

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 July 7, 2023, in the EDA/IDA Board Room at 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

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

Absent:

Jameka R. Johnson
Cathy T. Williams

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Joy Robison, Assistant Secretary
Jessica Jacobs, Recording Secretary

Also present:

Bo Clayton, Assistant City Manager
Bob Pealo, Deputy City Attorney
Terrance Johnson, Operations Manager, Brooks Crossing Innovation & Opportunity Center
Skip Smith, Vice President of Real Estate Development, W.M. Jordan Company
Brian Witt, Asset Manager, W.M. Jordan Company
Lindsey Carney, Managing Partner, Carney Patterson Meade PLC
Tiffany Reaves, Founder, Fourteen40 Marketing
Cliff Copley, Director, Business Development, Hampton Road Alliance

Call to Order

Mr. Hoege opened the meeting and welcomed everyone.

Tech Center Research Park Update

Mr. Hoege asked for the Tech Center Research Park Update. Mrs. Kingston shared that Tech Center had been a long-term mission and sustained effort by the EDA and City to develop a research park to support technology and corporate research firms in Newport News, while also bolstering and supporting Jefferson Lab and its goals of technology transfer and commercialization. She reminded the Board that to facilitate the development of the Tech Center Research Park, the EDA has in place a Memorandum of Understanding (MOU) with W.M. Jordan Development. Mrs. Kingston added that through the MOU, the EDA committed to coordinating with the City and the developer to deliver public infrastructure improvements supporting the implementation of the development. She shared that most recently, the City has invested in the construction of Tech Center Parkway and Innovation Parkway, and the associated utilities that are running in that corridor. Mrs. Kingston added that the public infrastructure investments included investment in the creation of the “Drillfield” area, which, similar to enhancements we are making elsewhere in the City, will be a location for events and gatherings open to the public. She stated that with Building Two advancing toward completion, and with the completion and opening of the two roadways, it was time to transition to development of the drillfield and thought it was timely to bring the W.M. Jordan team in to provide an update and refresher. Mrs. Kingston announced that Skip Smith, Bryan Witt and Lindsey Carney were present and would share more about the vision and current progress.

Mr. Smith thanked the Board and Mrs. Kingston. He recounted the project’s history from the perspective of the developer, W.M. Jordan Company, for which he has worked for over 30 years. He noted that – from the purchase of the land for the Research Park in 2010, the rezoning process in 2013, the construction and opening of Tech Center Marketplace and Venture Apartments in 2016, the relocation of the SCOT center in 2019, the completion and opening of Building One in 2019, the commencement of City infrastructure improvements in 2021, to the kickoff for Building Two in 2022 – the project had grown swiftly and steadily. He explained the logic of first putting in place the retail, restaurants and apartments for the research park so that when the office buildings were occupied, there were places for employees to live, work and innovate. He differentiated Tech Center from an office park as a research park – an environment where fast growing companies collaborate and laboratories do work involving science and technology.

Mr. Smith shared that through a partnership with GenPlant, Building Two would not rely on Dominion Energy, but will instead be using clean energy through hydrogen to run the building. He stated that the Tech Center Research Park would be the green energy hub for Hampton Roads, and that plans called for installation of a solar field behind Building Two to connect a 30-megawatt power plant to MarketPlace, Venture Apartments, numerous Research Park Buildings as well as parts of Jefferson Lab. He further highlighted the importance of this project, as Jefferson Lab is required to be carbon free prior to 2040 in order to maintain funding.

Mr. Smith provided an update on the current progress of the drillfield, sharing that W.M. Jordan was collaborating with the Newport News Public Art Foundation to commission a feature sculpture art piece, and that they would install benches and a covered stage area with generators to help foster the vision of using the drillfield as an exciting event area.

Mr. Smith recognized Tech Center partners as being W.M. Jordan, Colliers, Jefferson Lab, Inland, Venture Realty Group and Drucker + Falk, and stated that the Newport News EDA has been and continued to be crucial to the success of the project, both as professional and personal champions. Mr. Smith stated that as more entities were hearing about the clean energy components of Tech Center, excitement has been building, and that other companies in the area had expressed interest in no longer relying on natural gas for their operations. He further stated that all Tech Center partners continued to support a project that has been 35+ years in the making, and were proud to be behind that legacy which will stimulate the City of Newport News' economy for decades to come and lift up the region as a place where innovation and discovery flourish.

Ms. Gargiulo thanked Mr. Smith for his presentation and expressed interest in the 2014 study that was done prior to the project's inception. She asked if there could be a secondary study to highlight growth during that time. Both Mr. Smith and Mrs. Kingston agreed a new study would be beneficial to conduct within the next year.

Mrs. Kingston said she was excited about all of the progress to date and looked forward to advancement of the improvements to the drillfield. She stated that as Mr. Smith shared, the improvements include an art sculpture plaza, hookups for food trucks, as well as an event stage, and that the cost for those improvements was estimated to be around \$3.7M. Mrs. Kingston shared that W.M. Jordan had committed to fund the art and landscaping installation, as well as the installation of public restrooms serving the drillfield within Buildings 3 and 5 at an estimated cost of just over \$1M. She shared that conversation around these improvements was well-timed with City Council's retreat on the Capital

Improvement Plan and the desire to generate more creative and event spaces within the City. Mrs. Kingston informed the Board that in order to facilitate the drillfield improvements, on June 27th, City Council took action to vacate the right-of-way within Tech Center Parkway to create the parcel that will house the drillfield. She stated that staff was coordinating the City Council action to convey the property to the EDA, which is contemplated for its July 25th meeting, in addition to the appropriation of funding that will support the improvements. Mrs. Kingston added that in parallel to the process with City Council, staff would bring back to the Board a funding contribution agreement for the drillfield improvements – funding which will be coming from the City.

EDA/IDA Web Site Re-design

Mrs. Kingston welcomed Tiffany Reaves of Fourteen40 Marketing, explaining that Howell Creative Group, previously the EDA's marketing agency, had retired its services. She noted that Ms. Reaves had been our creative partner with Howell since the beginning of our relationship with them, and she and her new company had seamlessly stepped up to the plate to fulfill marketing services for the balance of Howell's contract. Mrs. Kingston reminded the Board that Ms. Reaves and others on her team had helped guide the EDA/IDA to several awards for its Annual Report, and that she was excited to have her at the meeting to present the newly-redesigned EDA website.

Ms. Reaves informed the Board that during the last design of the website in 2016, they had focused on ensuring multilingual and ADA access, and incorporated state-of-the-art full screen digital backgrounds. She explained that in 2021 Howell Creative Group proactively audited their work to ensure visitors to the site were experiencing the most current marketing standards, which led to conversations about how the site could be improved for changing audiences. Ms. Reaves shared that during the COVID-19 pandemic, communication styles changed dramatically with users' increased desire for constant real-time information, and so adding dynamic news to the landing page became a focal point of the website's redesign.

She demonstrated features of the new site and highlighted an Upcoming Events section on the landing page that has the ability to be edited to reflect real-time events and information pertaining to economic development, and does not require intensive staff hours. Ms. Reaves displayed the anchor tabs, in addition to the real time data for each tab, further highlighting the ease and benefits that would be felt by users. She demonstrated the new metrics shown on the site, which include both Newport News, as well as the Hampton Roads region. She explained the accessibility adjustments option, which provides users of

any ability level the option to visit and learn from the new website. Ms. Gargiulo praised the diligent and hard work by Tiffany and her team on refreshing the website noting that they had been working with the Marketing Committee on it for several months. Mr. Hoege thanked Ms. Reaves for her presentation.

Secretary/Treasurer's Report

Mrs. Kingston introduced Brittany Thompson, Development's new Senior Project Coordinator, and shared that Ms. Thompson holds a Bachelor of Arts from the University of Virginia and a Masters of Public Administration from Old Dominion University. Mrs. Kingston stated that Ms. Thompson most recently served as the Youth Services Coordinator for the Portsmouth Redevelopment and Housing Authority (PRHA) where she managed grant programs and built partnerships to provide programming and support for the youth in PRHA's communities, adding that the City of Newport News' projects inspired Ms. Thompson to transition to Economic Development.

Mrs. Kingston next introduced Tom O'Grady, whose employment commenced at the beginning of June, as Economic Development Manager for Special Projects – explaining that this was the position vacated by Derek Perry when he became Assistant Director. She stated that some Board Members might already know Mr. O'Grady as he has 40 years of local experience in economic development, industrial and commercial site development, and has managed large-scale projects for other municipalities and the private sector. Mrs. Kingston shared that the department was fortunate that he had brought his depth and breadth of experience to work with us, as staff was managing more and more complex project demands.

Mrs. Kingston advised the Board that the U.S. Economic Development Administration (USEDA) released a Notice of Funding Opportunity for Phase I of the Regional Technology and Innovation Hubs Program or "Tech Hubs." She shared that the Program's vision was to strengthen the U.S. economic and national security through place-based investments in geographically diverse regions across the country. Mrs. Kingston announced that during Phase I, the USED A expected to designate over 20 regions as Tech Hubs, and those designees would be invited to apply for Phase II. In Phase II, to be issued during fall 2023, USED A expects to make awards to 5-10 regions, with each designee receiving approximately \$50-75 million.

Mrs. Kingston identified Newport News as a lead partner in a consortium applying for the program, clarifying that the proposed region included Hampton Roads, the Eastern Shore, and the Delmarva Peninsula. She noted that this 3-state area (VA/MD/DE) surrounding the Chesapeake Bay has a unique array of assets, supply chains, and workforce talent. She said that Virginia Tech Corporate Research Center and Jefferson Lab would be two core partners for Newport News activities.

Mrs. Kingston announced that the consortium identified three overlapping focus areas as – Autonomy and Unmanned, Advanced Manufacturing, and Cybersecurity. She stated that the application deadline is August 15th, and staff would continue working with the Consortium and provide additional information and possible involvement by the Board, which would likely include a letter of commitment, in the coming weeks.

Mrs. Kingston said she was pleased to report that the Murphy Property Group leased space to two new tenants in City Center. She stated that Kenny Sloane, Executive Chef of Newport News' FIN Seafood and Steak & Tonic along with Suffolk's Fin & Tonic, would be opening Amaro, an Italian Bistro in the former Tucanos space. Mrs. Kingston informed the Board that Chef Kenny had long been planning an Italian concept-dining establishment but was waiting for the right venue, and that he and his agent toured the space the day it came on the market and submitted a Letter of Intent one hour after departing the tour. Mrs. Kingston said that Mr. Sloane has a vision for accentuating the fountain views and will introduce new-to-market amenities, and that the former Tucanos private dining room adjacent to the building's lobby would be converted into an office suite, adding that the opening was expected in the Fall.

Mrs. Kingston told the Board that Mr. Sloane has also contracted to open a Chef's Market in the former Good Vibes/Boathouse/Toby Keith's space. She shared that, patterned similarly to Eataly in New York or Union Market in Washington, DC, the interior would be totally transformed into a culinary extravaganza with fresh butcher and seafood markets, vendor stalls featuring international cuisines, a brewery and brew pub and a gathering space with games and amusements. Mrs. Kingston announced that demolition was well under way and that the former signature oversized guitar-shaped bar and stage, which were made of concrete, had been removed with significant effort. She said that panels covering windows have been torn down filling the space with light, and that excitement was building for this new City Center amenity which should open this winter. Mrs. Kingston said it was exciting to have a seasoned restaurant professional who commands a following across Hampton Roads invest in these two City Center properties.

Mrs. Kingston reminded the Board that the U.S. Economic Development Administration (USEDA) awarded the City \$640,994 to support design work for the seafood market project connected with CNI, as well as dock improvements and dredging design at the head of the Seafood Industrial Park. She shared that after issuing a request for proposals, Work Program Architects (WPA) had been selected for the architecture and engineering design services for the market element of the project. Mrs. Kingston shared that WPA has been an instrumental partner in the design for 2510 Jefferson Avenue and staff was excited to leverage their creativity and vision for the seafood market project as well. She stated that a kickoff meeting for the project design was held last month and updates would be shared on the facility design as it progresses.

Mrs. Kingston said she was pleased to report that the EDA would close on acquisition of the UPS building later in the day.

Mrs. Kingston advised the Board that since their last meeting, staff received a request for a waiver of the right of repurchase for property at 11790 Jefferson Avenue in Oyster Point. She said that Hampton Roads International Montessori School was the contract purchaser of the property with a sales price of \$2,700,000. Mrs. Kingston noted that the current use of the property as an educational use and office space would remain, and complies with the C-4 Oyster Point Business District Regulations, Zoning District. She stated that after consultation with and concurrence of Chair Hoege, the request for a waiver of the EDA's right of repurchase for the property was approved.

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 shared that there has been a plethora of activity throughout the City and that citizens are noticing. She stated that there is great excitement from residents in the Southeast Community regarding the work done surrounding housing and the early childhood development center. Ms. Rohlf announced that work was expected to begin in the near future on the Sherwood Shopping Center with the North Police Precinct getting ready to move in. She thanked staff for their dedication, as well as those in the Planning and Codes Compliance Departments. Ms. Rohlf said she was excited about the current and future transformation of Downtown and for the City's partnership with the Navy and Newport News Shipyard, stressing the importance of getting the right players at the table who have the resources to make things happen quickly and the ability to capture grant funding to further the City's vision.

Ms. Rohlf stated that on July 23rd, City Council participated in a retreat to discuss the vision for the City, as well as discussing with City staff what the strategic priorities are for the City. She shared that through working together, the goals were set and would be maintained through the Capital Improvement Fund as well as the City Operating Budget. Ms. Rohlf stated that there are 13 strategic opportunity zones within the City and recommended that Council work with the EDA to make improvements.

Ms. Rohlf shared that during June, Staff held presentations and tours of the City with Moody's and Standard and Poor's for new bond ratings. She stated that there was tremendous feedback during the tours, adding that our ratings were reaffirmed, at AA+ and AA, which highlights the strong financial standing of the City.

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 10:17 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 northern section of the City and a proposed 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 are two unannounced existing business expansions in the central section of the City.

At 10:38 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.

Action(s) Coming Out of Closed Session

Mr. Hoege introduced a Motion to authorize the acquisition of 280 Dozier Road at an agreed-upon purchase price of \$130,000, from record owner Edward J. Lowery Sr. and Reda N. Lowery Revocable Living Trust, as a strategic acquisition supporting encroachment mitigation around Fort Eustis, subject to the review and approval of all documentation by EDA Legal Counsel. Mr. Bell so moved and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

Fountain Plaza 2 Vacant Restaurant Space

Mrs. Kingston informed the Board that the City has leased Fountain Plaza Two since it was built in 2002, adding that this lease conveyed when the Murphy Group purchased City Center. She stated that the EDA subleases the three ground floor retail spaces, further stating that as the Sub-tenant, EDA leases these spaces to private businesses. Mrs. Kingston shared that 694 Town Center Drive was presently vacant, and that during the 1st Quarter of 2023, staff received three unsolicited inquiries for this space. She stated that the Executive Committee established an ad-hoc committee consisting of two EDA Board members, Cathy Williams and Jonathan Skinner, a landlord representative, Carol Meredith, and staff. Mrs. Kingston informed the Board that during the 2nd Quarter, the group evaluated information supplied by each and offered them an opportunity to meet.

She stated that two restaurateurs met with members of the committee and it was recommended that the Board approve staff pursuing a lease with Kyle Fowlkes of Saté, A New American Kitchen. She clarified this by adding that Mr. Fowlkes submitted a lengthy, detailed, multi-page response to the Committee, and during discussions he indicated that in his role as owner and as executive chef, he would spend the majority of his time on-site. Mrs. Kingston further added that Mr. Fowlkes' vision for and utilization of the space was fully developed, which included maximizing the entire 4,500 SF. She shared that the Committee further recommended the Board delegate lease approval to the Executive Committee for its consideration at its July 13th meeting.

Mrs. Kingston shared with the Board more about Mr. Fowlkes, including that he is a native of Newport News as well as a graduate of Johnson & Wales University; he was the Executive Chef at the Embassy Suites in Hampton for 15 years; he owns a food truck that

serves meals at the Shipyard, as well as at numerous breweries and events throughout the region. She added that he received a Micro Loan in 2020 in conjunction with establishing the food truck operation. Mrs. Kingston stated that since 2012, he has shared his recipes through monthly appearances on The Hampton Roads Show, in addition to being involved in the community through events such as the Tastefully Yours Fundraiser sponsored by the Virginia Peninsula Food Bank and the March of Dimes Signature Chefs Auction. She stated that his awards include Coast Virginia Magazine's Best Dish and Best Caterer.

Mr. Hoege introduced a Motion to authorize the negotiation of a sub, sublease by and between EDA and Kyle Fowlkes of Saté, A New American Kitchen, for the restaurant space in City Center's Fountain Plaza Two at 694 Town Center Drive and to delegate the approval of sub, sublease to the Executive Committee for its consideration, subject to review and approval by EDA Legal Counsel, at its July 13th meeting. 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. Ms. Gargiulo presented the Marketing Committee report, which did not require Board ratification.

Approval of Minutes of the Regular Meeting of June 2, 2023

Mr. Hoege asked for approval of the Minutes of the Regular Meeting of June 2, 2023. Mr. Bell so moved and Ms. Gargiulo seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

Mr. Hoege asked for any unfinished business. Mrs. Kingston introduced Terrance Johnson as the new Operations Manager at Brooks Crossing Innovation + Opportunity Center. She stated that he was off to a tremendous start and looked forward to seeing his collaborations with Larry Brunson.

New Business

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

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There being no further business to come before the Board, Mr. Hoege adjourned the meeting at 10:45 a.m.

A handwritten signature in blue ink, appearing to read "Florence G. Kingston", written over a horizontal line.

Florence G. Kingston
Secretary/Treasurer

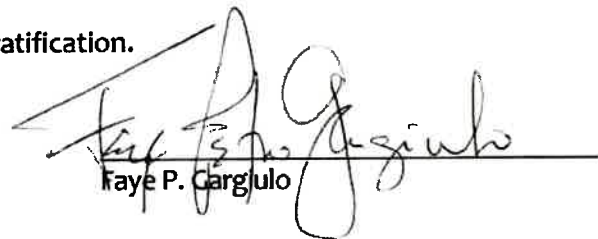


**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: July 7, 2023

The Marketing Committee met on June 21st. Committee members were pleased to hear a presentation on the history of downtown Newport News, and the evolution and future plans for The Yard District. The group was especially appreciative of the personal testimonial of Seth Caddell, and the impact that The Yard District has had on his business, Coastal Fermentory.

This Report does not require Board ratification.



Faye P. Gargjulo

FPG:mb

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Date, Time and Location: June 21, 2023 at 10:30 a.m. at Coastal Fermentory, 206 23rd Street, Suite B, Newport News, VA

Members Present: Faye Gargjulo, R.C. Miller, Cathy Williams, Gary Hunter

Members Absent: Don Blankenship, Dan Powell