

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 December 9, 2022, in Room 116/117 of the Brooks Crossing Innovation + Opportunity Center at 550 30th Street, Newport News, Virginia.

Those members present were:

Jennifer Smith-Brown, Chair
Howard H. Hoege, III, Vice-Chair
Alonzo R. Bell, Jr.
Jameka R. Johnson
Jonathan P. Skinner
Cathy T. Williams
Florence G. Kingston, Secretary/Treasurer, ex-officio
Cynthia D. Rohlf, City Manager, ex-officio

Absent:

Faye P. Gargiulo

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Joy Robison, Assistant Secretary
Jessica Jacobs, Recording Secretary

Also present:

Bob Pealo, Deputy City Attorney

Call to Order

Ms. Smith-Brown opened the meeting and welcomed everyone. She shared that she had greatly enjoyed her service to the City and her work on the EDA/IDA Board for the past eight years, and noted the evolution and transformation of Newport News during her tenure. Ms. Smith-Brown expressed her gratitude for her relationships with Mrs. Kingston, Ms. Rohlf and the entire Development team.

Draft EDA/IDA FY2022 Audit Presentation

Ms. Smith-Brown asked Mrs. Kingston to introduce Mr. Churchman from Cherry Bekaert, LLP. Mrs. Kingston called on Mr. Churchman to present the Draft FY 2022 EDA/IDA Audit, and stated that after his presentation, she would be seeking a Motion to approve the Audit. Mr. Churchman introduced himself as the audit partner in charge of all service to Newport News, and commended Ms. Smith-Brown on her service to the City. Mr. Churchman provided an outline of the engagement services provided by Cherry Bekaert LLP, which included an audit of the EDA/IDA FY 2022 financial statements using standards as required by the Governmental Accounting Standards Board (GASB), and compliance testing with the Auditor of Public Accounts' Specifications for Authorities, Boards and Commissions. Mr. Churchman reported that there was only one change recommended to management, which was accepted. He stated that the suggested change had no impact on the bottom line, as it was a geography change on the income statement. Mr. Churchman stated that there were no difficulties encountered in performing the Audit.

Mr. Churchman advised that there were no material weaknesses in internal controls or financial reporting, and briefly summarized FY 2022 new accounting and reporting changes. He welcomed questions from the Board. There were none.

Ms. Smith-Brown introduced a motion for approval of the EDA/IDA FY2022 Audit. Ms. Johnson so moved and Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

Presentation on Financial Resources for Businesses

Mrs. Kingston stated that staff wanted to continue efforts to inform and educate Board Members on the programs and tools utilized to help Newport News' businesses start, grow, and expand, adding that all of our efforts follow economic development best practices. She informed the Board that Newport News has one of the Commonwealth's most robust and

comprehensive menus of incentives and financial resources for both new and existing businesses, from very small to very large, adding that the volume of activity with these programs is spent working with small businesses and entrepreneurs. Mrs. Kingston reminded the Board that most of the upcoming staff presentation would not be new to the Board, as they received a general overview and detailed binder from Ms. Butler at last December's Board meeting. She added that many Board Members work with and touch these programs through their committee assignments. She informed the Board that the goal of the staff presentation was to offer a comprehensive look at assistance for businesses by answering 3 key questions (What is the program, why do we offer it, and how do we market it?), and to highlight metrics for 2022.

Mrs. Kingston shared that the programs vary greatly and that the phrase, "one size fits all," did not apply, as staff seeks to address the specific needs of businesses by offering an array of financial resources tailored to their needs. Mrs. Kingston explained that there was an enormous amount of time, energy, and relationship-building required of staff in order to implement programs and achieve success. She stated that this work was really the core of economic development – high volume and where the "rubber meets the road" – which was not often publicized like large economic development deals, but nevertheless make significant impacts on the City's businesses. She turned the presentation over to Tricia Wilson of the Development Staff.

Ms. Wilson expressed her excitement for the opportunity to share the Department's programs with the Board and said that she would cover the EDA/IDA's Small Business Loan Programs. Ms. Wilson informed the Board of general loan information, to include businesses being both licensed and located in Newport News, and that revolving funds from prior loan repayments were used to fund new low interest loans and gap financing within the five loan programs. She highlighted each program – the Newport News Micro-Loan Program, Newport News Capital Fund, Peninsula Revolving Loan Fund, Peninsula Cares Act Fund as well as the Newport News Urban Development Action Grant Loan Program (NNUDAG). Ms. Wilson stated that the incentive and financial programs all followed economic development best practices, and noted that all participants submit required documentation and followed stringent reporting requirements. She then asked Priscilla Green to discuss the Micro Enterprise Grant.

Ms. Green greeted and informed the Board that she would highlight the Micro Enterprise Grant. She stated that this grant program was a pilot program for businesses located only within the Southeast Community, but would be reevaluated in the coming months for possible expansion. Ms. Green explained that the purpose of this program was to help

smaller businesses and entrepreneurs gain financial independence, noting that the bulk of the available funds had already been allocated based on strong demand. She then turned the Staff presentation over to Jameson LeClair.

Mr. LeClair greeted the Board and shared the highlights of the Home-Based Business Support Program and Façade Improvement Grants. He stated that the Home-Based Business Support Program was created in 2017 as a collaboration of the six peninsula jurisdictions – Newport News, Hampton, Williamsburg, James City County, Gloucester and York County. Mr. LeClair shared that a primary focus of this program was monthly Lunch & Learn Sessions, which have proven to be an important resource for home based businesses. Mr. LeClair stated the Façade Improvement Grant Program was a local grant which required matching funds and is available for eligible exterior property improvements in the City, with a primary goal of aiding businesses in Newport News to improve aesthetics of their commercial properties, while benefiting the community as well. He then asked Shakir Johnson to discuss START Peninsula.

Mr. Johnson provided information on START Peninsula. He stated this program was a shark-tank style pitch competition, which also includes year round training and business development opportunities, and a partnership between Newport News, Hampton, Poquoson, Williamsburg, James City County and York County. Mr. Johnson highlighted that small businesses and entrepreneurs are the backbone of community and economic development, and that START Peninsula's main goal is to help entrepreneurs validate their business ideas, while providing resources to achieve growth and advancement. He then turned the presentation back to Ms. Wilson.

Ms. Wilson informed the Board about the a-Commerce Grant program. She shared that while this is a small program to assist businesses create or enhance their digital footprints, it has been very impactful, especially through the recent Covid challenges. She explained that with the help of e-Commerce Grant funds, businesses and restaurants were able to update their websites, to create digital shopping carts and allow people to order products remotely. Ms. Wilson then asked Mallory Butler to discuss the Enterprise Zone Program.

Ms. Butler greeted the Board and highlighted the Virginia Enterprise Zone Program (VEZ). She stated that the Virginia General Assembly created the VEZ program in 1982 to promote development and revitalization in economically distressed areas, and since inception, the State of Virginia had used Newport News' program as a guide for other localities on how to develop, implement and administer an Enterprise Zone Program. Ms. Smith-Brown inquired if there was a possibility to create an additional enterprise zone for

the City or consider geography of the zone. Ms. Butler stated that there were restrictions to zones, and that the State limited the amount of zones each locality could hold. Ms. Butler did note that Staff performs periodic reviews of potential geographic adjustments and would continue to do so.

Mrs. Kingston acknowledged the Board's commitment to focus on small businesses and informed the Board that throughout 2023, staff would continue to arrange presentations from our allies in small business development, such as Hampton Roads Small Business Development Center, The Offices @ Two Five & J and the Brooks Crossing Innovation and Opportunity Center, and others.

Mrs. Kingston welcomed any questions. Ms. Williams and Ms. Smith-Brown acknowledged staff for their excellent presentation, success, hard work and dedication to the City, and thanked them for their presentation.

Secretary/Treasurer's Report

Mrs. Kingston shared that the Department continued to rebuild its team and fill vacancies. She stated she was very pleased to inform the Board that Derek Perry had been promoted to Assistant Director, which filled the position vacated upon Carol Meredith's retirement. Mrs. Kingston highlighted that Mr. Perry had served numerous roles within the Department, including Senior Project Coordinator, Senior Economic Analyst, and most recently, Economic Development Manager, and reminded the Board that Mr. Perry had been instrumental to the Department in many ways, including in the implementation of CNI and other important projects. She stated that he would continue to bring great benefit to Development and to the City in his new role.

Mrs. Kingston stated that she wanted to take the opportunity to introduce Pam Croom, a new employee of the City's Purchasing Department where she was serving as the City's new Small, Women and Minority (SWAM) Business Coordinator. She added that Ms. Croom came to the City of Newport News after serving both in Hampton and in Portsmouth, adding that several staff members know Ms. Croom from prior work experience and had worked with her through the years in different capacities. Mrs. Kingston stated that Ms. Croom would bring significant experience in working with businesses and in workforce development, adding that she had already met with Larry Brunson at Brooks Crossing Innovation and Opportunity Center (BCIOC) to share workforce development ideas. She added that staff plan to work closely with Ms. Croom to develop strategies to enhance

inclusion and diversification efforts while further involving small, women, and minority owned businesses in our activities.

Mrs. Kingston reported that Kalila Walker, one of Development's Senior Project Coordinators, submitted her notice and left the Department November 23rd, but would remain with the City in the Engineering Department, where she had the opportunity to accept a position very much in line with her prior work experience. Mrs. Kingston shared that the Department would miss her but know she is only a few floors away. She stated staff will be working to fill the two vacant Project Coordinator positions in the coming months.

Mrs. Kingston shared another staffing note for the Board's awareness as being the loss of Shan Raza, who was hired as the new Chief of Fiscal Operations and worked with the Department for only two months. She clarified that while it was unfortunate for us, Mr. Raza accepted a position offering significantly more money in the private sector, with an organization he had originally spoken with while interviewing for the Chief of Fiscal Operations position. Mrs. Kingston informed the Board that we are now advertising for the Chief of Fiscal Operations vacancy once again, and shared that we were grateful to have Zoe Lumpkin working with us on a part-time basis during this interim period.

Mrs. Kingston reminded the Board that the City had leased office space for its Department of Human Services in the Economic Development Authority's Rouse Tower building since December 2007, adding that the original lease has been followed up by five subsequent Addenda extending the lease, which was again due to be renewed. She stated that the City was now seeking to extend the existing lease for an additional one-year period commencing December 1, 2022, and terminating November 30, 2023. Mrs. Kingston clarified that during this one year lease extension, the rental rate would increase by two percent to \$20.67 per square foot, as had been the practice in previous Addenda, and that the leased square footage will be reduced by 297 square feet to 121,523 square feet. She added that all other terms and conditions of the original lease, as amended, would remain in effect. Mrs. Kingston said she would seek a motion at the end of her report to authorize the lease extension.

Mrs. Kingston shared that Dish Wireless, LLC, wished to lease 80 square feet of space on the rooftop of Rouse Tower for placement of a new antenna system and related equipment in order to enhance cellular service to its Newport News customers. She noted that the lease would have an initial term of five years and would include four additional five-year renewal terms, with the rent for the leased premises being \$23,940 per annum, payable in

monthly installments of \$1,995, which would automatically increase by 3% each year. Mrs. Kingston further added that Dish Wireless would pay a one-time signing bonus of \$7,976 to the EDA and will remove, at its own expense, an abandoned steel platform from the rooftop, and that Dish Wireless would pay all utility expenses associated with its operation at Rouse Tower. She stated that she would seek a motion at the end of her report to authorize the lease.

Mrs. Kingston stated that staff had been engaged in supporting Avelo Air with marketing funds that the Board previously approved. She indicated that the Airport Executive Director reported early success with recent load factors as high as 95% for Avelo and 90% for American during Avelo's initial 14 fly days. Mrs. Kingston shared that the marketing support dollars, combined with those of the Airport, had been an important factor in this successful launch, highlighting the use of billboards, bus transit advertising, and radio advertising placed with a number of diverse radio stations. She added that Avelo had now launched a digital advertising campaign as the next wave, and she looked forward to continuing success over the holidays and beyond.

Mrs. Kingston shared that COVID changed the way many people work, especially those in offices, adding that as a result, a number of national and international headquarters adopted telework policies offering employees flexibility in the number of work days required in the office versus offsite. She announced that Ferguson was among those, and that as a result, the company was consolidating all operations into their new HQ3 building in City Center. Mrs. Kingston clarified that the HQ1 and HQ2 buildings near the airport would be marketed for sale, and that staff would work with Ferguson's broker and VEDP to promote the properties for new and expanding office users. She added that in addition to this being an attractive location, the area does not have many office vacancies and expressed optimism for new economic development opportunities.

Mrs. Kingston reminded Board Members that both they and staff had opportunities to participate in several in-person events over the past month, including the 2022 Newport News State of the City, where Mayor Price delivered his final report before retiring from City Council and his mayoral duties. She shared that his presentation was full of community and economic development success stories, many of which Board Members and staff had been closely involved. Mrs. Kingston further shared that the mayor also unveiled the City's new marketing and branding initiative, which would bring new vibrancy and highlight the City's achievements. She stated that Board Members and staff also attended the Hampton State of the City event and were impressed with the outstanding community and economic initiatives taking place there as well. Mrs. Kingston announced that on December 2nd,

Board and staff members attended the 2022 Annual Virginia Economic Summit & Forum on International Trade at the Greater Richmond Convention Center, hosted by the Virginia Chamber of Commerce. She added that there were many informative panel discussions, and an inspiring keynote address from Governor Youngkin.

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 expressed her gratitude to Ms. Smith-Brown for both her service to the EDA/IDA Board, and the opportunity they shared in working together. Mrs. Kingston echoed Ms. Rohlf's sentiments and thanked Ms. Smith-Brown for the ability to work together for Newport News.

Ms. Smith-Brown introduced a motion to Authorize execution of Addendum Six to the Agreement of Lease between the EDA and the City for City's Department of Human Services Office Space of approximately 121,523 square feet in Rouse Tower for a period of one year at a rental rate of \$20.67 per square foot, subject to all necessary documentation being reviewed and approved by EDA Counsel. 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 Communications Site Lease Agreement between the EDA and Dish Wireless, LLC, for approximately 80 square feet of space on the rooftop of Rouse Tower for a period of five years, with four additional five-year renewal periods at base annual rent of \$23,940.00, collectable in monthly installments and subject to a 3% annual escalation, and with a one-time signing bonus of \$7,976.00, subject to all necessary documentation being reviewed and approved by EDA Counsel. Mr. Bell so moved and Mr. Hoege seconded the motion, which passed unanimously on a roll call vote.

Assistant Secretary's Report

Ms. Smith-Brown asked for the Assistant Secretary's Report. 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 10:47 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 a proposed property acquisition in the southern section of the City and a proposed property disposition in the central 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 expansion interested in locating in the southern section of the City.

At 11:12 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.

Action Coming Out of Closed Session

Ms. Smith-Brown introduced a motion to acknowledge that Newport News Town Center IV, LLC (NNTC IV) has exercised its development rights pursuant to the Second Amended Restated and Development Agreement between the EDA and NNTC IV, dated as of February 21, 2005, as amended, for the parcels located at 11821 Canon Boulevard and 735 Mariners Row in City Center at Oyster Point, and to authorize the negotiation of a purchase contract with NNTC IV for the sale of said parcels. Ms. Johnson 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. Ms. Williams presented the Design Review Committee report, which passed unanimously on a roll call vote. Mr. Hoegge presented the Executive 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.

Approval of Minutes of the Regular Meeting of November 4, 2022

Ms. Smith-Brown asked for approval of the Minutes of the Regular Meeting of November 4, 2022. Ms. Johnson so moved, and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

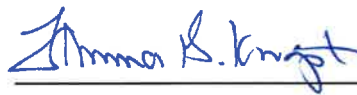
Unfinished Business

Ms. Smith-Brown asked for any unfinished business. 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 11:17 a.m.



Florence G. Kingston
Secretary/Treasurer

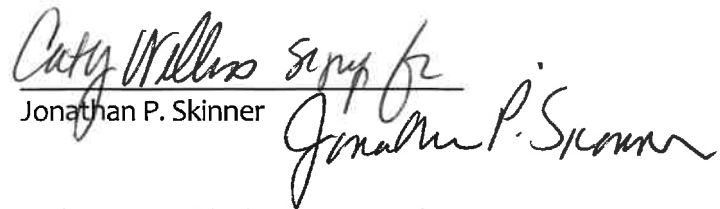


ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: December 9, 2022

The Design Review Committee met on November 17th. The Committee considered a request by ATCS, PLC on behalf of Charles C. Yost, Jr. and Charles Yost Custom Cabinets, Inc. for approval of a building addition at 11842 Tug Boat Lane 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, one Committee Member having arrived after the vote had taken place.

This Report requires Board ratification.


Jonathan P. Skinner

JPS:jrl

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Date, Time and Location: November 17, 2022, at 8 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo Bell, Jr., Thomas Herbert, Robert Mann, Teresa Nettles, Sylvia Weinstein, Beth Willis

Members Absent: Cathy Williams, Jonathan Skinner, Carl Briner



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: December 9, 2022

The Executive Committee met on November 15th. The Committee was presented with a final version of the EDA/IDA Real Estate Commission Policy, to which members had provided input. The Committee approved the Policy, subject to legal counsel review.

The Committee was informed that the solicitation for qualified Offerors regarding the disposition of land and improvements owned by the EDA located at 2800 Washington Avenue, known as the VSS property, was issued on November 9th and that proposals were due from on December 13th.

The Committee's remaining items were handled in Closed Session. This Report requires Board ratification.


Howard Hoega

HHH:jer

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Date, Time and Location: November 15, 2022, at 12:00 pm at 11820 Fountain Way, Suite 301, Newport News, VA

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

Members Absent: None



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: December 9, 2022

The Revolving Loan Fund Committee met on December 8th.

Staff presented four (4) Façade Improvement Grant (FIG) Program requests and the first Modified Façade Improvement Grant (FIG) Program request to the Revolving Loan Fund Committee.

- FIG request for \$20,000 from HARAS921-B, LLC for windows and doors at 529 J. Clyde Morris Boulevard.

The FIG request was unanimously approved.

- FIG request for \$20,000 from TCGD, LLC for exterior finishes and new roofing at 1425 25th Street.

The FIG request was unanimously approved with one abstention.

- Modified FIG request for \$10,000 from World Class Solutions Inc. for exterior lighting, landscaping improvements, roofing, windows, doors, and cornice at 615 34th Street.

The FIG request was unanimously approved with one abstention.

- FIG request for \$10,000 from World Class Solutions Inc. for exterior lighting, landscaping improvements, roofing, windows, doors, and cornice at 615 34th Street.

The FIG request was unanimously approved with one abstention.

Revolving Loan Fund Committee Chair's Report
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- FIG request for \$20,000 from World Class Solutions Inc. for exterior lighting and roofing at 2815 Huntington Avenue.

The FIG request was unanimously approved with one abstention.

This Report requires Board ratification.



Jameka R. Johnson

JRJ:jlw

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Date, Time and Location: December 8, 2022, at 9:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

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

Members Absent: John Lunsford