

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 5, 2024, 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
Alan Archer, City Manager, ex-officio

Absent:

Jameka R. Johnson (Excused)
Cathy T. Williams (Excused)

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Joy Robison, Assistant Secretary
Jessica Jacobs, Recording Secretary

Also present:

Sam Workman, Former Assistant Director of Development, Retired
Paige Pollard, President, Commonwealth Preservation Group
Bob Pealo, Chief Deputy City Attorney
Larry Brunson, Director, Brooks Crossing Innovation + Opportunity Center
Jerry Wilson, Intergovernmental Affairs Manager

Call to Order

Mr. Hoege opened the meeting and welcomed everyone.

Presentation of Resolution of Appreciation to Sam J. Workman

Mrs. Kingston said she was pleased to have Mr. Workman in attendance to receive a Resolution of Appreciation in honor of his service to the City. Mr. Hoege, reading the text of the Resolution, recognized Mr. Workman for his many contributions to the work of the EDA/IDA and the advancement of economic development in the City of Newport News, to include his depth of experience in business retention and expansion, his ability to recognize the importance of quality talent and personnel management, as well as growing and maintaining strong relationships with colleagues and allies. Mr. Hoege acknowledged Mr. Workman's importance in the advancement of numerous significant projects including Target Flavors, High Liner Foods, Mühlbauer, Liebherr Mining Equipment and Liebherr USA, and congratulated him on a well-deserved retirement. Mr. Workman expressed his gratitude for this recognition.

Downtown Newport News Historic District

Mrs. Kingston welcomed and introduced Ms. Paige Pollard, with Commonwealth Preservation Group (CPG) and shared that Ms. Pollard and Commonwealth Preservation Group were integral in securing an Historic District designation for Downtown Newport News.

Ms. Pollard informed the Board that within the Commonwealth of Virginia, there are three types of Historic Designations: national, state, and local. She explained that the National Park Service administers the National Register of Historic Places, and although it is only recognition-based, the designation provides the framework for obtaining Historic Tax Credits and some grant programs. She noted that the Virginia Landmarks Register is administered by the Commonwealth, and that many aspects of the Virginia Landmarks Register mirror the National Register including providing the framework for tax credits and grants. She stated that Local designations are strictly a regulatory tool for Historic Districts under the code of Virginia and can include architectural review boards and local historic district guidelines.

Ms. Pollard stated that the primary focus of her presentation would be the National Register of Historic Places and the Virginia Landmarks Register. She stated that the National Register of Historic Places was established in 1966 with the goal of identifying, evaluating,

and protecting historic and archaeological resources. She added that the Virginia Landmarks Register was created in 1965 and became the Commonwealth's official list of places of historic, architectural, archaeological, and/or cultural significance.

Ms. Pollard informed the Board that the Newport News Downtown Historic District Project began in May 2022 and was completed on August 4, 2023. Showing several images of historic Downtown Newport News, she explained that it was the attributes and architectural styles from 1892 – 1973 on which CPG focused the nomination submission to illustrate the unique historic character, identity, and cultural fabric of the community.

Ms. Pollard noted that both the federal and state programs are honorific, enabling the use of historic tax credits while avoiding infringement on private property rights. She informed the Board that Rehabilitation Tax Credits are dollar-for-dollar reductions in income tax liability on historic building rehabilitation projects. Ms. Pollard stated that investors were already taking advantage of these programs within the Newport News' Downtown Historic District and that tax credits already obtained or in process are valued at \$946,400 for state and \$757,100 for federal.

Ms. Pollard asked if there were any questions, and there were none. Mr. Hoege thanked her for an informative presentation.

Secretary/Treasurer's Report

Mrs. Kingston informed the Board that staff and Fourteen40 Marketing are working to complete the 2023 EDA/IDA Annual Report, and that staff looks forward to presenting another award-winning publication to City Council in February, as well as the opportunity to continue to use the Report as a marketing tool for use in strategic communications with partners and prospects. Mrs. Kingston stated that the Board had been previously provided draft copies of the Report for review, and advised that she would be seeking a Motion to approve the 2023 EDA/IDA Annual Report at the end of her report.

Mrs. Kingston reminded the Board that the Virginia General Assembly appropriated \$700,000 to the City, through the Commonwealth's Department of Veterans and Defense Affairs (VADA), in support of encroachment mitigation around Joint Base Langley-Eustis. She added that specifically, the funding would support voluntary property acquisitions in the vicinity of Fort Eustis, including along Dozier Road. She stated that the acquisitions would support long-term base security as well as complement the development of the new access control point at Fort Eustis. She noted that while the funding is being granted to the City, the EDA will be the entity pursuing the voluntary property acquisitions, and that the funds

needed to be obligated or expended by June 30, 2024. Mrs. Kingston stated that an MOU between the City, the EDA and VADA has been drafted to memorialize this arrangement and allow for the flow of funds from the Commonwealth, and that she would be seeking a Motion to authorize execution of the MOU at the end of her report.

Mrs. Kingston informed the Board that on December 15th, the Virginia Department of Housing and Community Development notified Mayor Jones of the Governor's approval of the renewal of Virginia Enterprise Zone #3, which covers the central and southern sections of the City. She said that the renewal extends the life of Zone #3 through December 31, 2028. Mrs. Kingston acknowledged Mallory Butler and Kathrina Turner for their diligent work on the renewal application, noting they had now transitioned to working on planned amendments to the City's Enterprise Zone boundaries, which will be submitted in 2024.

Mrs. Kingston stated that in support of Canon Virginia Inc.'s most recent expansion, the company has had an active ERCR agreement in place with the EDA which provided for the return of a portion of the net new taxes generated by the company, and that the seventh and final grant period was scheduled to conclude in December 2024. Mrs. Kingston shared that as Canon has worked to make adjustments and consolidate product lines, the retirement of some of its equipment has caused assessed valuations to drop slightly, resulting in the company no longer being eligible for the remaining grant payments under the current ERCR. She noted that staff is working with the company to close out the current ERCR agreement, but will also ensure that Canon is considering ERCRs for new investment and job creation it is likely contemplating for the future.

Mrs. Kingston provided the Board with an update on the Virginia Business Ready Sites Program (VBRSP), sharing that in December staff submitted both the Carleton Advanced Manufacturing Site and Air Commerce Park East and West to VEDP for pre-application review. She stated that both locations were selected to move forward with a more detailed VBRSP application, which is due January 11th. Mrs. Kingston informed the Board that both applications are tightly focused on those specific due diligence studies required to move these locations from VEDP Tier 2 to Tier 3 status. She announced that the estimated project budget was \$210,000 for the Carleton Site and \$436,800 for Air Commerce Park, adding that if grant funding is awarded for one or both of these locations, VEDP will fund 75% of the project costs. Mrs. Kingston shared that several regional economic development partners have provided Letters of Support to accompany our applications, and that a decision is anticipated from VEDP in the spring.

Mrs. Kingston reminded the Board that the City was awarded \$90,000 from the Virginia Department of Housing and Community Development to support building assessment and market positioning work for the EDA-owned former Greek Church building and property at 2591 West Avenue. She stated that the City's consultant, 3North, completed its analysis, which included a property survey, tax credit analysis, structural and building systems analysis, environmental survey, market study and preliminary conceptual design.

Mrs. Kingston shared that in October, staff hosted two public design forums at Coastal Fermentory. She stated that recommendations from 3North aligned with input received at the public sessions, with an overarching focus on entertainment and dining as potential reuse scenarios. Mrs. Kingston informed the Board that this was consistent with the Downtown Reimagined Plan, as well as the adjacent James River Strand design and planned use. She stated that at a high level, the structure of the building is sturdy and well-built, but the mechanical and electrical systems require a complete overhaul. Mrs. Kingston said that creativity would be required to meet modern building code and accessibility standards while achieving the best use, and that the study included conceptualizations for what a multi-use restaurant/venue at this location could look like.

Mrs. Kingston said that the positive trajectory of growth that has catalyzed Downtown redevelopment adds to the timeliness of reuse opportunities for this property. She stated that with the Board's concurrence, staff plans to use this report to leverage and enhance discussions with prospective developers and use it as a basis for a formal solicitation as potential next steps. Mrs. Kingston said she would continue to provide updates as to any prospective interest in the space and forward movements on this project.

Mrs. Kingston provided the Board with an update regarding the former Newport Market convenience store space located in the Downtown Engineering Center at 320 29th Street. She reminded the Board that in October of 2022, a motion passed to authorize the execution of a lease between the EDA and a business entity called "Rivets" for the 1,145 square feet of space to operate a hybrid convenience store/hot food takeout establishment. Mrs. Kingston stated that although a lease was executed in January 2023 for a one-year term, unanticipated costs associated with the original idea for Rivets were encountered, including required electrical upgrades such as new meter-related electrical equipment and new wiring and conduits. She noted that these upgrades were not required for the previous use of the space because no hot food was prepared on site. Mrs. Kingston shared that the Rivets team, even after revisions to the original business model, could not make the project economically feasible.

Mrs. Kingston stated that staff offered to meet with the Rivets team several times to determine if the EDA could assist with any of the unexpected expenses. However, the Rivets team said it had elected to let the lease expire while they continued discussions on how to revamp their business concept, then later advised staff that they did not wish to renew the lease but still hoped to establish some type of business in Newport News in the future. Mrs. Kingston said that although the project never came to fruition, the lease obligation was paid in full and the lease automatically expired on December 31, 2023.

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 City Manager Alan Archer the opportunity to provide comments. Mr. Archer stated that he was looking forward to working with the Board in his new role as City Manager. Mrs. Kingston, Mr. Hoege and members of the Board congratulated Mr. Archer on his promotion.

Mr. Hoege introduced a Motion to approve the 2023 EDA/IDA Annual Report. Mr. Bell so moved and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

Mr. Hoege introduced a Motion to authorize execution of a Memorandum of Understanding by and among the City, the EDA and the Commonwealth of Virginia Department of Veterans and Defense Affairs, in connection with encroachment mitigation land acquisitions in the vicinity of Joint Base Langley-Eustis, subject to review and approval of all documentation by EDA Legal Counsel. Ms. Gargiulo so moved and Mr. Bell 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 9:50 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 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 existing business interested in expanding in the central section of the City. Mr. Skinner seconded the motion which passed unanimously on a roll call vote.

At 10:30 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. Gargiulo seconded the motion which passed unanimously on a roll call vote.

Action(s) Coming Out of Closed Session

There were no motions coming out of closed session.

Committee Reports

Mr. Hoege called for the Committee Reports. Mr. Bell presented the Design Review Committee report, which passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of December 8, 2023

Mr. Hoege asked for approval of the Minutes of the Regular Meeting of December 8, 2023. Mr. Bell so moved and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

Unfinished Business

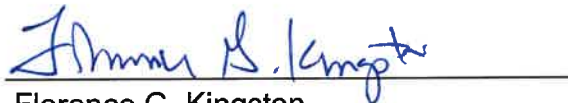
Mr. Hoege stated that the last year had been one of tremendous change for the City, including the major investment announcement for Jefferson Lab, election of new members of City Council and filling the City Manager post. He requested that the EDA Board have a

dedicated conversation around the role of the Board and how to fully leverage its resources and capacity to support the generational investments being made in the City. Mrs. Kingston agreed and stated staff would begin preparing for that discussion.

New Business

Mr. Hoege asked for any new business, and there was none.

There being no further business to come before the Board, Mr. Hoege adjourned the meeting at 10:38 a.m.



Florence G. Kingston
Secretary/Treasurer



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Design Review Committee
SUBJECT: Chair's Report
DATE: January 5, 2024

The Design Review Committee met on December 21st. The Committee considered a request by SignMedia Inc. on behalf of Tidewater Physicians Multispecialty Group for approval of a digital rendering of a proposed building-mounted sign at 860 Omni Boulevard in Oyster Point of Newport News. Upon review, the Committee voted to recommend approval of the request, subject to all applicable City codes and regulations.

Staff additionally reported that one administrative approval was processed on October 27th for an internally-illuminated, building-mounted sign to be installed by Saté at 694 Town Center Drive.

This Report requires Board ratification.



Alonzo Bell, Jr.

ACB:jrl

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Date, Time and Location: December 21, 2023, at 8:00 a.m. at 700 Town Center Drive, Newport News, VA

Members Present: Alonzo Bell, Jr., Carl Briner, Faye Gargiulo, Thomas Herbert, Jameka Johnson, Teresa Nettles, Bryan Trainum, Sylvia Weinstein, Beth Willis

Members Absent: Robert Mann