

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 December 8, 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
Jameka R. Johnson
Jonathan P. Skinner
Cathy T. Williams
Florence G. Kingston, Secretary/Treasurer, ex-officio
Bo Clayton, Assistant City Manager, ex-officio

Absent:

R.C. Miller, excused

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Joy Robison, Assistant Secretary
Jessica Jacobs, Recording Secretary

Also present:

Bob Pealo, Deputy City Attorney
Larry Brunson, Director, Brooks Crossing Innovation + Opportunity Center
Rob Churchman, Partner, Cherry Bekaert, LLP
Jerri Wilson, Intergovernmental Affairs Manager, City of Newport News

Call to Order

Mr. Hoege opened the meeting and welcomed everyone.

Draft EDA/IDA FY2023 Audit Presentation

Mr. Hoege called for the Draft FY 2023 EDA/IDA Audit and welcomed Mr. Churchman to the podium. Mr. Churchman introduced himself as a Partner of Cherry Bekeart, LLP, and outlined the firm's audit team and criteria used in the audit. Mr. Churchman detailed the engagement services provided by his firm, which included an audit of the EDA/IDA's financial statements for fiscal year 2023, applying Governmental Accounting Standards Board (GASB) standards, as well as compliance testing with the Auditor of Public Accounts' Specifications for Authorities, Boards and Commissions. He stated that the firm had issued an unmodified opinion of the financial statements which was the best result an organization can receive from its auditor – meaning that the statements were fairly presented in all material aspects and in accordance with generally accepted accounting principles. He noted that there were no difficulties encountered in performing the audit, and that the audit results were a testament to the professional accounting methods and financial practices of the Board's staff. He welcomed questions from the Board, and there were none.

Mr. Hoege introduced a conditional motion for approval of the EDA/IDA FY 2023 Audit, pending any objections raised by the Board no later than close of business on December 11, 2023. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Mrs. Kingston stated she wanted to take the opportunity to commend staff for their excellent work resulting in the exemplary audit report. Mr. Hoege echoed her praise of Ms. Green, Ms. Meier, and the assistance of Ms. Lumpkin during this notable year of staff transitions.

City of Newport News' Legislative Priorities for the 2024 Virginia General Assembly Session

Mr. Hoege asked Ms. Wilson for the State Legislative Priorities Presentation. Ms. Wilson greeted and thanked the Board.

Ms. Wilson informed the Board that the 2023 Legislative Session begins on January 10th and that there would be 51 newly-elected members in the General Assembly, consisting of 17 new Senators and 34 new Delegates, adding that while the margins were narrow, the

Democrats held the majority of both House and Senate. Ms. Wilson stated that the Governor would present the budget to appropriation and finance Committees on December 20th and noted it will be a very interesting presentation as the Governor has asked committees to present at a 10% reduction, which reflects a more cautious approach to the upcoming biennium. She noted that Session adjournment is set for March 9th and the members are now enjoying a newly completed General Assembly building.

Ms. Wilson described proposed municipal code changes requested by City Council, one of which has to do with the improvement and maintenance of private dams, and the other amends a limitation of the Worker's Compensation Act. She outlined budget amendments requested by the City, including an additional \$1.5 million in support for the Coastal Virginia STEM Learning Ecosystem Hub in each year of the biennium, gap funding of \$900,000 for court expansion needed to meet demand for jury trials, and an additional \$1.5 million for the Port Host Communities Revitalization Fund Grant in each year of the biennium.

Ms. Wilson stated that a new policy position being taken by the City was in support of an increase in the maximum threshold for non-judicial sale of tax delinquent real properties of minimal size and value, noting that the current maximum value for a 25-foot lot is \$25,000. She explained that since assessed value of most of the City's unimproved lots is now around \$37,000, we were requesting increasing the maximum to \$40,000. Additionally, Ms. Wilson informed the Board of several standing policy positions such as support for economic development and redevelopment incentive programs, the preservation of local authority to regulate short-term rentals, the request to maintain local revenue streams such as Machinery & Tools taxes and BPOL taxes, as well as State support for additional resources for school construction and modernization.

Mr. Hoege thanked Ms. Wilson for her presentation. He asked if there were any questions and there were none.

Secretary/Treasurer's Report

Mrs. Kingston reminded the Board that Development's Accountant position had been vacant since August. She added that this is a key position supporting real estate management work, tracking of loans, incentives and grants, as well as preparing EDA financials, and that she was very pleased to share that Lizabeth Meier has been promoted to the position. Mrs. Kingston stated that since joining the Development Department, Lizabeth has made immediate contributions in the Accounting Specialist position and had already assumed many of the duties normally assigned to the Accountant in the interim.

She said she was very excited about Lizabeth's advancement within the Department and she knew that she would continue to excel in the Accountant position.

Mrs. Kingston told the Board that the property located at 5849 Jefferson Avenue, commonly referred to as the Coats & Clark facility, and owned by the IDA, is leased to the City and used as warehousing for the Fire Department and Purchasing Department in addition to support operations for the Police and Engineering departments. She added that with the relocation of the Peninsula Health Center and conveyance of that building to Riverside, this property received some of the City functions formerly housed at the Health Center. Mrs. Kingston noted that due to the age of the facility and deteriorated condition of the plumbing, backups have become common. She stated that staff has worked over the years to manage this problem, but it now has reached a point that necessitated complete renovation of the plumbing. She added that the City's Engineering Department solicited bids for the plumbing renovation and that the lowest bid, from GC Commercial, was approximately \$356,400. Mrs. Kingston stated that she was working with the Budget Director on whether City funding could help support the project in addition utilizing repair reserves. She stated she would seek a Motion at the end of her report to approve to approve the work and contract with GC Commercial.

Mrs. Kingston reminded the Board that on December 5th, Jefferson Lab hosted a momentous "Ribbon-Tying Ceremony" celebrating the transfer of the ARC Building from the City/EDA to the Department of Energy. She stated that the event was well-attended, featuring remarks from Stuart Henderson, Mayor Jones and representatives from William & Mary, ODU and CNU. Mrs. Kingston informed the Board that the speaker comments highlighted the value that the Applied Research Center has contributed to the success of Jefferson Lab and university-based research, adding that the EDA and City should be proud of not just the current contribution of the building to support Jefferson Lab's mission, but also the long history and benefit that the ARC asset has achieved. She said she was excited to see the new role that the ARC will play in the next chapter of Jefferson Lab's growth, serving as future visitor center and hub for learning.

Mrs. Kingston informed the Board that as part of EDA's sponsorship, Kathrina Turner attended the 8th annual Black Diamond Weekend in Virginia Beach on November 2nd and 3rd, hosted by Black BRAND. Mrs. Kingston shared that Ms. Turner highlighted EDA's initiatives at a resource table, participated in a panel discussion and emphasized outreach to small businesses.

Mrs. Kingston stated that on November 14th, Mallory Butler served as a panelist on a session sponsored by the Virginia Economic Developers Association's Special Interest Groups. She shared that the topic was VEDP's new model, Regional Talent Solutions and Business Outreach. Mrs. Kingston told the Board that on the panel, Ms. Butler was able to share about and highlight collaborative efforts with VEDP to support Newport News businesses and the provision of aftercare for state grant recipients.

Mrs. Kingston shared that also on November 14th, Chris Morello & Mallory Butler hosted Montreal-based CIDEP's Frederick Bernard and Naomi Carvello for a Newport News orientation. She said that CIDEP is contracted by the Alliance to support marketing mission and lead generation for Foreign Direct Investment and that Mr. Morello and Ms. Butler were able to share about Newport News' unique offerings and assets to support CIDEP in their outward marketing role.

Mrs. Kingston informed the Board that on November 28th, Ms. Butler presented an overview of the Enterprise Zone Program to City Council, including information about the incentives available through the program and staff's efforts to refine and amend Newport News' boundaries. She stated that the presentation was well-received by City Council and set the stage for the continued management and administration of our zones, to include the upcoming boundary amendment application into the Virginia Department of Housing and Community Development in 2024.

Mrs. Kingston stated that the Monthly Financial Statements were in Board Members' packages and noted a few highlights. She asked if Board members had any questions, and there were none.

Mrs. Kingston offered Assistant City Manager Bo Clayton the opportunity to provide comments. Mr. Clayton informed the Board that Mayor Jones was selected among 40 Mayors for the Bloomberg Harvard Program and that the Mayor, staff members and Board Members were teamed to work with Bloomberg and Harvard experts on a cross-collaboration track focused on Downtown revitalization. He thanked Chair Hoege and Vice-Chair Williams for their attendance at the December 4th stakeholder discussion at City Hall.

Mr. Clayton reminded the Board of the Middle Mile Grant application, for which Newport News was ultimately not selected. He stated that it was City management's desire to continue to pursue the Broadband connectively from the Southside to the Peninsula regardless. Mr. Clayton shared that trans-Atlantic connectivity would greatly impact the City and that he would keep them abreast as plans progressed.

Mr. Hoege introduced a Motion to authorize a contract with GC Commercial, Inc. for plumbing renovation and repair at 5849 Jefferson Avenue, consistent with the City Purchasing Office's procurement and recommendation on behalf of the IDA, and funding in an amount not to exceed \$400,000, which includes a contingency, subject to review and approval of all documentation by IDA Legal Counsel. 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. 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 Board members had any comments or questions, and there were none.

At 10:06 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), Prospective Business (5), and Investment of Public Funds (6) 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 central section of the City, and a proposed property acquisition in the southern 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 prospective business interested in locating in the central section of the City, and an unannounced existing business interested in expansion in the northern section of the City; and, (6) Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected. Ms. Gargiulo seconded the motion which passed with a unanimous roll call vote of five remaining members, Mr. Skinner having left the meeting.

At 10:48 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. Ms. Johnson seconded the motion which passed 4-0-1 on a roll call vote, with Ms. Williams abstaining.

Action(s) Coming Out of Closed Session

There were no motions coming out of closed session.

City Center at Oyster Point Entertainment District – Gap Loan

Mrs. Kingston shared that staff had closely followed the status of the tourism zone project that was established for City Center, as the gap loan's initial maturity was for November 2023. She informed the Board that in order to help finance the theatre block development, CCOP Thimble Shoals One, LLC secured a \$3.8M gap loan from TowneBank, adding that the EDA supported this by providing security for the gap loan and has had a key role in facilitating payments of the note, including managing the assorted accounts funding the payments and receiving revenues. Mrs. Kingston stated that the financing model for the gap loan called for repayment through revenues generated by the project, including 1% of the state and 1% of the local sales tax generated by project component.

Mrs. Kingston said that in recognizing the impending maturity date of the gap loan, staff analyzed a number of scenarios for how to reposition the loan to be most advantageous to the EDA and CCOP Thimble Shoals One, LLC. She stated that staff recommends that the IDA purchase the note for the gap loan from TowneBank, and explained that based on a projected closing date of December 13th, the note purchase amount will be \$2,139,757.26. She also shared that staff worked with TowneBank to prepare all of the required agreements connected with the IDA purchase of the note and that because the IDA would be assuming the note, the land originally provided by the EDA as collateral for the note (2381 G Avenue and 501 Nat Turner Boulevard), would be released. She added that following the purchase of the note from TowneBank, the note would be modified to a 10-year term with a 3% interest rate.

Mrs. Kingston stated that staff has prepared a draft notice letter to the Virginia Resources Authority and the Virginia Tourism Corporation on this matter because they are the responsible entities connected with the Virginia Tourism Development Financing Program. She said that the draft letter communicated the purchase of the note and modification of the terms. Mrs. Kingston stated that she was excited to share that the State responded in the affirmative that the letter was sufficient for its documentation purpose, adding that after

closing, staff will finalize the letter and send it officially. She said that in parallel, staff worked to draft amendments to the EDA's Performance Guaranty Agreement and to the Local Tourism Zone Incentive Performance Agreement. Mrs. Kingston stated that these amendments are needed to reflect changes to the mechanics, with TowneBank no longer being part of the transaction, as well as the consolidation of the accounts servicing the deal structure. She further stated that the amendments will memorialize a \$200,000 cap for out-of-pocket contributions for the developer to fund the Developer Access Fee Account. Mrs. Kingston shared that under the new mechanics, the Developer Access Fee Account and EDA Restricted Cash Accounts will remain, and a new IDA Restricted Cash Account will be created. She explained that the EDA Restricted Cash Account will be initially funded with \$125,000 to provide the cash flow until the P&I payments to the IDA begin accruing. Mrs. Kingston shared that the ultimate backstop for payment shortfall on the gap loan would be the IDA Restricted Cash Account, which is the receiving account for the P&I payments on the gap loan. She stated that in order to properly document that flow, staff additionally prepared an Interagency Agreement between the EDA, the conduit for the 1-1-1, local incentives and gap loan payment, and the IDA, the note holder, for the utilization of the IDA Restricted Cash Account to fund the EDA Restricted Cash Account in the event of a shortfall for the gap loan payment. Mrs. Kingston said that while there are a lot of mechanics with this shift, staff is confident that this structure will be successful through the final payment of the gap loan, while being much more streamlined than the current arrangement.

Mrs. Kingston summarized that that she was recommending the IDA purchase the gap loan note from TowneBank and assume the role of lender; that the IDA will also approve an allonge recognizing the 3% interest rate and 10-year term; that the Local Tourism Incentive Program Performance Agreement be amended (removing Debt Service Reserve Account and establishing the EDA as the Escrow Agent administering the Developer Access Fee Account); that the Performance Guaranty Agreement will be amended, allowing the closing of the Performance Guaranty Account, adjusting mechanics to reflect closing of the Performance Guaranty Account and Debt Service Reserve Account, acknowledging EDA providing initial funding of \$125,000 into the EDA Restricted Cash Account and Limits Developer cumulative contribution to Developer Access Fee Account at \$200,000; as well as establishing an Interagency Agreement between the EDA and IDA (acknowledging establishment of IDA Restricted Cash Account and Memorializes that the IDA Restricted Cash Account will provide shortfall funding needed to EDA Restricted Cash Account).

Mrs. Kingston stated that because this contemplates both EDA and IDA actions, several motions are requested, including different motions of the EDA and IDA. She said a lot of work has gone into the evaluation of this modified structure and arrangement that will

benefit the CCOP Tourism Zone Project and continue to take advantage of the state incentives supporting the project. Mrs. Kingston shared that staff was excited to see the new activity in City Center and was confident that these changes will see the IDA through the final payment of the gap loan. She asked if there were any questions, and there were none.

Mr. Hoege introduced a Motion that the Industrial Development Authority of the City of Newport News, Virginia authorize: 1) Purchase of the Gap Loan Note connected with the City Center at Oyster Point Entertainment District project, for which TowneBank is the lender and CCOP Thimble Shoals One, LLC is the borrower, and execution of any and all documents necessary to effectuate the purchase; 2) Modification of the Gap Loan Note with CCOP Thimble Shoals One, LLC to reflect a 10-year term and 3% interest rate; and 3) Execution of an Interagency Agreement between the IDA and the Economic Development Authority of the City of Newport News, Virginia, connected with loan servicing and payment of the Gap Loan Note; all in connection with the City Center at Oyster Point Entertainment District project, and subject to review and approval of all documentation by IDA Legal Counsel. Mr. Bell so moved and Ms. Johnson seconded the motion, which passed unanimously on a roll call vote.

Mr. Hoege introduced a Motion that the Economic Development Authority of the City of Newport News, Virginia authorize: 1) An amendment to the Performance Guaranty Agreement dated November 15, 2013, between the EDA and CCOP Thimble Shoals One, LLC; 2) An amendment to the Local Tourism Incentive Program Performance Agreement dated November 15, 2013 between the EDA and CCOP Thimble Shoals One, LLC; and 3) An Interagency Agreement between the EDA and the Industrial Development Authority of the City of Newport News, Virginia, connected with loan servicing and payment of the Gap Loan Note; all in connection with the IDA purchase of the Gap Loan Note and the City Center at Oyster Point Entertainment District project, and subject to review and approval of all documentation by EDA Legal Counsel. Mr. Bell so moved and Ms. Johnson seconded the motion, which passed unanimously on a roll call vote.

Committee Reports

Mr. Hoege called for the Committee Reports. Ms. Williams presented the Executive Committee report, which passed unanimously on a roll call vote. Ms. Gargiulo presented the Marketing Committee report, which did not require Board ratification.

Draft Resolution of Appreciation for Sam J. Workman

Mrs. Kingston informed the Board that the draft Resolution of Appreciation for Sam Workman was sent in advance and was provided at their places, and she invited the Board to forward any input, comments or edits to Ms. Robison.

Mr. Hoege asked if Board members had any questions, and there were none. Mr. Hoege introduced a Motion to adopt the Resolution of Appreciation for Sam J. Workman. 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 November 3, 2023

Mr. Hoege asked for approval of the Minutes of the Annual Meeting of November 3, 2023. Ms. 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 reminded the Board that during November's Board Meeting, Riverside Healthcare Association had asked the Board to pass Resolution 23-7 which authorized officers of the EDA/IDA to sign certain documents, if necessary, for Riverside's financing of its new Smithfield, Virginia facility through the Isle of Wight EDA. She stated that as part of that transaction, Riverside was amending the collateral security documents that related to all of its outstanding debt, some of which was associated with tax-exempt bonds issued by the Newport News EDA and IDA. Mrs. Kingston said that staff was informed by Riverside's bond counsel, T.W. Bruno with McGuireWoods, that they will be closing next week and did not require any signatures from the EDA/IDA. She stated that Mr. Bruno thanked the Board for passing the Resolution out of an abundance of caution so that they could complete their financing.

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 11:04 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: December 8, 2023

The Executive Committee met on November 28th. The Committee was reminded that the EDA was awarded \$100,000 from the FY 2024 Virginia Business District Resurgence Grant Program (Grant) and that the Board approved a Memorandum of Understanding between the EDA and the Virginia Department of Housing and Community Development (VDHCD) at its November meeting. Staff shared that the application submitted by the EDA to VDHCD for the Grant was focused around business support in the Southeast Community to help remove barriers businesses face in accessing business assistance programs.

Staff presented proposed modifications to three small business support initiatives to utilize the awarded funding in alignment with the activities proposed in the Grant application, which included: 1) providing \$40,000 to expand the Modified Façade Improvement Grant (FIG) program implemented for CNI to the full Southeast Community, 2) utilizing \$20,000 to provide qualified businesses with the required private match for the e-Commerce grant program, and 3) appropriating \$40,000 to create a rent credit program to help fill some of the vacant storefronts in the Southeast Community.

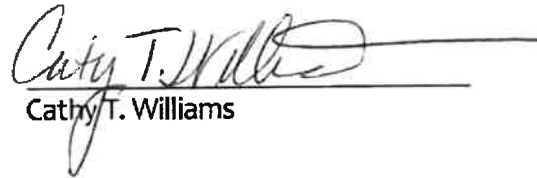
Adjustments to the Modified FIG Program would expand the geography for the program to all of the Southeast Community. The Modified e-Commerce Grant Program would provide grant funds up to \$5,000 for non-minority-owned businesses, and up to \$9,000 for women- or minority-owned businesses, with the required private match being provided by the Grant and no additional private match requirement. Additionally, the proposed Newport News Southeast Community Commercial Rent Reimbursement Grant Program for eligible commercial lessees in the Southeast Community would provide reimbursement for three months of rent, up to \$7,500.

Executive Committee Chair's Report
December 8, 2023
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The Committee approved the Modified FIG Program Guidelines for the Newport News Southeast Community and the Modified Electronic Commerce (e-Commerce) Grant Program Guidelines for the Newport News Southeast Community. Additionally, the Committee approved the creation of the Newport News Southeast Community Commercial Rent Reimbursement Grant Program. The approved modified guidelines for all three programs are attached to this report.

Under Unfinished Business, the Committee discussed the City's broadband strategy, in light of not receiving funding from the Enabling Middle Mile Broadband Infrastructure Program, and opportunity for the City to pursue connection of the Peninsula to the Southside fiber network.

The Committee's remaining items were handled in closed session. This report requires Board ratification.



Cathy T. Williams

CTW:jer

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Reports\ExecutiveCommitteeChair'sReport12082023.docx

Attachments

Date, Time and Location: November 28, 2023, at 10:30 am at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo Bell, Howard Hoega, Jonathan Skinner, Cathy Williams

Members Absent: none

I. ABOUT THE MODIFIED FACADE IMPROVEMENT GRANT (FIG) PROGRAM GUIDELINES FOR THE NEWPORT NEWS SOUTHEAST COMMUNITY

The Economic Development Authority of the City of Newport News, Virginia (EDA) desires to support the City's Southeast Community to restore, sustain, and improve commercial properties and to encourage reinvestment in commercial properties within the Southeast Community. To advance of this effort, the EDA has modified its FIG Program for the Southeast Community as outlined below.

The Modified FIG Program Guidelines for the Newport News Southeast Community are designed to assist property owners, specifically those that have not utilized the program in the past, to improve the appearance of a commercial building's façade in an effort to promote retail activity, create an attractive environment, and enhance neighborhood streetscapes, all in support of broader neighborhood transformation efforts.

Except as outlined herein, projects must adhere to the standard FIG Program Guidelines, and all applicable regional design guidelines, and City codes and conditions.

II. GEOGRAPHIC ELIGIBILITY

- ☒ Property must be located within the Southeast Community boundary (*see attached map*)
- ☐ Properties that have previously received a FIG under the original program are ***NOT*** eligible to take advantage of the Modified FIG Program Guidelines for the Southeast Community. Applications can still be submitted under the standard FIG Program Guidelines.

III. GRANT AMOUNT, MATCHING REQUIREMENTS AND PROGRAM FUNDING

Properties with approved applications are eligible to receive up to \$10,000 through the Modified Program Guidelines for the Southeast Community without a match requirement from the property owner. Property owners may apply for funds beyond \$10,000, not to cumulatively exceed \$20,000, if matching funds are provided for the requested funds in excess of \$10,000, as consistent with the standard FIG Program Guidelines. Funding is available on a first-come, first-served basis, until depleted.

IV. GRANT PAYMENTS

Contractor shall complete the approved improvements as quoted and the EDA will issue a check in the amount of the approved grant amount directly to the contractor.

V. CONTACT

Darius Turner
(757) 926-3803
Email: turnerdl@nnva.gov

Southeast Community



I. ABOUT THE MODIFIED ELECTRONIC COMMERCE (e-COMMERCE) GRANT PROGRAM GUIDELINES FOR THE NEWPORT NEWS SOUTHEAST COMMUNITY

The Economic Development Authority of the City of Newport News, Virginia (EDA) desires to assist Small, Women- and Minority-owned, for-profit Newport News companies located or locating within the Southeast Community in growing their business through e-Commerce. The Modified e-Commerce Grant Program Guidelines for the Newport News Southeast Community are designed to assist Small, Women- and Minority-owned, for-profit businesses that have not utilized the program in the past.

Except as outlined herein, projects must adhere to the standard e-Commerce Grant Program Guidelines, and all applicable regional design guidelines, and City codes and conditions.

II. GEOGRAPHIC ELIGIBILITY

- ☒ Applicant must be a for-profit Small, Women- or Minority-owned business located or locating in the Southeast Community of Newport News, Virginia (**see attached map**).
- ☐ Businesses that have previously received an e-Commerce Grant under the original program are ***NOT*** eligible to take advantage of the Modified e-Commerce Grant Program Guidelines for the Southeast Community.

III. GRANT AMOUNTS, MATCHING REQUIREMENTS AND PROGRAM FUNDING

Businesses with approved applications are eligible to receive up to a maximum of \$5,000 for non-minority-owned businesses, and up to a maximum of \$9,000 for women- or minority-owned businesses. Under the modified program, the required private match is being provided by grant dollars awarded to the EDA through the Virginia Department of Housing and Community Development's Virginia Business District Resurgence Grant Program. There is no additional private match required.

Grants are available on a first-come, first served basis and are limited to available funding. Eligibility is determined at the discretion of the Newport News EDA staff.

IV. PROGRAM ADMINISTRATION

Interested businesses should contact the Department of Development regarding the application process or questions. Development staff reviews all grant applications and, in its sole discretion, determines eligibility and eligible grant amounts.

Full program details can be found here <https://www.nnva.gov/627/e-Commerce-Grant-Program>. Contact Jared Midkiff at (757) 597-2840 ext. 410 or midkiffjw@nnva.gov.

Southeast Community





Newport News Southeast Community Commercial Rent Reimbursement Grant Program

Overview

The Economic Development Authority of the City of Newport News, Virginia (the “EDA”) recognizes that brick and mortar business establishments are essential to vibrant and thriving communities. The Newport News Southeast Community Commercial Rent Reimbursement Grant Program was created to assist eligible businesses beginning new leases in qualifying commercial units in the Southeast Community of Newport News. The objective of this program is to defray initial rent expenditures related to new leases for commercial units in the Southeast Community of Newport News.

This grant is a reimbursement based-monetary award given to a business and shall not exceed \$7,500 nor reimburse for a term greater than three (3) months of rent per grantee. The grants will be committed and funded on a first-come, first-served basis based upon availability of funds. There is a limit of one grant per business. Grants are awarded to applicants who have provided a complete application package and have met all eligibility requirements.

Grant Eligibility

A business owner/business may qualify for consideration provided it meets all of the following:

- Must be a for-profit business.
- Must be a small business. For the purpose of this grant, a small business provides 25 or fewer Full-Time positions and gross receipts less than \$2 million in annual revenue (measured by previous calendar year).
- Application must be for the benefit of a brick and mortar business under a new commercial lease. For the purpose of this application, a new commercial lease refers to a commercial lease whose term has not begun prior November 1, 2023.
- Only retail/commercial businesses are eligible to apply for this grant.
- The new commercial lease listed on the application must be for a brick and mortar location on a property within the designated area. A map defining the boundaries of the designated area is attached.
- The term of the commercial lease may not be for a period shorter than two (2) years.
- Applicant must have a current City of Newport News Business Professional Occupational License.
- Principal address of business must be located in Newport News.
- Applicant must be the primary leaseholder - application cannot be made for the benefit of a sublet/sublease unless written permission is received from the property owner and primary leaseholder.

- The business and business owner(s) must be current on all local taxes or fees (real estate, personal property, business license, storm water etc.).
- The applicant must submit a current liability insurance policy covering the applicable business and location.
- Approved projects must be legal, with no adult-only material.

Reimbursement Period

Approved grant applications will receive a reimbursement for the first three (3) months of base rent expenses incurred by the business located at the commercial address listed on the application.

- Total reimbursement will not exceed \$7,500 per grantee
- Term of reimbursement will not exceed three (3) months of base rent per grantee

Please note that each reimbursement requires proof of rent payment for the business located at the address listed on the application to be submitted monthly, prior to each disbursement.

Required form(s) of payment:

- Paid commercial lease invoice from landlord
- Verified form of payment

Ineligible Activities

Examples of ineligible business activities include, but are not limited to the following:

- Adult Businesses
- Nonprofit businesses, organizations and entities
- Franchises
- Co-working spaces
- Merchant/trade associations
- Industrial business activity

Terms

The applicant must comply with any Federal, State and/or Local requirements for operating the business. Some requirements are:

- Business License Tax
- Codes Compliance Regulations
- Local, State and Federal taxes
- Health and Safety Regulations

Grant Application Process

Completed applications and any required supporting documentation must be submitted to the Newport News Department of Development using the online application portal. Applicant must submit a valid government issued identification (i.e. Passport, Drivers' License etc.).

Following review, the applicant will be sent a notification of decision by mail or email. If approved, the applicant will be provided the amount of the grant funding they are eligible to receive and advised of the next steps in the process (grant agreement, proof of payment, etc.).

Grant reimbursements will not be issued until the application has been approved and the Department of Development has received the grant agreement signed by all applicable parties. Each reimbursement will be disbursed only following confirmation of receipt and review of the required forms of payment for each applicable month.

The EDA reserves the right to deny approval of any application for reasons including, but not limited to, competitiveness of applications received, modifications to grant criteria, etc.

Program Administration

The Newport News Department of Development will act on behalf of the Economic Development Authority of the City of Newport News (the "EDA"), Virginia in the promotion and implementation of the Newport News Southeast Community Commercial Rent Reimbursement Grant Program

Interested individuals and business representatives should contact Jordan Wilson with the Department of Development at (757) 926-3803 or wilsonjl@nnva.gov regarding the application process or questions.

Development staff will review all grant applications and, in their sole discretion, determine eligibility and eligible grant amounts.

Unapproved applications are ineligible for resubmission. Limit of one grant per business.

The following persons and their immediate family members are not eligible to participate in this grant program: 1) Members of the Newport News City Council, 2) EDA Board members, 3) the City's Department of Development employees.

Questions?

Jordan Wilson
Phone: (757) 926-8428
Email: wilsonjl@nnva.gov

City of Newport News
Department of Development, 3rd Floor
2400 Washington Avenue
Newport News, VA 23607
(757) 926-8428

Southeast Community





ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

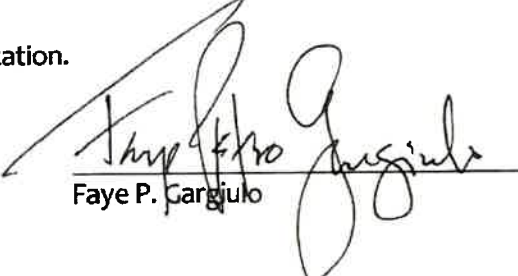
FROM: Chair, Marketing Committee

SUBJECT: Chair's Report

DATE: December 8, 2023

The Marketing Committee met on November 16th. Carol Meredith of Murphy Property Group and Lateesha Gloston of Colliers gave an update on tenant activity at City Center. They highlighted several new restaurants and retailers, with more on the way, as well as the variety of events held throughout the year.

This report does not require Board ratification.



Faye P. Gargiulo

FPG:rnb

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Date, Time and Location: November 16, 2023 at 10:30 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Faye Gargiulo, R.C. Miller, Gary Hunter

Members Absent: Cathy Williams, Don Blankenship, Dan Powell