

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 May 6, 2022, in Grand Ballroom I of the Newport News Marriott Conference Center at 740 Town Center Drive, Newport News, Virginia.

Those members present were:

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

Absent:

Jennifer Smith-Brown, Chair
Jameka R. Johnson

Legal Counsel:

Raymond H. Suttle, Jr.
Conway Sheild
Matthew Meadows

Staff:

Joy Robison, Assistant Secretary
Jessica Jacobs, Recording Secretary
Derek Perry, Economic Development Manager

Also present:

Bo Clayton, Assistant City Manager
Robert Pealo, Chief Deputy City Attorney
Jerri Wilson, Intergovernmental Affairs Manager
Jay Joseph, Chair, Peninsula Airport Commission
Tom Herbert, Member, Peninsula Airport Commission
Michael Giardino, Executive Director, Peninsula Airport Commission

Call to Order

Mr. Hoege opened the meeting and welcomed everyone.

Rehabilitation of 2510 Jefferson Avenue

Mrs. Kingston communicated to the Board that one of the projects identified in the Critical Community Improvement Plan connected with the CNI Implementation Grant was the rehabilitation of 2510 Jefferson Avenue. She noted that the EDA was the implementation body for the project, which included the full rehabilitation of 2510 Jefferson Avenue to create new retail, commercial and office space in the building, while retaining the current façade. Mrs. Kingston shared that during the prior week the EDA hosted two open house workshops at The Offices @ Two Five & J to show concept renderings and receive feedback from the community. She reported that overall, the feedback was positive and those who attended were excited about the opportunity for new services and added vibrancy.

Mrs. Kingston reminded the Board that the EDA had been awarded funding from the Industrial Revitalization Fund (IRF) and Port Host Communities Revitalization Fund (PHCRF) to support this project, which were similarly managed by the Virginia Department of Housing and Community Development. She highlighted that \$250,000 was earlier awarded from each of the programs to support direct construction costs associated with the rehabilitation, while the required matching funds for the IRF grant would be provided through CIP funds in addition to CNI Grant funds for the implementation of the Critical Community Improvements. Mrs. Kingston shared that \$750,000 would be used from the CNI Grant, with approximately \$1,158,000 coming from City sources.

Mrs. Kingston reported that one of the requirements for each of the programs was that a deed restriction be placed on the property to ensure that the facility will remain in use as the funded purpose, and require prorated repayment should ownership transfer or the use change. She noted that the restriction period was 10 years for the IRF grant and 5 years for the PHCRF grant, and that the EDA would work to get the required documentation in place.

Mrs. Kingston reported that she would be seeking authorization of the Agreement with DHCD for the \$250,000 IRF grant and the Agreement with DHCD for the \$250,000 PHCRF grant, and asked if there were any questions. Mr. Hoege asked if the deed restriction was a new requirement or if it had been used elsewhere. Mrs. Kingston stated that a similar deed restriction was agreed upon for The Offices @ Two Five & J.

Mr. Hoege introduced a motion to authorize that certain Agreement by and between the Virginia Department of Housing and Community Development and the EDA, in connection with the EDA's approved \$250,000 Industrial Revitalization Fund Grant supporting the rehabilitation of 2510 Jefferson Avenue for the purpose of creating retail/commercial and office space in alignment with the Transformation Plan for the Marshall-Ridley Choice Neighborhood and CNI Implementation Grant, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Mr. Hoege introduced a motion to authorize that certain Agreement by and between the Virginia Department of Housing and Community Development and the EDA, in connection with the EDA's approved \$250,000 Port Host Communities Revitalization Fund Grant supporting the rehabilitation of 2510 Jefferson Avenue for the purpose of creating retail/commercial and office space in alignment with the Transformation Plan for the Marshall-Ridley Choice Neighborhood and CNI Implementation Grant, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Secretary/Treasurer's Report

Mrs. Kingston introduced Milissa Story, the EDA's new Economic Development Manager for Project and CIP Coordination. She stated that Ms. Story joined the Department of Development by way of the Planning Department, where since 2016 she managed Development Services and acted as liaison on matters of site, subdivision and permitting activities. Mrs. Kingston noted that Ms. Story was exceptionally qualified for the position, with a deep education in municipal government including a Bachelor's degree in Government and Public Affairs, a Master's degree in Public Administration, as well as many years of experience as a Planner and Development Facilitator. She noted that EDA project staff, including Matt Johnson, whose vacancy she filled, had worked closely with Ms. Story over the past few years, and all were impressed with her technical knowledge, her professionalism, and her ability to build consensus among developers, government agencies, and City departments. Mr. Hoege expressed excitement for Ms. Story joining the Department and highlighted that the Board understood the need for a strong relationship between the EDA and Planning.

Mrs. Kingston provided an update on the Choice Neighborhood Initiatives' (CNI's) People Plan Lead that had recently been selected – Urban Strategies, Inc. (USI). She explained that USI had begun to hire its team and had established itself in its service delivery role, as well as transitioning case management from the City's Department of Human Services.

Mrs. Kingston noted that People Plan service delivery had been based in buildings on the Ridley Site that had since been demolished. She explained that the EDA identified 1,004 square feet of space on the 9th Floor of Rouse Tower that would accommodate USI's functions, including space for 9 offices. Mrs. Kingston advised that provision of space would be part of the EDA's commitment to supporting CNI activities, and that USI had agreed to a lease rate of \$12 per square foot, which would be billed as part of USI's cost to deliver services. She stated that this space would be available through the end of September 2025, which was the end of the CNI Implementation Grant period, and that the space would be a good fit for USI since they would be servicing residents relocated across the City as well as leveraging support from Human Services—also a tenant in the building. Mrs. Kingston advised the Board that she would be seeking a Motion at the end of her report to authorize the execution of an Agreement of Lease between the EDA and Urban Strategies, Inc.

Mrs. Kingston stated she was pleased to report positive news on the leasing front in connection with the Downtown Engineering Center (DEC) retail. She explained that a longstanding tenant, Subway, had asked for an amendment to its existing lease with the EDA which would exercise its remaining five-year renewal extension and add another five-year renewal option, which would expire on May 31, 2032. Mrs. Kingston noted that the existing five-year option term, commencing on June 1, 2022, incorporated a 2% annual escalation rate and the additional five-year option, if exercised, would also incorporate a 2% annual escalation rate. She remarked that Subway was a long-time excellent tenant and planned to invest approximately \$60,000 in 2022 to update and improve its leased space within the DEC. Mrs. Kingston advised the Board that she would seek a Motion at the end of her report to authorize an amendment to the EDA's existing lease with Subway Real Estate.

Mrs. Kingston reported that on March 29th, Priscilla Green and Tricia Wilson had the opportunity to meet virtually with Lisa Taylor, Economic Development Director at the City of Durant in Oklahoma. She explained that Ms. Taylor had requested the meeting after researching existing Micro Enterprise Grant Programs and saw that Newport News' program rose to the top. Mrs. Kingston said that Ms. Green and Ms. Wilson were able to highlight Newport News' Micro Enterprise Grant Program guidelines and processes and provided the templates and forms to help with Oklahoma's implementation of a similar program. Mrs. Kingston noted that staff highlighted the eCommerce Grant program and provided information on it as well. Mrs. Kingston advised that Ms. Taylor was very appreciative and complimentary of the program.

Mrs. Kingston announced two upcoming events that Board members may want to attend. She explained that the Southeast Community Pharmacy would be hosting a Grand Opening/Ribbon Cutting event on Tuesday, June 14th at 11 a.m. at 2315 Jefferson Avenue. Mrs. Kingston advised that the business would be a specialty pharmacy offering prescriptions and medical supplies, and that the owner held a soft opening in December and was now ready to fully open. She informed the Board that W.M. Jordan Company would be hosting a beam-signing and block party event to celebrate the construction progress of Building II @ Tech Center on June 23rd, and that the attendees would include the tenants of Building I. Mrs. Kingston advised that the start time was yet to be announced, but that staff would keep the Board apprised of the details as they developed.

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. Mr. Hoege asked if there were any extraordinary or unanticipated expenses with the closing of the Fiscal Year. Mrs. Kingston replied that there were none, and said that because of the impending retirement of Ms. Lumpkin staff had initiated an early start to year-end processes. Mr. Bell asked if the EDA would be completing a buildout for USI in Rouse Tower. Mrs. Kingston stated that the space was furnished and move in ready, as the previous had recently relinquished the surplus space.

Mrs. Kingston offered Ms. Rohlf the opportunity to provide comments. Ms. Rohlf informed the Board that in the upcoming week City Council would consider the proposed Fiscal Year 2023 budget, and that she anticipated a busy summer with many opportunities for engagement and support by Board members.

Mr. Hoege introduced a motion to authorize the execution of an Agreement of Lease between the EDA and Urban Strategies, Inc., for 1,004 square feet of space on the 9th Floor of Rouse Tower, in connection with and in support of implementation of the CNI People Plan and CNI Implementation Grant, subject to review and approval by EDA Legal Counsel. Mr. Bell requested that the motion be amended to include the lease rate of \$12 per square foot. Mrs. Kingston agreed to the change. 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 an amendment to the EDA's existing lease with Subway Real Estate, LLC for space in the Downtown Engineering Center, exercising Subway's existing five-year renewal option commencing on June 1, 2022, adding another five-year renewal option, effective June 1, 2027, with a 2% annual rent escalation during the existing five-year renewal term and a 2% annual rent escalation during the additional five-year renewal term, with all other terms and conditions of the existing Lease remaining the

same, and with all documentation related to the lease amendment subject to EDA Legal Counsel review and approval. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Assistant Secretary's Report

Mr. Hoege asked for the Assistant Secretary's Report, and 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 9:20 a.m. Ms. Gargiulo 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 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 expansion of an existing business located in the northern section of the City, an existing business located in the southern section of the City and a prospective business interested in locating in the central section of the City. Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

At 10:28 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. Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

Action(s) Coming Out of Closed Session

Mr. Hoege introduced a motion to authorize the acquisition of 13779 Warwick Boulevard at a purchase price of \$425,000, from record owner NMY, Inc., to support strategic redevelopment efforts in Denbigh, subject to the review and approval of all documentation by EDA Legal Counsel. Mr. Bell so moved and Ms. Gargiulo seconded the motion, which passed unanimously on a roll call vote

Committee Reports

Mr. Hoege called for the Committee Reports, and presented the Executive Committee report, which passed unanimously on a roll call vote. Ms. Williams presented the South Newport News Committee Report which did not require Board ratification.

Approval of Minutes of the Regular Meeting of April 1, 2022

Mr. Hoege asked for approval of the Minutes of the Regular Meeting of April 1, 2022. Mr. Bell so moved, and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

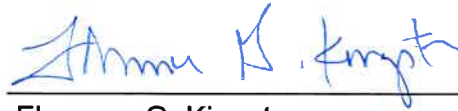
Unfinished Business

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

New Business

Mr. Hoege asked for any new business. Mr. Skinner applauded the Fiber-optic Network Ring presentation that was provided to Executive Committee, and noted the progress and collaboration among the Southside Communities on the regional Broadband initiative. He suggested that a committee of the EDA be created and dedicated to the Fiber-optic Ring Network initiative. Mrs. Kingston advised that the EDA Board would receive the presentation that was given to Executive Committee at a future meeting and that City and IT leadership were already engaged. Ms. Rohlf stated that the Fiber-optic Network Ring was initially a regional advancement, which transitioned into an initial Southside project. She further explained that the Southside was not in the same position as the Peninsula for the project, as Hampton and Newport News already had much Fiber-optic infrastructure in place. Ms. Rohlf expressed support for the idea of forming a Fiber-optic Network Committee to work in conjunction with the CAOs in advancing the project to the Peninsula and beyond.

There being no further business to come before the Board, Mr. Hoege adjourned the meeting at 11:13 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: May 6, 2022

The Executive Committee met on April 19th. The Committee received a presentation on the Regional Broadband initiative from Bob Crum, the Executive Director of Hampton Roads Planning District Commission (HRPDC), and Steven DeBerry, Executive Director of the Southside Network Authority, a copy of which is attached to this report. The presenters noted that the 757 Region endures relatively slow internet speeds at high costs and demonstrated the opportunities in maximizing the benefits of the MAREA Trans-Atlantic Subsea cables from Europe to Virginia Beach, which will provide unprecedented internet speeds to the region. Five Southside cities joined together to take advantage of this enormous Internet hub to form and fund the Southside Network Authority whose goal is to enable lower cost, faster service and enhanced broadband coverage via a Regional Connectivity Ring utilizing 288 fiber optic digital strands. The Southside Network Authority's current name is a placeholder and it is pursuing discussions for expansion to the Peninsula and beyond. The vision is to ultimately construct a Fiber Optic Network Ring to connect the entire 757 Region. Additionally, the network ring will enable, not compete with internet service providers, serving as the backbone of the 757's digital ecosystem. The Southside's ring broke ground in April and will be constructed in approximately 18 months.

The Committee was advised that among the regional fiber ring's many features will be its ability to improve the interoperability of the Region's Emergency Response System to create rapid data integration and real-time information sharing across dissimilar emergency response systems. With this innovative technology, a smart, connected coastal community of the future will emerge, becoming a benchmark for other regions throughout the country, and helping to support the future of autonomous vehicles and other transit initiatives. Potential next steps for the Peninsula include convening a team

of IT representatives from each Peninsula locality to evaluate opportunities and make recommendations to Chief Administrative Officers (CAOs). Committee members were enthusiastic about helping to facilitate inclusion of the Peninsula within the Regional Connectivity Ring, and offered their support for these efforts.

The Committee also received a briefing on proposed modifications to the Façade Improvement Program (FIG) Guidelines to support CNI Neighborhood Plan goals to encourage reinvestment in commercial properties within the Marshall-Ridley Choice Neighborhood (MRCN), in order to promote retail activity, create an attractive environment, and enhance neighborhood streetscapes. The very successful FIG program has benefited properties throughout the City, and the proposed modifications tailored to the MRCN boundaries would allow approved applicants to receive up to \$10,000 with no match required and provide for direct payments to contractors so that property owners would not need to advance payments. The Committee approved the FIG Program Guidelines modifications for the MRCN and funding in the amount of \$100,000 to support delivery of the modified program in connection with the EDA's commitment to and support of the implementation of the Transformation Plan for the Marshall-Ridley Choice Neighborhood.

This Report requires Board ratification.



Howard Hoege

HH:jer

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Date, Time and Location: April 19, 2022 at 12:00 pm at 740 Town Center Drive, Newport News, VA

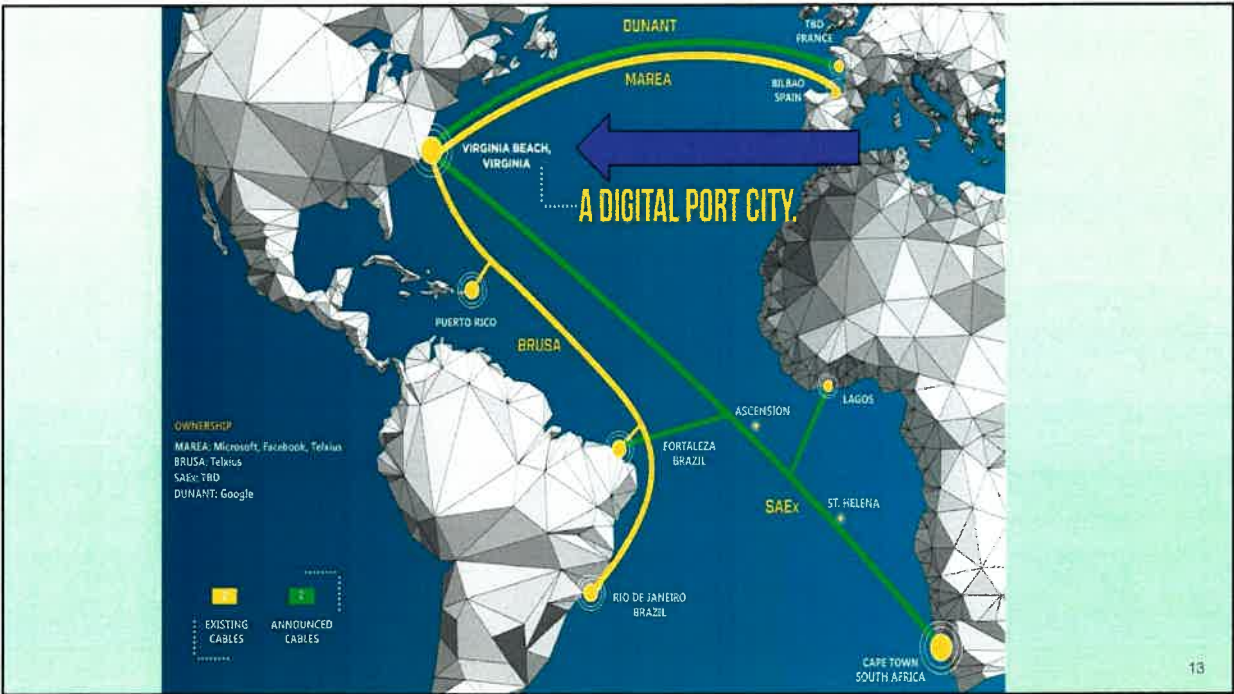
Members Present: Alonzo Bell, Howard Hoege, Jonathan Skinner, Jennifer Smith-Brown

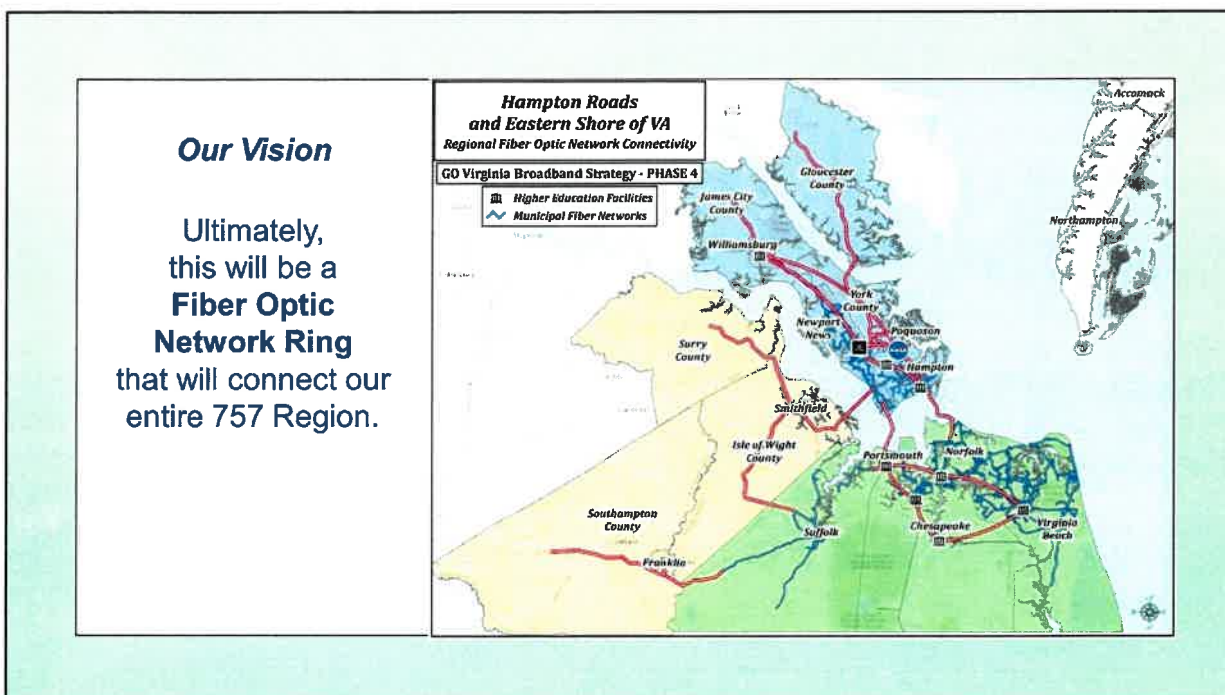
Members Absent: None

Regional Broadband Update

Opportunities for Peninsula Localities

April 19, 2022



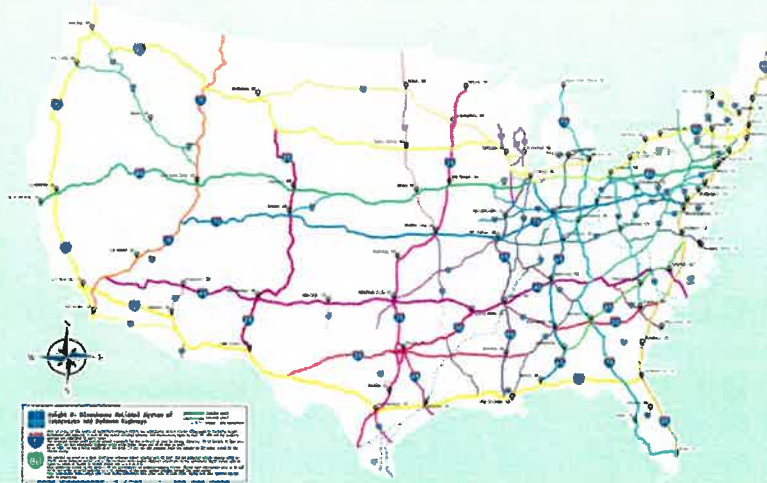


HRPDC GO Virginia Proposals

Unmanned Systems Site in York County with EVRIFA (Peninsula Lead)

Regional Fiber Network (Southside Lead)

Think National Highway System Without Any Secondary Roads
Our Interstates are the Backbone of the Entire U.S. Roadway System



8

Our Digital
 Highway Consists
 of 288
 Digital Strands

Fiber optics (optical fibers) are long, thin strands of very pure glass about the diameter of a human hair.

8 Strands
 Reserved for
 Cities in the
 Network*

Some
 Strands
 Reserved
 for
 Education

Other
 Strands
 Reserved
 for
 Public Safety

6





Southside Network Authority (SNA)

Created November 2019

Chesapeake, Norfolk, Portsmouth, Suffolk and Virginia Beach

SNA goal is to enable lower cost, faster service and enhanced broadband coverage via our Regional Connectivity Ring

Designed to allow for expansion to other localities

Current name a placeholder

Southside Network Authority

Step 1: Five Southside cities collectively contributed \$500,000 to complete Planning and 30% Design work for the Southside Fiber Ring

Step 2: Five Southside cities acquired the services of Columbia Telecommunications Corporation (CTC) to advance design work to refine routing (economic development areas) 70% construction level design

Our Team

Steven DeBerry

SNA Executive Director

Columbia Telecommunications Corporation

**Construction Oversight and
Technical Support to SNA**

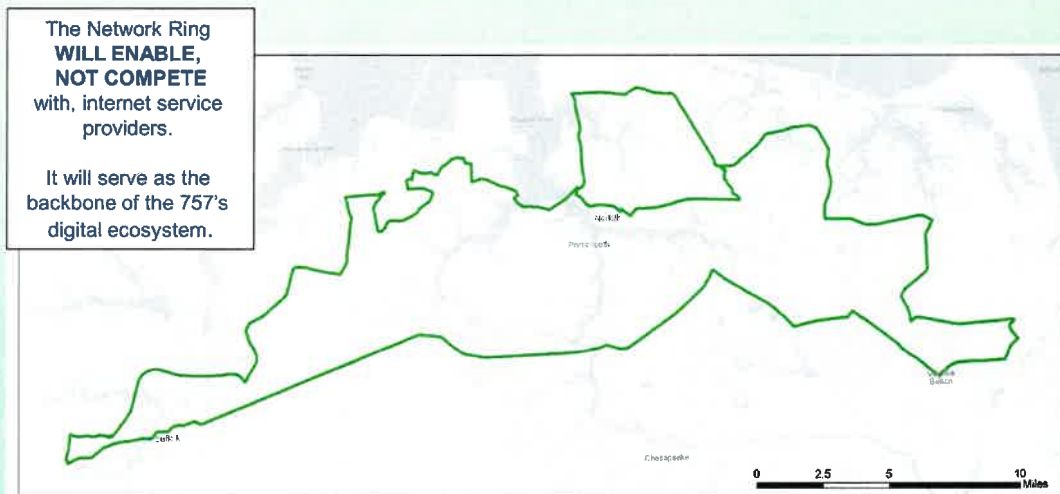
Danella Construction

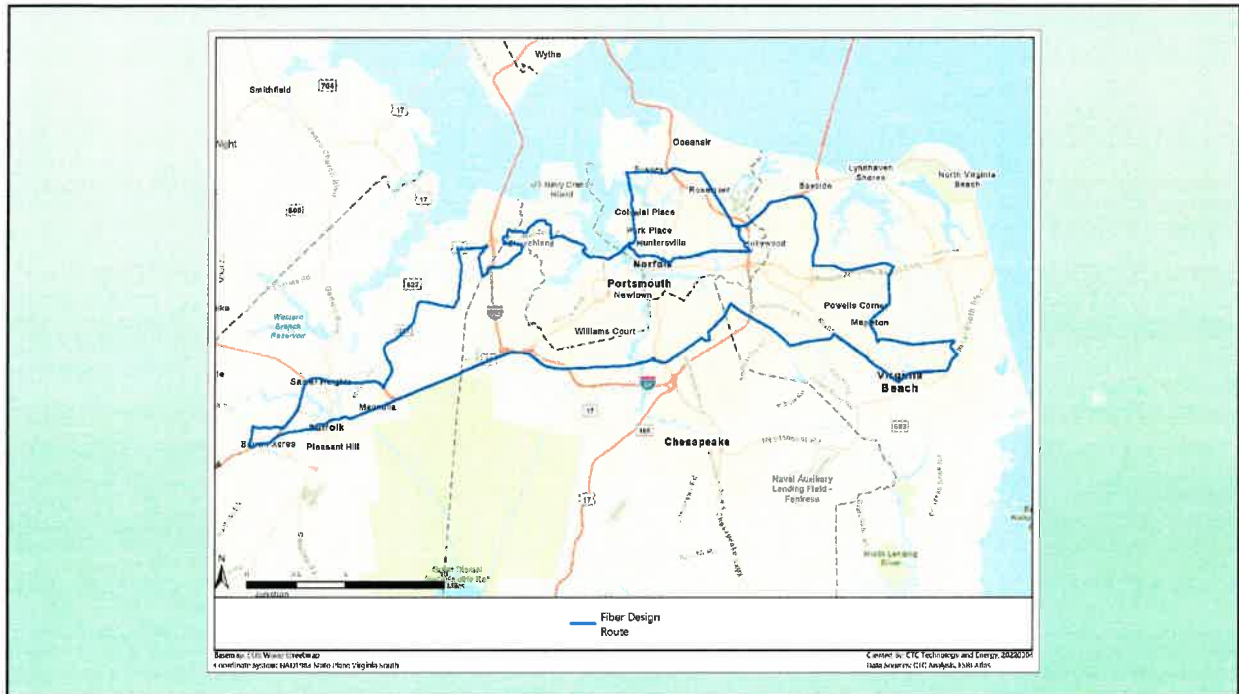
**Construction of Southside fiber
ring**

Global Technical Systems

**In negotiations for operation
and maintenance of fiber ring**

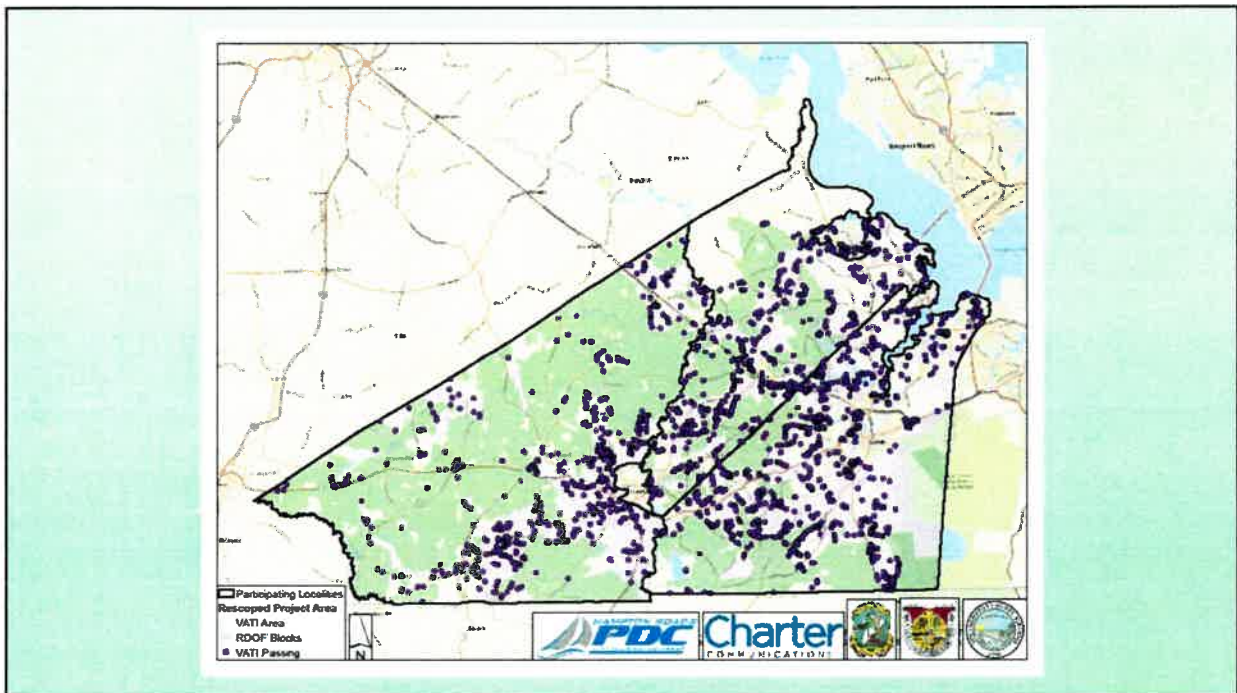
Updated Regional Fiber Ring Southside Phase I





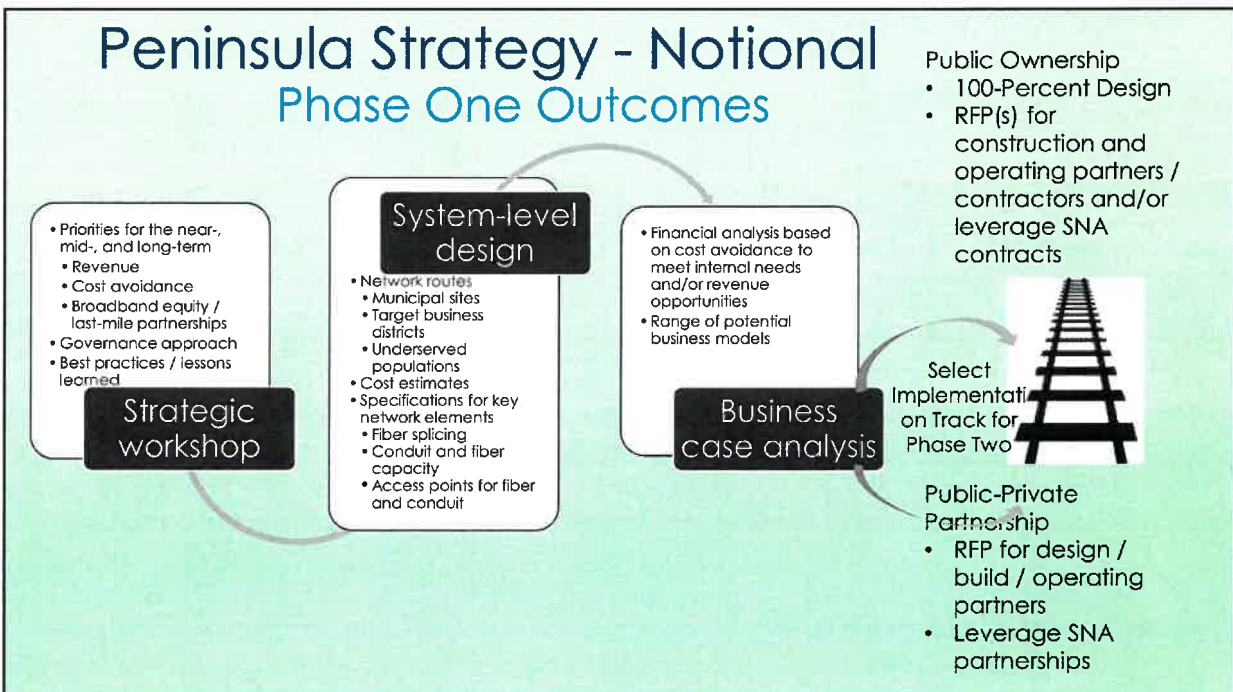
Fiber Ring Project Participation Agreement





Peninsula Potential Next Steps

Convene team of IT representatives from each Peninsula locality to evaluate opportunities and make recommendations to CAOs





ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, South Newport News Committee

SUBJECT: Chair's Report

DATE: May 6, 2022

The South Newport News Committee met on April 5th. The Committee was provided an informative presentation from Tasha Moss, Program Coordinator for the Navigating Wealth Building Program. Committee members learned that the Navigating Wealth Building Program was created for Newport News residents based on a study done in the southeast part of the City, in an effort to see why a segment of the residents are underserved. The study found a number of barriers to employment, including lack of education, lack of transportation, inadequate childcare, legal issues, and more. Members were informed that the program, which is a free, six-week course, offers a cohort-style instruction in career readiness, job skills and adult education. These employment and training services are offered at the Brooks Crossing Innovation and Opportunity Center.

Ms. Moss informed the Committee that the Department of Development works with the Peninsula Regional Education Program and a variety of partners to offer a comprehensive program that focuses on individual unique skills and interests while preparing them for long-term success. She said that the program culminates in graduates obtaining a Career Readiness certificate, OSHA 10 training, Northstar Digital Literacy skills, as well as GED or vocational training.

This Report does not require Board ratification.



Cathy Williams, Chair

CW:kpw

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Date, Time and Location: April 5, 2022, 4:00 p.m. at City Hall, 2400 Washington Avenue, 6th Floor, Newport News, VA 23607

Members Present: Cathy Williams, Howard Hoege, Faye Garguilo, Carl Burt, Troy Smith, Jr. and Richard Coleman

Members Absent: None