

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

Mr. Hoege called the meeting to order at 9:00 a.m. on November 4, 2022, in Grand Ballroom I of the Newport News Marriott Conference Center at 740 Town Center Drive, Newport News, Virginia.

Those members present were:

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:

Jennifer Smith-Brown, Chair
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
Amy Jordan, Vice President, Business Development, Hampton Roads Alliance

Call to Order

Mr. Hoege opened the meeting and welcomed everyone.

Resolution Approving Request by Riverside Healthcare Association, Inc. with Respect to Proposed Revenue Bond Modifications Related to Riverside Health Systems Series 2017B

Mr. Hoege welcomed Mr. Bruno and asked him to advise the Board of the proposed bond modifications. Mr. Bruno advised the Board that the request was for some technical amendments to the previously issued 2017B Bonds for Riverside. He stated that the bonds were issued with a variable rate based on LIBOR, and since LIBOR would be discontinued in 2023, banks were desiring to convert their interest rate indexes. He stated that Wells Fargo had proposed amendments to the bond documents to effect the change in the interest rate mechanics, and that all the other terms and amortization of the bonds would remain the same, and economically the changes are neutral to Riverside. Mr. Bruno explained that the Authority's Counsel had reviewed the changes and that the Resolution authorizes the Chair/Vice Chair and Secretary/Treasurer to sign the various amendment documents necessary. Mr. Hoege asked if there were any questions. There were none. Mr. Hoege asked for a motion approving IDA Resolution 22-7, as presented. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Choice Neighborhood Initiative (CNI) Update Presentation

Mr. Hoege asked Mrs. Kingston for the CNI update. Mrs. Kingston stated she was excited to provide an update on the CNI activity and reminded the Board that this was a large priority for the City and represented a significant commitment to community transformation in the Southeast Community. She highlighted that in addition to the major role of the Newport News Redevelopment and Housing Authority, the whole City organization and nearly all City departments were involved in some capacity with the grant's implementation.

Mrs. Kingston stated that Newport News was beginning to serve as a case study and model for other communities, and that in October, staff along with Council members and Housing Authority board members hosted a delegation from Fayetteville, North Carolina, who are wrapping up their own CNI Planning Grant and wanted to review Newport News' implementation. Mrs. Kingston added that it was a very positive site visit and the delegation was impressed with the City's accomplishments.

Mr. Perry reminded the Board that in 2016 the City received a \$500,000 planning grant from the United States Department of Housing and Urban Development (HUD). He advised that the funds were used to support the development of comprehensive neighborhood plans which led to the Transformation Plan for the Marshall-Ridley Choice Neighborhood. He stated that planning for this project took two and a half years and involved the community in the comprehensive area plan. Mr. Perry noted that in May of 2019, the Newport News Redevelopment and Housing Authority (NNHRA) and the City were awarded a \$30 million Choice Neighborhood Implementation grant, which was the start of the implementation of the CNI Plan. He further reminded the Board that the CNI Grant is a federally funded program, which was focused on three pillars – housing, people and neighborhoods. He stated the focus of housing was to create new affordable housing, while the people pillar was focused on the relocation of those impacted by the distressed public housing, human services and community involvement. Mr. Perry explained that the Department of Development and EDA had focused mainly on the neighborhood pillar, which involved implementation of the area plan.

Mr. Perry noted relevant Grant and community funded investments into the Choice Neighborhood area. He stated that from the grant, \$18 million was allocated for the Housing Plan, \$4.5 million towards the Neighborhood Plan and implementation of critical improvements, and \$4.5 million for People Plan services. Mr. Perry added that CNI public investment would exceed \$170 million, while the private investment would exceed \$120 million.

Mr. Perry highlighted the construction of Phase I of the Neighborhood plan to include the Lift and Rise mixed use apartment buildings on Jefferson Avenue, and noted that completion was expected by the end of the year. He stated that while the residents of the Marshall-Ridley neighborhood had been relocated to a variety of areas, they would have the opportunity to return and reside within the new developments.

Mr. Perry advised the Board that the People Plan was being led by Urban Strategies, Inc. (USI), a national company specializing in community improvements. He stated that the USI People Plan, which focused on many aspects such as reducing food insecurity, improved access to health services as well as boosting employment opportunities. Mr. Perry said that through USI, 65% of the relocated residents have enrolled in case management, creating 150 service linkages, primarily focused on health and family services, emergency services and adult education.

Mr. Perry explained that the City recognized the unique asset of the CNI area's adjacent Seafood Industrial Park and highlighted the design concept of a seafood centric hall, market, and catering kitchen which the citizen advisory committee members proposed during the planning process. He stated that two requests for proposals (RFPs) had been issued for the facility including one for architectural and engineering design with a deadline of November 28th and another for an Operator, with a deadline for submissions by November 7th.

Mr. Perry stated that the focus of the Neighborhood Plan included connectivity, economic development, neighborhood health, safety and sense of place and highlighted the work being done, including the Seafood Market, the Health and Wellness Trail and the Early Childhood Education Center which had recently broken ground. He advised that for each community improvement planned, workgroups have been comprised of City staff, Board and Committee Members, and citizen advisory committee members.

Mr. Perry asked if there were any questions. Ms. Williams expressed excitement and appreciation for the tremendous work done by staff, City Counsel and all involved partners, enabling the residents to have the affordable option to return to the new housing. Mr. Hoege inquired whether USI had attorneys that were able to assist residents with their housing vouchers. Mrs. Kingston stated that while this was a recognized national problem, serious commitments had been made by community partners during the Grant application process to assist residents with it. Mr. Bell asked how staff was keeping the affected residents abreast of changes and the work being done. Mrs. Kingston noted that while communication has been challenging, many different tactics were being used to keep in touch with relocated residents including newsletters, emails and personal contact.

Secretary/Treasurer's Report

Mrs. Kingston stated she was pleased to introduce Darius Turner, who joined the Department of Development as of October 31st in the Project Coordinator position vacated by Marc Rodgers. She added that Mr. Turner came to Development from the Engineering and Planning Departments, bringing with him six years of experience and knowledge of physical development and permitting with the City. Mrs. Kingston shared that originally from Charlottesville, Mr. Turner was a graduate of Old Dominion University, with a Bachelor of Science degree in Business.

Mrs. Kingston informed the Board that on October 20th, the Virginia Peninsula Chamber of Commerce hosted its Spotlight on the Peninsula Series at the Brooks Crossing Innovation and Opportunity Center, and that Larry Brunson and Lisa Wornom-Zahraiddin served as hosts and shared the training and workforce development resources available at the facility. Mrs. Kingston stated that she also had the opportunity to highlight the EDA's key role in the establishment of the space and to talk about the surrounding redevelopment work underway with the Choice Neighborhood Initiative. She said the presentation and facility tour was well received and she was pleased to continue to educate a broader audience about this valuable resource available to Newport News residents and businesses.

Mrs. Kingston advised the Board that the City Manager's Office and the Development team have had ongoing conversations on how to broaden minority firms' exposure and participation within the City. She shared that following more recent conversations with Tracey Wiley, owner of Rainmaker Industries Group; Tommy Marks, Director of the Virginia Business Center of the U.S. Minority Business Development Agency; and Floyd Miller, President of the Metropolitan Business League, staff worked to organize a familiarization tour of the City for their industry connections who may have an interest in doing work with the City. Mrs. Kingston informed the Board that on October 24th, she, along Eoghan Miller of the City Manager's office and Shakir Johnson, spent a half day with representatives from around 17 businesses to familiarize the group with the City, share its ongoing work, as well as highlight potential upcoming opportunities within the City. She said that the feedback received from the tour was very positive, and staff is looking to facilitate similar types of events in the future to continue increasing exposure to the City and opportunities for minority owned businesses.

Mrs. Kingston announced that on November 2nd, S23 Holdings, LLC held a groundbreaking ceremony for its headquarters and training facility at 1550 Terminal Avenue in the Southeast Community. She shared that there was a lot of excitement at the event with the growing anticipation for the start of this facility and the potential it holds for job creation and training within the community. Mrs. Kingston reminded the Board that S23 has been making significant investments at its waterfront property at 1201 Terminal Avenue and that she was excited to soon see construction commence. She added that staff expects to close on the property later this month as the last remaining approvals for the site plan were being secured.

Mrs. Kingston advised the Board that it was time again for this year's START Peninsula championship event, sharing that this event is a "Shark Tank" style of business competition with the goal of promoting entrepreneurship, creating, and growing new businesses on the

Peninsula. She stated that the City of Hampton was this year's host although the event would be virtual. Mrs. Kingston shared that this would be the Final Pitch Competition of the many 2022 START activities and that the free event would be held on November 10th beginning at 5:30 p.m.

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 stated that Ms. Rohlf was unable to attend the meeting as her attendance was required at the Police Cadet Graduation.

Assistant Secretary's Report

Mr. Hoege 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

Mr. Hoege 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 10:08 a.m. Mr. Bell 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 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 one unannounced prospective businesses interested in locating in the northern section of the City, and one unannounced prospective business interested in locating in the central section of the City.

At 10:20 a.m., the EDA/IDA Board returned to open session following a certification motion by Mr. Bell, 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

Mr. Hoege called for the Committee Reports. 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.

Election of Officers

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

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

Ms. Johnson moved to elect Howard Hoege as Chair and Cathy Williams as Vice-Chair of the EDA/IDA for Calendar Year 2023, and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Special Joint Meeting between City Council, the Planning Commission, the Library Board of Trustees and the Economic Development Authority of September 27, 2022

Mr. Hoege asked for approval of the Minutes of the Special Joint Meeting of September 27, 2022. Mr. Bell so moved, and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of October 14, 2022

Mr. Hoege asked for approval of the Minutes of the Regular Meeting of October 14, 2022. Mr. Bell so moved, and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

Mr. Hoege asked for any unfinished business. There was none.

New Business

Mr. Hoege asked for any new business. There was none.

There being no further business to come before the Board, Mr. Hoege adjourned the meeting at 10:27 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: November 4, 2022

The Design Review Committee met on October 20th. The Committee considered a request by Scotty Signs on behalf of GC Properties, LLC for approval of an internally illuminated building mounted sign and an internally illuminated monument sign for Gault Electric at 806 City Center Boulevard 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 received a request by Johnson, Miriam, Thompson, Inc. on behalf of Huntington Ingalls Incorporated for approval of installation of a fence on a portion of the property located at 182 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: October 20, 2022, at 8 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

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

Members Absent: Cathy Williams, Jonathan Skinner, Bryan Trainum, Robert Mann



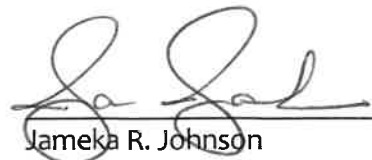
ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: November 4, 2022

The Revolving Loan Fund Committee met on October 26th. Committee members were provided financial statements for the Newport News Capital Fund (NNCF) as of September 30, 2022. Additionally, Committee members were provided with a program flyer and an update on the Modified Façade Improvement Grant Program designed for commercial properties located within the CNI footprint.

Staff presented a loan request in the amount of \$100,000 from Ronin Enterprises Inc. d/b/a 308 Logistics. The loan funds requested would be utilized to assist in the purchase of a semi-truck for the expansion of a logistics company operating in Newport News. 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.



Jameka R. Johnson

JRJ:tfw

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Date, Time and Location: October 26, 2022, at 12:30 p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

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

Members Absent: Alonzo Bell, Jr.

NEWPORT NEWS CAPITAL FUND (NNCF) APPLICANT FACT SHEET

Company Name:

Ronin Enterprises Inc. d/b/a 308 Logistics

Business Location:

644 Ellen Rd

Principal:

Mrs. Chelsea O'Dell - 100% Owner

Summary of Request:

Ronin Enterprises Inc. d/b/a 308 Logistics (Ronin) is requesting \$100,000 from the Newport News Capital Fund (NNCF) Loan Program to assist in the purchase of a semi-truck. Ronin Enterprises is set up as an S-Corporation and was established in August 2019. The President, and sole owner of the company is Chelsea O'Dell, with Mr. Nathan O'Dell employed as the company's driver. Both Mrs. & Mr. O'Dell have a diverse skillset obtained from well over a decade's worth of military experience each. As the company's driver, Mr. O'Dell has 15+ years of experience as a transportation/logistics officer in the United States Marine Corps providing Ronin Enterprises with a competitive advantage in their industry. As a 20+ year veteran of the United States Navy, Chelsea O'Dell has created a business that benefits largely from connections fostered by both herself and Mr. O'Dell from their time in service. This network provides the bulk of the load (contract) offers made to the business.

The Department of Development recommends assisting Ronin with a \$100,000 direct loan through the Newport News Capital Fund Loan Program. We suggest a seven (7) year loan commitment. The annual interest rate will be 4.125%. 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 semi-truck and trailer. Additionally, a personal guaranty will be required from Chelsea O'Dell.

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 or a major change in ownership and management of Ronin Enterprises Inc. d/b/a 308 Logistics;
- (ii) A due-in-full clause if the operating entity ceases operating the business in Newport News or relocates completely outside of Newport News;
- (iii) A due-in-full clause if it is determined that approved funds were not used for the purposes intended;
- (iv) A due-in-full clause if the operating business obtains any additional credit for the purpose of financing a trailer;
- (v) A due-in-full clause if the operating business does not sell the truck & trailer currently utilized within 90 days following disbursement of funds;
- (vi) A due-in-full clause if the semi-truck & trailer purchased are not registered & licensed in the City of Newport News.

Project Information:

Ronin currently operates based off a method known as “hot-shotting” – a variation of trucking that adapts the back of a personal trucking vehicle with a specialized hitch in order to carry loads that otherwise would be untenable. Albeit an advantageous business model for startups seeking a limited operational capacity, this method stifles growth due to the regulatory requirements on transporting large volumes of goods. Within the trucking industry, the often more profitable loads require vehicles and trailers of a certain class (type) depending on the load’s size, weight, and safety requirements. This means that without the use of a semi-truck & trailer of a certain class, contracts with a greater payout are unattainable.

Such setbacks have often hampered Ronin’s ability to accept many of contracts offered to them, particularly those of a military or industrial nature. Ronin receives an estimated 10-20 load offers per business day for contracts that without a semi-truck, they lack the ability of which to full take advantage.

This project will fund the purchase a semi-truck for Ronin, upgrading their business from their current usage of a class 3 truck with a two-axle PJ trailer, to a class 8 truck and trailer. This expansion will empower the company with the tools necessary to enter a broader market. Additionally, due to the modifications placed on the existing company truck utilized by Ronin, the estimated mileage per-gallon is similar in comparison to the

proposed truck for purchase. This allows for the fuel expenses to be kept at a level that is fairly consistent with the current projection model. Following this expansion, Ronin plans to contract additional drivers as business permits.

The proceeds of the \$100,000 NNCF loan will be used as follows:
\$100,000 in equipment (semi-truck)

Additional project costs in the amount of at least \$36,000 will be funded privately from other sources, to include personal accounts, and cash flow from the business.

Benefits to the City:

- The project will increase employment/contracting opportunities for citizens in the logistics/transportation industry;
- The project will help diversify the current business mix within the City and help to address the national supply chain demand issue;
- The project will increase business personal property related taxes.

Conclusions and Summary:

Mrs. O'Dell has brought a new trucking company into fruition during one of the most impactful economic downturns in the last 20 years, enabling this business venture to become profitable within its second calendar year. With Mrs. Chelsea O'Dell's business acumen and military experience, paired with Mr. Nathan O'Dell's logistical skills, knowledge, and certifications, Ronin has the necessary resources to grow into an even more profitable business venture.

This project will have a positive impact on the City's overall economic development efforts by not only providing job creation, but by diversifying the business mix within the City of Newport News. By enabling a woman owned, veteran owned, minority owned business to succeed in an industry where such ownership characteristics are not commonly found, this projects stands to serve as a positive example that may inspire future applicants of a similar distinction.

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. 22-8

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF NEWPORT NEWS, VIRGINIA APPROVING A NEWPORT NEWS CAPITAL FUND LOAN APPLICATION FOR RONIN ENTERPRISES INC. D/B/A 308 LOGISTICS

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 Ronin Enterprises Inc. d/b/a 308 Logistics (the "Company"), to fund the purchase of a semi – truck; said plans include the expenditure of loan funds of approximately \$100,000 in equipment purchases.

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 October 26, 2022 and recommends for approval a loan to the Company through the Fund for \$100,000 at a rate of 4.125% per annum for a term of seven (7) 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.

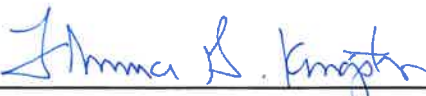
NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF NEWPORT NEWS, VIRGINIA THAT:

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 November 4, 2022 and that such resolution is in full force and effect on the date hereof.

Dated: November 4, 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