

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 January 6, 2023, in Virginia Ballroom A of the Holiday Inn at 890 Omni Boulevard, Newport News, Virginia.

Those members present were:

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

Absent:

Cathy T. Williams (excused)

Legal Counsel:

Raymond H. Suttle, Jr.
Ahmed Khalil

Staff:

Joy Robison, Assistant Secretary
Jessica Jacobs, Recording Secretary

Also present:

Bo Clayton, Assistant City Manager
Bob Pealo, Deputy City Attorney
Pam Croom, SWAM Business Services Coordinator
Jerri Wilson, Intergovernmental Affairs Manager

Call to Order

Mr. Hoege opened the meeting and welcomed everyone. He welcomed R.C. Miller to his first meeting as a new member of the EDA/IDA Board.

Muhlbauer, Inc. Project

Mrs. Kingston reminded the Board that on May 26, 2022, Governor Youngkin announced that Muhlbauer Inc. would invest \$9 million to expand its operation in the City of Newport News. She stated that Muhlbauer was the world's top producer of automated machinery designed to implement intelligent solutions, and that the company has called Newport News home for over 25 years. Mrs. Kingston shared that the company planned to upgrade its facility in Oakland Industrial Park – increasing capacity by adding new production equipment and creating 34 new jobs – and that Newport News successfully competed with Oregon for the project.

Mrs. Kingston advised the Board that the Muhlbauer project qualified for several state and local incentives including a \$227,700 grant from the Commonwealth Development Opportunity Fund (COF). She said that Muhlbauer would use the COF grant to support the company's expansion, improvement, and operation of a semiconductor machinery technology center at its Newport News facility. Mrs. Kingston stated that Muhlbauer also qualified for a local Enterprise Zone Incentive – the Expansion/Relocation Cost Reduction (ERCR) incentive administered by the EDA – which would provide the required local match for the COF grant. Mr. Kingston shared that the estimated \$339,675 ERCR Incentive would be performance-based and would be funded from 50% of the net new taxes generated by Muhlbauer over the first six years of the project.

Mrs. Kingston stated that City Council authorized the COF Performance Agreement and appropriated the \$227,700 COF Grant at its December 13, 2022 meeting. She said she was requesting the EDA authorize the COF and ERCR Agreements. Mr. Hoege asked if there were any questions. Ms. Gargiulo asked what the average salary of the jobs created would be. Ms. Butler stated that the expected average salary was \$57,500.

Mr. Hoege introduced a Motion to authorize an Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement by and between Muhlbauer, Inc. and the EDA, in connection with the Muhlbauer, Inc. project planned in Oakland Industrial Park, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Ms. Gargiulo seconded the motion, which passed unanimously on a roll call vote.

Mr. Hoege introduced a Motion to authorize a Commonwealth's Development Opportunity Fund Performance Agreement between the City of Newport News, Muhlbauer, Inc., the Virginia Economic Development Partnership Authority and the EDA, in connection with the Muhlbauer, Inc. project planned in Oakland Industrial Park, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Ms. Gargiulo seconded the motion, which passed unanimously on a roll call vote.

Secretary/Treasurer's Report

Mrs. Kingston shared that the work was nearing completion on the 2022 EDA/IDA Annual Report, adding that Board Members had been provided draft copies in their packages for review, noting the use of the new City brand. She reported that staff and Howell Creative Group had invested a great deal of time into curating the Board's accomplishments from last year, and that she was looking forward to the finished product. Mrs. Kingston noted that in preparation for printing and delivery to City Council she would be seeking a Motion to approve the 2022 Annual Report. She acknowledged that due to an increasing demand for digital copies, fewer paper copies would be printed, adding that the Marketing Committee would have the opportunity to discuss additional ways to provide copies to businesses and partners.

Mrs. Kingston was pleased to report that Historic Hilton Village, Inc. had been selected by the Virginia Department of Housing and Community Development's (DHCD) first-ever Mobilizing Main Street cohort-based program. She shared that this competitive, two-year program would provide the framework for targeted organizational development support to Exploring Main Street (EMS) communities interested in pursuing Advancing Virginia Main Street (VMS) designation and Main Street America accredited status. Mrs. Kingston further shared that Hilton Village Main Street would work with DHCD staff to bolster their community for economic opportunity. She stated that the cohort would develop individualized work plans and implementation of program benchmarks and would assist with market analysis, design assessments, grant management and other essential tools for impactful success, further noting that the Virginia Main Street Program funded the program. Mrs. Kingston said that Eoghan Miller of the City Manager's Office had coordinated this opportunity, with the assistance of Elizabeth McCoury. She further stated that staff would help market this exciting community-based program.

Mrs. Kingston shared that there were other exciting happenings in Hilton Village, one of which included the Farmers Market soft opening on Saturday, January 7th from 8:00 a.m. until noon at 10246 Warwick Boulevard adjacent to First United Methodist Church, and

would feature nine vendors. She stated that the official opening for the year-round market was scheduled for Saturday, January 14th. Mrs. Kingston shared that the grand opening of In Good Spirits Wellness Spa by Salon Blu, located next to Kismet Bistro at 97 Main Street, Suite 105, would be held on Sunday, January 8th at 3:00 p.m., noting that the establishment would feature a salt cave within a peaceful, relaxing environment.

Mrs. Kingston reminded the Board of the City Hall closure the week of December 26th due to a HVAC malfunction and commented on how well those in City Hall adapted. She stated that she also wanted to advise the Board of a separate incident of lesser magnitude in early January at Rouse Tower, an EDA-owned property which is leased primarily to Human Services. Mrs. Kingston shared that there was a roof leak in the lower level roof over the holiday weekend at Rouse Tower, which affected the ground floor through the second floor. She added that Baker Roofing had been called in to make needed repairs and while cleanup was underway, employees were able to continue working in the building. Mrs. Kingston shared that staff was working with General Services to compare notes on clean-up, noting that while City Hall was closed due to the extensive damage, the challenge faced at Rouse Tower was doing renovations while the building was occupied. She advised that while the roof was under warranty, the damage was deemed to be a wind event, which was not covered. Ms. Gargiulo asked for clarification on the last major expense done to the roof. Mrs. Kingston advised that it had been quite some time, further adding that Ms. Gargiulo may be thinking of the roof membrane being done at River Park Tower. She stated that there were 2½ years remaining on the warranty for the roof at Rouse Tower.

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 for the great start to the New Year. She informed the Board that the new City Council's first organizational meeting would be January 10th at 11:00 a.m., adding that the Council would officially be sworn in, and the Vice-Mayor election would follow, prior to the beginning of the regular meeting which would typically be held at 7:00 p.m. Ms. Rohlf stated that on January 14th, there would be a public City Council Retreat, located in the James Room within City Center. She further added that this would provide the opportunity to work together, address individual priorities, projects and initiatives. Ms. Rohlf noted that on the City Council Agenda for the January 10th meeting was the authorization to finalize the purchase of the Boy's and Girl's Club in Denbigh. She stated that once upgrades to the building were finished, this would provide the North District with additional recreation

opportunities, in addition to an indoor pool. Ms. Rohlf stated that the City was in the process of applying for up to \$5 million in supplemental funding for CNI recipients. She added that the final phase of the housing plan was active, noting that HUD was involved in deciding what the best decisions were going to be moving forward, as the construction landscape had changed since the inception of the project. Ms. Rohlf expressed excitement regarding the feedback received for the new City branding initiative, and thanked staff for their hard work and dedication. She further added that the Peninsula Chamber of Commerce would be hosting a Meet the Mayor event on January 24th, and encouraged the Board to attend. Mr. Hoege expressed gratitude for the pace and quality work being done surrounding the Choice Neighborhood Initiative.

Mr. Hoege introduced a Motion to approve the 2022 EDA/IDA Annual Report. Mr. Bell so moved and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

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. Ms. Robison stated that Board Members had at their places a letter from the City Attorney's office describing required training on the Freedom of Information Act (FOIA) and Conflict of Interests Act (COIA) for all local officials, including EDA/IDA Board Members, and asked that Board Members advise her when they had completed the training.

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 9:24 a.m. Ms. Garguilo 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 southern section of the City. (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 9:53 a.m., the EDA/IDA Board returned to open session following a certification motion by Ms. Gargiulo, 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

There were no Committee reports.

Board Appointments to Committees

Mr. Hoege asked Ms. Robison to distribute the 2023 EDA/IDA Board Appointments to Committees roster. He informed the Board that the goal of new committee assignments was to rotate Board Members among the committees to provide varied exposure to the Board's responsibilities. Mrs. Kingston added that much strategic work and valuable conversations take place at committee meetings, and that each Member contributes unique strengths and adds fresh perspectives to Committee roles. Ms. Robison stated that Board Members' new Committee assignments would begin in February.

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

Mr. Hoege asked for approval of the Minutes of the Regular Meeting of December 9, 2022. Mr. Bell so moved and Ms. Johnson seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

Mr. Hoege asked for any unfinished business. Mrs. Kingston informed the Board that there would be a "How to Apply Enterprise Zone" session held at Brooks Crossing Innovation + Opportunity Center on January 9th.

Mrs. Kingston informed the Board that they had previously extended Robin Rattley's sublease for the Train Station property through January 31, 2023. She added that since

the extension, Ms. Rattley had been regular in making additional payments to catch up the balance owed to the IDA. Mrs. Kingston reminded the Board that the City had issued a Request for Proposals (RFP) for a new lessee, explaining that after the RFP closed and the one proposal received was reviewed, a decision was made not to award. She added that staff applied for grant funding to support renovation of the space, noting the ongoing work with the historic district, which may impact the attractiveness of the space, and stated that the plan would be to reissue the RFP as those items occur. She informed the Board that a request had been received from Ms. Rattley to extend the term of her sublease so she could continue to host events as the IDA continues to coordinate securing a new lessee. Mrs. Kingston stated that with that in mind, staff was supportive of an additional extension of her sublease for up to 60 days, which would ensure the building continued to be occupied and utilized through that time. She stated that she was seeking a motion to approve a Fourth Amendment to the Sublease extending the term for up to an additional 60 days.

Mr. Hoege introduced a Motion to approve execution of a Fourth Amendment to the Sublease between the IDA, The Train Station, Inc. and Robin A. Rattley, extending The Train Station Inc.'s sublease of 2295 Harbor Road for up to an additional 60 days, subject to review and approval by IDA Legal Counsel. Mr. Bell so moved and Ms. Johnson seconded the motion, which passed unanimously on a roll call vote.

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 10:05 a.m.



Florence G. Kingston
Secretary/Treasurer