She was excited to report that staff had received positive feedback and energy following the tour. Mrs. Kingston expressed gratitude to Ms. Williams who participated in the tour. Ms. Williams complimented staff on the tour and stated that she also received positive feedback from brokers on the tour, which allowed participants to experience the growth and opportunities taking place in the Southeast Community.

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 Mr. Clayton the opportunity to provide comments. Mr. Clayton informed the Board of the Newport News Twilight Criterium that was held on Saturday, July 30<sup>th</sup> in Downtown Newport News, which featured a bike race on a short track on City streets in a figure 8. He noted that 300 cyclists and many spectators participated in this inaugural event which included 8 races over 6 hours, and that it brought excellent visibility to the ongoing improvements to Downtown and the Yard District. He spoke about the freshly graduated class of Police Cadets, as well as the recent National Night Out, giving the community an opportunity to engage with local leaders and Law Enforcement. Mr. Clayton informed the Board of an upcoming press conference announcement on the work done by Alan Archer on local gun violence prevention, noting there would be 20 recipients, in addition to an award of over \$1.7 million towards gun violence through local communities. He additionally commented on the recent announcement by the Army Corp of Engineers' award of \$3.7 million for the dredging of Deep Creek. Mrs. Kingston thanked Mr. Clayton for his remarks.

Ms. Smith-Brown introduced a motion to authorize entering into a Marketing Agreement with Avelo Air in the amount of up to \$250,000 to provide marketing support for new air service to Orlando and Ft. Lauderdale, 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.

Ms. Smith-Brown introduced a motion to authorize acceptance of Richmond Primoid, Inc.'s proposal dated May 24, 2022, under Virginia State Contract #DGS-200511-RP, for various repairs and application of a waterproofing system in the River Park Tower Parking Garage, with funding from the EDA Parking Budget in an amount not to exceed \$591,158, which includes a small contingency, subject to all necessary documents being reviewed and approved by EDA Legal Counsel. Mr. Bell so moved and Ms. Johnson 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. Ms. Robison 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 10:13 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 are proposed property dispositions in the southern section of the City; and a proposed property disposition in the central section of the City. Mr. Bell seconded the motion, which passed which passed unanimously on a roll call vote

At 11:21 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.

#### Committee Reports

Ms. Smith-Brown called for the Committee Reports. Ms. Williams presented the Design Review Committee report, which passed unanimously on a roll call vote. Mr. Hoege presented the June Executive Committee report and the July Executive Committee report, neither of which required Board ratification. Mr. Bell presented the June Revolving Loan Committee report, which passed unanimously on a roll call vote, and then presented the July Revolving Loan Committee report, which passed unanimously on a roll call vote.

#### Approval of Minutes of the Regular Meeting of June 6, 2022

Ms. Smith-Brown asked for approval of the Minutes of the Regular Meeting of June 6, 2022. 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 reminded that Board that in May, they were briefed about potential opportunities to develop the 162-acre Carleton Farms property located on Yorktown Road. She stated that since that time staff had assembled a working group to include John Loftus with the Virginia Economic Development Partnership, Lee Downey with Hunton Andrews Kurth, Amy Jordan and Steve Harrison with the Hampton Roads Alliance, along with several staff members. Mrs. Kingston shared that staff would use the resources of the Hampton Roads Planning District Commission to gather and analyze the economic impact of various development scenarios using REMI, a regional economic modeling program. She shared that one of the first objectives was to bring the property to a higher tier in the state's Site Certificate/Site Readiness Program. Mrs. Kingston further shared that the property is currently a Tier 2; however, in late July, staff submitted a pre-application for the next round of State funding for this program in the hopes of moving the property to Tier 3. She added that Hampton Roads Alliance was also engaging a consultant that would review sites that exceed 100 acres within our region, adding Development's intent to work with that consultant to gain as much knowledge as possible on the Carleton Farms property would enable the ability to evaluate the highest and best use for the site, while still acknowledging local goals and priorities. Mrs. Kingston highlighted that the analysis would include interviews with key stakeholders.

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 11:28 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

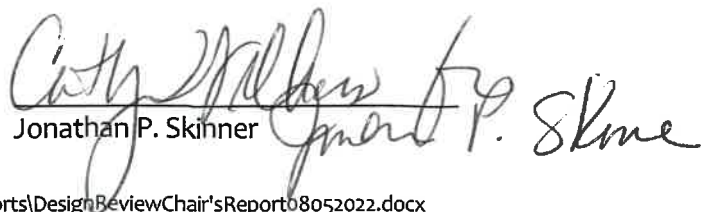
DATE: August 5, 2022

The Design Review Committee met on July 21<sup>st</sup>. The Committee considered a request by Scotty Signs, on behalf of Taylor Made Holdings NN, LLC and Concentra Urgent Care, for approval of a digital rendering of an internally-illuminated, building-mounted sign at 803 Diligence Drive 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.

Next, the Committee considered a request by Hoggard-Eure Associates, P.C., on behalf of Langley Federal Credit Union, for approval of a site layout for a parking lot expansion at 11742 Jefferson Avenue 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.

Finally, the Committee considered a request by Walthall Investment Property, LLC, on behalf of Aldora Glass, for approval of a site layout and digital elevations at 280 Enterprise Drive in Oakland Industrial Park. 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: July 26, 2022, 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, Bryan Trainum, Sylvia Weinstein

Members Absent: Teresa Nettles, Elizabeth Willis



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, Executive Committee

SUBJECT: Chair's Report

DATE: August 5, 2022

The Executive Committee met on June 21<sup>st</sup>. The Committee received a briefing on changes to the Commonwealth's Development Opportunity Fund (COF) incentive for S23 Holdings, LLC (S23), connected with the company's ongoing expansion at Terminal Avenue and Harbor Lane in south Newport News. Funding from the Economic Development Access Program (EDAP) was included in the Commonwealth's incentive package for S23 to support infrastructure and intersection improvements supporting the project; however, due to program qualification criteria and the nature of the improvements, the infrastructure was not eligible to be supported by EDAP funds.

Staff coordinated with the Virginia Economic Development Partnership (VEDP) to adjust the incentive package to increase the COF award by the amount of the committed EDAP funding (\$650,000) to allow for the City to complete the necessary improvements. Under the modified COF incentive, the grant funding remains completely performance-based, with no to risk the EDA in the event of any required repayment or failure to perform. The company has made steady progress toward its goal of \$64.4 million in investment and 332 new jobs, having invested \$39 million and created 91 new jobs to date.

The Committee was informed that an amendment to the COF performance agreement would be presented to the Board for action at its next meeting and that City Council would to take action at its August meeting.

This Report does not require Board ratification.



Howard Hoege

HH:jer

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Date, Time and Location: June 21, 2022 at 12:00 pm at 740 Town Center Drive, Newport News, VA

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

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, Executive Committee

SUBJECT: Chair's Report

DATE: August 5, 2022

The Executive Committee met on July 19<sup>th</sup>. The Committee was advised that, per their suggestion at a previous meeting, staff had engaged the Alliance in the initiative to evaluate the Carleton property for highest and best use and that a report with recommendations would be delivered to the Committee upon completion.

Under Unfinished Business, Jennifer Smith-Brown commented that she had been engaged with staff on ongoing efforts involving broadband, including preparation of an application for funding from the Middle Mile Grant Program to support the next phase of the creation of a regional fiber network. She shared that the work is highly technical, but that the effort is being advanced.

The Committee's remaining items were handled in Closed Session.

This Report does not require Board ratification.



Howard Hoege

HHH:jer

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Date, Time and Location: July 19, 2022, at 12:00 pm at 980 Omni Boulevard, Newport News, VA

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

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, Revolving Loan Fund Committee

SUBJECT: Chair's Report

DATE: August 5, 2022

The Revolving Loan Fund Committee met on June 22<sup>nd</sup>.

Committee members were provided financial statements for the Newport News Capital Fund (NNCF) as of March 31, 2022. The Committee members were also advised of the initiation of the Modified Façade Improvement Grant Program that will be made available to the Marshall-Ridley Choice Neighborhood area.

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

- FIG request for \$20,000 from Rajah Company, LLC for exterior lighting, exterior finishes and materials, exterior painting, roofing, windows and doors at 135 Harpersville Road.

The FIG request was unanimously approved.

This Report requires Board ratification.

  
\_\_\_\_\_  
Jameka Johnson

JJ:tw

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Date, Time and Location: June 22, 2022, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jameka Johnson, Alonzo Bell, Jr., Cathy Williams, Sharon Owens-Clark

Members Absent: George Knight, John Lunsford





ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, Revolving Loan Fund Committee

SUBJECT: Chair's Report

DATE: August 5, 2022

The Revolving Loan Fund Committee met on July 27th. Committee members were provided financial statements for the Newport News Capital Fund (NNCF) as of June 30, 2022.


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

- FIG request for \$20,000 from Mind Right, LLC for exterior finishes and materials, paving, windows and doors at 10604 Warwick Boulevard.

The FIG request was unanimously approved.

Staff presented a loan request in the amount of \$200,000 from SK8 House Newport News, LLC. The loan funds requested would be utilized to assist in establishing a roller skating entertainment center located at 14346 Warwick Boulevard, in a portion of the vacant space formerly occupied by Burlington Coat Factory, in the DW Shopping Center. After a brief discussion, the Committee voted unanimously to recommend approval of the loan on the terms and conditions described in the Newport News Capital Fund Applicant Fact Sheet attached to this report. The Committee asks that the Board ratify the Committee recommendation, which would include approval of the attached resolution.

This Report requires Board ratification.

  
\_\_\_\_\_  
for Jameka Johnson

JJ:tfw

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Date, Time and Location: July 27, 2022, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jameka Johnson, Alonzo Bell, Jr., Cathy Williams, George Knight, John Lunsford and Sharon Owens-Clark

Members Absent: None

## **NEWPORT NEWS CAPITAL FUND (NNCF) APPLICANT FACT SHEET**

### **Company Name:**

SK8 House Newport News, LLC

### **Proposed Location:**

DW Shopping Center in Denbigh Area

14346 Warwick Boulevard

(Portion of Former Burlington Coat Factory location)

### **Principal:**

Alvin Barnuevo, 70% Owner

Robert Barnuevo, 15% member

Jake Caburian, 15% member

### **Summary of Request:**

SK8 House Newport News, LLC (SK8 House) is requesting \$200,000 from the Newport News Capital Fund (NNCF) Loan Program to assist in the establishment of a roller skating entertainment center. SK8 House is set up as a Virginia limited liability company and was established in February 2022. The managing member of the company is Alvin Barnuevo, along with member Robert Barnuevo and member Jake Caburian. An experienced business owner, Alvin is currently owner and operator of SK8 House Family Entertainment Center in Virginia Beach. Prior to this, Alvin and Robert jointly operated seven (7) Duck Doughnut retail locations throughout the Commonwealth, before divesting ownership of these businesses in pursuit of the current business ventures.

The Department of Development recommends assisting SK8 House with a \$200,000 direct loan through the Newport News Capital Fund Loan Program. We suggest a ten (10) year loan commitment. The annual interest rate will be 3.60%. Payments of principal and interest will be due monthly after a 12-month interest only period.

Recommended security for the loan includes: a first priority lien all business assets to include: equipment, furniture, fixtures, and inventory. Additionally, a personal guaranty will be required from Alvin Barnuevo.

Further conditions of loan approval are also contingent upon, but not limited to the following:

- (i) A due-in-full clause if there is a sale of the business;
- (ii) A due-in-full clause if there is a major change in ownership or management without prior approval from the IDA;
- (iii) A due-in-full clause if SK8 House closes or announces it is closing the Newport News location and/or relocates outside of the City of Newport News;
- (iv) a due-in-full clause if SK8 House performs a public offering and its stock becomes publicly traded
- (v) Verification that all necessary local, state and federal permits and approvals have been obtained as is appropriate for the proposed project.

**Project Information:**

This project involves the renovation and equipping of a portion of the space formerly utilized for a clothing retail venue into a family oriented roller skating entertainment center. SK8 House plans to provide a unique entertainment experience through an innovative facility design and food retail setup.

Current buildout plans include design plans for a large skating arena, dining area, arcade, and lounge on the first floor. The second floor will feature a mezzanine overlooking the rink, in addition to several party rooms. The establishment of this business will serve as an addition to a growing entertainment market in the Denbigh area. The business owners hope to capitalize upon this, implementing their marketing strategy with the intent to reach customers within the Williamsburg and York County area. This strategy in part is to avoid direct competition with the only skate rink in the area: Peninsula Family Skating Center, located approximately 12 miles away.

In addition to the entertainment center, this facility will house a commercial kitchen. SK8 anticipates allocating space for three separate food vendors to operate in this kitchen. The owner has decided that these food operators will be selected from local vendors in the area.

Per the owners, this will be the largest indoor skating floor area in Hampton Roads. This facility will be a multi-faceted business not only serving as a skating venue but also hosting themed nights, e-gaming events and STEM curriculum programing. Additionally, food service, an arcade, a children's jungle gym and rentable party rooms will be available. SK8 House intends to hire a minimum of 15 – 20 local persons at this location, not including personnel to be employed by food vendors.

The proceeds of the \$200,000 NNCF loan will be used as follows:

\$135,900 in equipment

\$36,000 in furnishings and fixtures

\$28,100 in operating capital and fees

Additional project costs in the amount of approximately \$571,778 will be funded privately from other sources, to include the landlord, cash flow from the Virginia Beach location and the owner. This will more than serve to meet the required minimum one-to-one leveraging ratio of the NNCF program.

**Benefits to the City:**

- The project provides an opportunity for local food vendors by offering a brick and mortar location for operators that would not otherwise be attainable;
- The project will increase employment opportunities for citizens in the service industry;
- The project will help diversify the current business mix within the City;
- The project will complement the growing entertainment options within the area.

**Conclusions and Summary:**

Alvin Barnuevo has the business acumen, the professional experience and knowledge to make the SK8 House Newport News project a success. With experience from operating a separate skating location in Virginia Beach, Mr. Barnuevo has shown a commitment to providing quality entertainment to Hampton Roads. This addition to the Denbigh neighborhood will further stimulate and enhance the entertainment options.

Our loan will assist a new business venture willing to take a risk to repurpose and utilize vacant space in the Denbigh area of Newport News. The business will contribute to the tax base of the City through the generation of food and beverage and admissions taxes. The project will have a positive impact on the City's overall economic development efforts by not only providing jobs, but increasing tax dollars through equipment purchases and sales tax. By providing a commercial kitchen space for food vendors that would otherwise not have access to it, the SK8 House project will enable and empower non brick and mortar food service providers in the area. Finally, this project will also aid in attracting patrons from outside of Newport News to the Denbigh area to have a unique experience, not easily found within Hampton Roads.

Based on the aforementioned information and the strengths of this project proposal, it is recommended that financing be provided through the NNCF Loan Program as previously detailed.

## **RESOLUTION NO. 22-6**

### **A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF NEWPORT NEWS, VIRGINIA APPROVING A NEWPORT NEWS CAPITAL FUND LOAN APPLICATION FOR SK8 HOUSE NEWPORT NEWS, LLC**

WHEREAS, there has been described to the Industrial Development Authority of the City of Newport News, Virginia, (the "Authority") by the Revolving Loan Fund Committee (the "Committee") the plans of SK8 House Newport News, LLC (the "Company"), to fund the establishment of a roller skating entertainment center in approximately 37,000 square feet of vacant commercial storefront, formerly Burlington Coat Factory space in the DW Shopping Center, located at 14346 Warwick Boulevard; said plans include the expenditure of loan funds of approximately \$135,900 in equipment purchases, \$36,000 in furniture/fixture purchases and \$28,100 in operating capital and fees; along with the creation of employment opportunities for at least fifteen (15) persons over a three year period (the "Project"); and,

WHEREAS, the Company has requested loan funding from the Newport News Capital Fund Loan Program (the "Fund") for the Project; and,

WHEREAS, the Authority is the designated agency to administer the Fund and the Committee was established by the Authority to review loan requests from the Fund and make recommendations on loan approval and terms to the Authority; and,

WHEREAS, the Committee utilizes the City of Newport News Department of Development to receive and analyze loan requests from the Fund; and,

WHEREAS, the funds for the Fund are provided, in part, to the City from the Economic Development Administration, U.S. Department of Commerce for economic development purposes and the Authority has determined that the Project is consistent with the Regional Comprehensive Economic Development Strategy; and,

WHEREAS, the Committee met on July 27, 2022 and recommends for approval a loan to the Company through the Fund for \$200,000 at a rate of 3.60% per annum for a term of ten (10) years, with principal payments deferred for the first twelve (12) months (the "Loan"); and,

WHEREAS, the Authority will enter into a loan agreement with the Company which incorporates all terms, conditions and reporting requirements in connection with the loan: and,


WHEREAS, the Loan is contingent upon properly executed loan agreements, loan closing documents, and other related documents between the Authority and the Company as prepared by Counsel for the Authority.

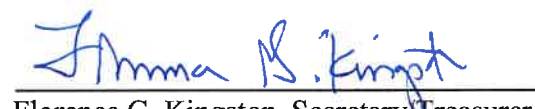
NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF NEWPORT NEWS, VIRGINIA THAT:

1. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and to deliver all commitments, loan agreements and loan closing documents and all other related documents necessary or desirable in connection with the Loan to the Company.
2. All other acts of the officers of the Authority which are in conformity with the purposes and intent of this resolution and in furtherance of the loan commitments are hereby approved and confirmed.
3. Loan disbursement is subject to the availability of funds from the Economic Development Administration for the Fund, all applicable federal, state and local regulations governing Economic Development Administration grant funds, and final approval by the Authority's legal counsel of all loan related documents.

The undersigned hereby certifies that the above resolution was duly approved by a majority of the directors of the Industrial Development Authority of the City of Newport News, Virginia, at a meeting duly called and held on August 5, 2022 and that such resolution is in full force and effect on the date hereof.

Dated: August 5, 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