

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 October 14, 2022, in Grand Ballroom I of the Newport News Marriott Conference Center at 740 Town Center Drive, Newport News, Virginia.

Those members present were:

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

Absent:

None

Legal Counsel:

Conway Sheild
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

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

Middle Mile Broadband Infrastructure Grant Program Update

Mrs. Kingston stated she was pleased to provide an update on the City's Middle Mile Grant (MMG) application. She explained that after learning about the grant earlier this summer, the City Manager's Office and the City's IT Department worked quickly in concert with HRPDC and the City of Hampton, to be in a position to respond. She said that the joint application proposed the creation of a fiber loop on the Peninsula that would connect with and join the Southside Fiber Ring through both the Hampton Roads Bridge Tunnel and the Monitor-Merrimac Bridge Tunnel, allowing connection to the subsea cables landing in Virginia Beach. Mrs. Kingston noted that nearly \$22 million was requested from the MMG program to be matched by \$15.2 million in non-federal cash, for construction of an 83-mile fiber optic ring, containing 288-count fiber cable that would support transport speeds of 100 Gbps, with last mile services at 1 Gbps at extremely low latency. She shared that the application was submitted on September 28th, and was accompanied by 22 letters of support from different community stakeholders. Mrs. Kingston expressed gratitude to those Board Members that helped facilitate support letters, and shared that staff would mail in any additional support letters received to further accompany the application. She expressed enthusiasm about the potential of this project to benefit the business community and federal facilities on the Peninsula while also working to drive down average end-user costs and increasing speeds.

Mrs. Kingston referenced a news release from BroadbandUSA, stating that preliminary data shows that 235 applications were submitted for the MMG program, totaling over \$5.5 billion in funding, while the grant provides only \$1 billion in funding. She stated that applicants were given an extension to October 19th to review their applications and compare their submission against the proposal. Mrs. Kingston stated that Mr. Clayton, Mr. Stein and Mr. Perry were working together with a consultant, funded by the City, in addition to collaborating with the City of Hampton. Mrs. Kingston acknowledged that this is a very competitive program, but expressed positivity about Newport News' application.

Mr. Hoege asked whether or not the Virginia Delegation had been involved with the application. Ms. Rohlf stated that she was not aware, but would look into whether or not they had been engaged. Mr. Hoege asked if the Board should reach out to Bob Crum or contact Virginia's Senators for their awareness and to support of our application. Ms. Rohlf

stated that she would encourage any contact by Board Members and that she and staff would do the same.

Secretary/Treasurer's Report

Mrs. Kingston stated she was relieved and excited to report that some of Development's open positions had been filled. She stated that she had a few new Development employees to introduce to the Board, and would start with the Finance team – Shan Raza and Lizabeth Meier. Mrs. Kingston stated that Mr. Raza had been hired to replace the retired Zoe Lumpkin as the Chief of Fiscal Operations. She shared his credentials as a financial professional and CPA, with a Master's Degree in Accounting from Old Dominion University and over twenty years of executive-level financial and accounting experience in both the private sector and the Department of Defense. Mrs. Kingston introduced Lizabeth Meier, who replaced the retired Stephanie Hancock as Accounting Specialist. She stated that Ms. Meier came to Development from Newport News Public Schools where she had worked for the past 17 years, adding that Ms. Meier holds a Bachelor's Degree in Accounting from Christopher Newport University, and that her background and experience make her perfectly suited to the position. Mrs. Kingston added that both she and Mr. Raza have deep ties to Newport News, and further expressed her excitement for the value that both Mr. Raza and Ms. Meier bring to the finance. She stated that Ms. Lumpkin was able to return on a part-time basis beginning October 1st, to help with the transition of both Mr. Raza and Ms. Meier.

Mrs. Kingston also stated she was pleased to introduce D'Shante Kirk, who joined the administrative team as Administrative Technician. She added that Ms. Kirk had been working with the department for several months in a Temp position, and had made a great impression on everyone at the front desk of the Development Department. Mrs. Kingston stated that Development is very fortunate to have been able to attract such great candidates for these positions.

Mrs. Kingston reminded the Board that she had announced in September that Ms. Butler had been promoted to Economic Development Manager for Business Development, which left unfilled her previous position of Senior Economic Analyst. She identified the Senior Economic Analyst position as a critical role in the department – managing and marketing its successful and very demanding Enterprise Zone program, coordinating incentive packages and administering the CRPTA and HUB Zone programs, among many other duties. Mrs. Kingston was pleased to report that the position had been filled from within, and that Priscilla Green, previously a Senior Project Coordinator, had accepted the position. She

shared that Ms. Green's education that includes a Bachelor's in Business Administration with emphasis in Finance, from Old Dominion University, combined with her many years of experience in both the Commissioner of the Revenue's office and in Development made her the clear choice for this important position.

Mrs. Kingston announced that the former Newport Market, a convenience store space located at the Downtown Engineering Center (DEC), at 320 29th Street, had been vacated earlier this year, adding that Mr. Delano Johnson had operated in the space since mid-2017. She reminded the Board that due to COVID-19 and its impact on customer activity due to teleworking, Mr. Johnson had closed the business, and had requested and was granted a termination of his lease. Mrs. Kingston stated that staff was approached through Development's web site by a group of entrepreneurs interested in the space who held a desire to continue with the former use, as well as providing an expansion of operations in the 1,145-square-foot space. She shared that the group's principals shared their vision for the operation (to be called "Rivets") to serve packaged snacks, hot food and drinks to go, with no eat-in options, focusing on the opportunity to serve Shipyard employees. Mrs. Kingston stated that it would be a hybrid convenience store/takeout food location similar in business model to a Wawa, where customers could place hot food orders from a limited menu. She added that they would specialize in Mexican food for breakfast and lunch and that primary alterations to the space would include the installation of a grill counter and hood system.

Mrs. Kingston announced that staff received and reviewed recent personal financial statements and credit reports from the three principals: Ben Grau, Dr. Karen Sturtevant and Michele Young. She added that Mr. Grau was an engineer in the shipyard and worked in the DEC building; Dr. Sturtevant owned her own consulting firm specializing in leadership, management development and coaching and has served as campus president for Strayer University; and Ms. Young founded and operated two contracting companies – Youth Challenge International (YCI) Contracting, Inc. and 911 Restoration of Virginia Peninsula. Mrs. Kingston stated that she believed it would serve the EDA to approve the principals' request to establish Rivets in Suite #6 at 320 29th, Street and recommended the EDA authorize a new lease with Rivets, which would be guaranteed by Mr. Grau, Dr. Sturtevant and Ms. Young.

Mrs. Kingston informed the Board that the new one-year lease would be structured to commence in either December 2022 or January 2023 and would include four one-year renewal options, with an initial rental rate of \$14.00 per square foot (which is an approximate mid-point rate of the current leases in place), an annual rent escalation of 3%,

and would incorporate all other terms and conditions of the prior lease. She clarified the rental rate would equate to a monthly rent of \$1,335.83 and an annual rent of \$16,030. Mrs. Kingston additionally shared that upon lease execution, a \$15 per square-foot buildout allowance would be granted equating to \$17,175, along with free rent for the first three months' start-up period. Mrs. Kingston said she would seek a motion at the end of her report to authorize the lease.

Mr. Bell inquired how the build-out allowance would be delivered. Mrs. Kingston stated that it would be a reimbursement of expenses, and noted that the principals would use their own equity to make the improvements.

Mrs. Kingston shared that on September 15th, she and Mr. Perry supported the Urban Land Institute (ULI), Virginia Chapter in hosting a presentation and tour entitled "Reimagining Newport News." She clarified that the session was focused on Downtown Newport News and they had the opportunity to share information about some of the history of Downtown, the renewed planning efforts, and recent events and investments like the groundbreaking for the James River Strand and the installation of public art. Mrs. Kingston stated that Ironclad Distillery, Coastal Fermentory and Provost Construction also had the opportunity to share about their recent investments and property rehabilitations along 23rd Street. She stated that following the presentation she facilitated a brief walking tour of Downtown, which received tremendous positive feedback and excitement from the approximately 50 attendees. Mrs. Kingston added that it was an excellent opportunity to demonstrate the new activity Downtown with the real estate and design community, and it had been some time since the Peninsula hosted the Virginia Chapter of ULI. She said that she was pleased to have been able to highlight the entrepreneurship and vision around the area along 23rd Street, and would also love to showcase the CNI project for a future event.

Mrs. Kingston stated that on September 29th, she joined fellow colleagues from Hampton, Virginia Beach, and ReInvent Hampton Roads for a panel discussion at a meeting of the Hampton Roads' Chapter of AUVSI (Association for Uncrewed Vehicle Systems International). She clarified that Amy Jordan of the Hampton Roads Alliance led the panel, and addressed topics such as the strategy to attract and connect suppliers to the unmanned ecosystem; the existing workforce and educational programs to support this new industry, to include Denbigh High School's Aviation Academy; the opportunities to support and attract unmanned companies to AirCommerce Park at Newport News-Williamsburg Airport; and the possibility of integrating flight testing on EVRIFA's industrial park in York County.

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 excitement regarding the Special Joint Work Session between City Council, the EDA, the Planning Commission and the Libraries Board, and shared that it was a successful session and that positive feedback had been received. Ms. Rohlf stated that the next step in the Sherwood plan would be the library design, which is underway, and that on October 25th City Council would receive their first look at the proposed Capital Improvement Plan covering the next five years, which would also contemplate the Sherwood plan.

Ms. Rohlf shared that there were numerous upcoming events for the Board to look forward to such as a groundbreaking later in October for a new early childhood development center in the Southeast Community and a ribbon cutting in November for the two CNI mixed-use residential buildings on Jefferson Avenue – Lift and Rise. She also informed the Board the Mayor Price would host his final State of the City event on November 16th at the Ferguson Center for the Arts. Ms. Rohlf expressed optimism and excitement about the many great things happening in Newport News. Ms. Gargiulo noted that she had attended the groundbreaking for the next phase of the housing in the Choice Neighborhood Initiative (CNI) at the former Ridley site on Jefferson and 17th Street and complimented the thoughtful comments and reflection by the Mayor and other speakers at the event.

Ms. Smith-Brown thanked Mrs. Kingston and Ms. Rohlf for their reports and introduced a motion to authorize a one-year lease, commencing within the next 90 days, with four one-year renewal options, between the EDA and Rivets, for 1,145 square feet of space in Suite #6 in the Downtown Engineering Center, to operate a hybrid convenience store-takeout hot food establishment, at an initial rental rate of \$14.00 per square foot, with a 3% annual rent escalation, as well as a \$15 per square foot buildout allowance and an initial three (3) months of free rent, all documentation being 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.

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 9:25 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) Prospective Business (5) and Contractual Services (30) 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 a proposed property acquisition in the southern section of the City and two proposed property dispositions in the northern section of the City; and (5) Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business or industry's interest in locating or expanding its facilities in the community, the subject of which are three unannounced prospective businesses interested in locating in the northern section of the City, and two unannounced prospective business interested in locating in the central section of the City. (30) Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body, the subject of which is contract for legal/professional services.

At 10:26 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. Mr. Hoege presented the Executive Committee report which did not required Board ratification. Ms. Williams presented the South Newport News Committee report, which did not required Board ratification.

Approval of Minutes of the Regular Meeting of September 9, 2022

Ms. Smith-Brown asked for approval of the Minutes of the Regular Meeting of September 9, 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. 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 10:36 a.m.

Florence G. Kingston
Secretary/Treasurer



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: October 14, 2022

The Executive Committee met on September 20th. The Committee was reminded that a Special Joint City Council Work Session would be held at the Denbigh Community Center on Tuesday, September 27th to include the EDA Board, the Libraries Board of Trustees and the Planning Commission in order to unveil the proposed conceptual plan for the redevelopment of the EDA-owned Sherwood Shopping Center.

The Committee's remaining items were handled in Closed Session. This Report does not require Board ratification.



Howard Hoega

HHH:jer

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Date, Time and Location: September 20, 2022, at 12:00 pm at 980 Omni Boulevard, 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, South Newport News Committee
SUBJECT: Chair's Report
DATE: October 14, 2022

The South Newport News Committee met on October 11th. The Committee had the privilege to attend the Groundbreaking Celebration for Phase Two New Construction for the Newport News Choice Neighborhoods Initiative. The Ground breaking event marks the second phase of housing for the City's Choice Neighborhood Initiative (CNI). The plans for the new housing include one three-story multi-family building with 41 apartment units on the corner of Jefferson Avenue and 16th Street. It will also contain 14 two and three-story townhomes with 114 units, 24 single family home sites, a Health and Wellness Trail for community use and an Early Childhood Development Center for children six weeks to four years of age.

The Committee heard powerful words from a former resident, members of City Council, the Mayor, a longstanding Newport News Redevelopment and Housing board member, the Developer of the site, Pennrose, LLC, the associate director of Virginia Department of Housing and Community Development and the Regional Administrator of US Department of Housing and Urban Development.

The Committee was impressed with this new phase of housing, as well as the many improvements to the Southeast community through the CNI plan.

This Report does not require Board ratification.



Cathy T. Williams

HH:kpw

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Date, Time and Location: October 11, 2022, 2:00 p.m. at the Phase Two Housing located at 17th and Jefferson, Newport News, VA 23607

Members Present: Howard Hoega, Faye Garguilo, Carl Burt, Troy Smith, Jr.

Members Absent: Cathy Williams, Richard Coleman