

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 11:30 a.m. on June 4, 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  
Cathy T. Williams  
Alan K. Archer, City Manager, ex-officio  
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Jameka R. Johnson

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Joy Robison, Assistant Secretary  
Jessica Jacobs, Recording Secretary

Also present:

Jody Lassiter, Manager of Industrial Development, CSX Transportation  
Bob Pealo, City Attorney  
Jerri Wilson, Intergovernmental Affairs Manager  
Larry Brunson, Director, Brooks Crossing Innovation + Opportunity Center

Call to Order

Mr. Hoege opened the meeting and welcomed everyone.

CSX Select Sites Program Presentation

Mrs. Kingston stated she was pleased to introduce Jody Lassiter, Manager of Industrial Development for CSX Transportation across Kentucky, Maryland, Virginia, West Virginia and Washington DC. She said that he is a licensed attorney with over 25 years of experience as an economic development professional at the state and local level. She added that Mr. Lassiter would be sharing information on the recent selection of the Carleton Advanced Manufacturing Site into the CSX Select Sites program.

Mr. Lassiter informed the Board that the CSX rail network consists of approximately 20,000 route miles through 26 states, as well as a portion of Canada. Mr. Lassiter stated that through the inter-connected terminals in Chicago, Memphis, East St. Louis as well as New Orleans, Newport News has the capacity to reach the continental United States as well as Canada and Mexico. Mr. Lassiter explained that he, along with a team of seven Industrial Managers, cover the geographic territories across the eastern United States and that CSX is committed to working with state, local and regional economic development partners and industrial prospects looking to be served by rail.

Mr. Lassiter informed the Board that the CSX Select Sites Program was created 20 years ago and recently achieved platinum level review through a rigorous program with Austin Consulting in Cleveland, Ohio. He stated that in June a new public-facing site selection tool was launched, showcasing CSX-served properties ready for industrial development. Mr. Lassiter explained that there are four levels of Select Site qualification corresponding to the size and quality of the site based on industry standards. He highlighted that there were currently 19 select sites covering each of the levels of qualification – platinum, gold, silver and bronze.

Mr. Lassiter presented Chair Hoege with a commemorative plaque silver rail spike, representing Newport News' status as a CSX Select Site Silver ranking. He stated that the Carleton Advanced Manufacturing Site is the most attractive rail-served industrial site on the Peninsula and is one of only two CSX Select Sites in Virginia with the highest rank. Mr. Hoege and Mrs. Kingston thanked Mr. Lassiter for this honor.

Secretary/Treasurer's Report

Mrs. Kingston said she was pleased to introduce Development's 2024 summer interns. She introduced Zamyia Darthard, a Norfolk State University student pursuing her master's degree in Urban Affairs. Mrs. Kingston stated that Ms. Darthard has both a BA in Sociology and a BS in Corrections from Langston University in Oklahoma, highlighting a long list of scholarly and community-service accolades. Mrs. Kingston also introduced Maureen O'Hearn, a Christopher Newport University junior pursuing a double major in Business Marketing and Management at the Luter School of Business. She stated that Ms. O'Hearn has a keen interest in community development as well as a long list of volunteer and community engagement experiences. Mrs. Kingston said staff was thrilled to have these impressive young people with us for the summer and stated that, as we do with all our interns, we have enrolled them in the HRACRE Internship program.

Mrs. Kingston reminded the Board that in April 2023, the EDA Board authorized execution of a purchase agreement for the underlying 1.1 acres of EDA-owned property adjacent to the Marriott Conference Center and Mariners Row Garage to provide for approximately 171 apartment units with approximately 90 parking spaces on the ground level of the apartments. She stated that the Mariners Row Apartments project has progressed to the point that the developer, Newport News Town Center IV, LLC, has completed fully engineered site plans and construction drawings. Mrs. Kingston shared that plans still call for an additional approximately 131 spaces required within the Mariners Row Garage, with a parking and infrastructure contribution of \$235,800 to be provided via a Parking License Agreement in accordance with the Second Amended and Restated Development Agreement.

Mrs. Kingston further reminded the Board that the project required removal of a portion of the garage, meaning well-coordinated planning and cooperation with the hotel owner during and after construction in connection with guest experiences, loading zone access and parking management. She stated that in light of the developer's stated need for more time to finalize related arrangements and understandings with the Hotel owner and operating entity, and the developer's prediction that a Spring 2025 construction would better coincide with more favorable rental rate stabilization during the construction period, the developer is asking that the EDA consider an Amendment to the Purchase Agreement providing for an extension of the closing date no later than March 31, 2025. Mrs. Kingston shared that staff and EDA Legal Counsel have carefully considered this request, and that she would be seeking a Motion at the end of her report to authorize the amendment.

Mrs. Kingston said that earlier this year, the EDA entered into a Memorandum of Understanding (MOU) with Historic Hilton Village, Inc. to facilitate the award and implementation of DHCD Main Street Program grants supporting the Hilton Village commercial corridor until the 501(c)(3) Hilton Village Main Street was established. She shared that staff coordinated with JB Crowley on the previously-awarded grants, and most-recently supported Hilton Village Main Street with the submission of an application for funding from the Virginia Main Street Small Area Plan Grant Program. Mrs. Kingston informed the Board that during May, staff learned that \$50,000 in funding was awarded from the program to explore public improvements in the alleys in Hilton Village with a focus on the alley between Main and Hopkins Street, including a redevelopment strategy for 96 Main Street (the Bank of Warwick Building), and evaluation of best practices for signage, public art, and creative placemaking. She stated that she would be seeking a Motion at the end of her report to authorize the MOU. Mr. Miller asked what use for 96 Main Street is envisioned. Mr. Perry stated that the grant funds would be used to study and determine the highest and best use of the property, and identify potential options.

Mrs. Kingston informed the Board that Rouse Tower has been managed by Thalhimer since 2009, that the previous management agreement has expired, and Thalhimer has continued to manage the property on a month-to-month basis. She shared that staff recommended renewing the management agreement with Thalhimer, especially with the onsite management team's intimate knowledge of the building. Mrs. Kingston stated that a First Amendment has been prepared to extend the term, with the management fee structure to remain the same, at 2.15% of Gross Receipts, at a minimum of \$3,200 per month. She additionally shared that the project management fee for oversight of construction projects would also remain the same under the First Amendment, at a maximum rate of 5% based on the value of the project. She stated that she would be seeking a Motion at the end of her report to authorize the Lease Amendment.

Mrs. Kingston shared that staff had been coordinating with the City's Engineering and Budget & Evaluation Departments regarding the improvements needed for the space occupied by Human Services at Rouse Tower. She stated that the carpet on floors 1, 2, 3 and 6 in their leased space at Rouse Tower has reached the point of needing replacement and that the interior walls on floors 1 through 8 required painting. She informed the Board that the building's property management team solicited quotes from two vendors, and Atlantic Coast Commercial Services was identified as the lowest responsive, responsible bidder with an estimated total cost of \$1,335,293. Mrs. Kingston explained that this price would cover all work required to install high quality vinyl tile, including removal and disposal of the existing carpet, installation of new cove base, electrical receptacle replacement, and relocation of furniture to facilitate the work on floors 1, 2, 3 and 6, in addition to the cost of

painting floors 1 through 8. She said that Atlantic Coast Commercial Services has successfully completed several projects at Rouse Tower in the past and provided professional and quality work, further adding that Thalhimer will be managing and coordinating this contract and has agreed to a 1% management fee.

Mrs. Kingston noted that the City is funding the base cost of the work and has asked that the EDA fund the 1% Thalhimer management fee of \$13,353 for the project. She said that staff was coordinating to submit an appropriation request to City Council for its June 11<sup>th</sup> or July 2<sup>nd</sup> meeting. Mrs. Kingston said that she would be seeking a Motion at the end of her report to authorize the scope of services.

Mr. Hoege and Ms. Williams expressed concerns about the age of the building as well as the total already spent on repairs. Mrs. Kingston acknowledged their concerns and informed the Board that due to the size of the Human Services Department, there are no feasible alternatives for relocation at this time. Mr. Archer informed the Board that the City has been working with a consultant on a space needs study to help guide how the City delivers services, as there are numerous City departments that have outgrown their current space.

Mrs. Kingston shared that staff was recently made aware of a real estate transaction in Oyster Point that closed in September 2023 for the properties addressed 801 and 809 Triton Court. She stated that while 809 has remained unimproved, 801 Triton is an improved parcel which operated as a private childcare facility up until September 2020. Mrs. Kingston reminded the Board that the normal order of events would be that the EDA receives a request prior to the sale of improved parcels to waive its right of repurchase and approve any change in use. She informed the Board that after being alerted by the Planning Department of the sale in April, staff obtained a copy of the Purchase and Sale Agreement from the owner, reviewed the transaction and determined that it could recommend a retroactive waiver of the right to repurchase and approve the proposed change of use from a childcare facility to an outpatient clinic. Mrs. Kingston said that the total purchase price for the properties was \$1,402,475, and that after receiving the concurrence from Chair Hoege, the request to waive the EDA's right of repurchase and to approve the new use for 801 Triton Court was issued.

Mrs. Kingston informed the Board that on May 18<sup>th</sup>, the Marshall-Ridley Choice Neighborhood Citizen Advisory Committee hosted the 2024 East End Business Expo at Brooks Crossing Innovation & Opportunity Center. She stated that Expo programming included multiple breakout sessions led by Elizabeth McCoury and Tricia Wilson from the Department of Development, Innovate Hampton Roads, Virginia Department of Small

Business and Supplier Diversity, and Abbitt Reality. Mrs. Kingston said that in between breakout sessions, expo attendees were treated to over 15 separate stations, comprised of different organizations local to Newport News, each of which dispersed marketing materials for their respective programs/initiatives. She shared that trolley tours throughout the Southeast Community were provided to attendees, curated by Assistant Director Derek Perry of the Department of Development.

Mrs. Kingston further explained that this event held multiple networking opportunities, including a scheduled social hour and lunch catered by ShelBeez Soul Food takeout, located at 1602 27<sup>th</sup> Street. She said that with over 70 attendees registered, the expo incentivized attendee participation and feedback through an expo “passport,” which tracked participant interaction with the different expo tables, and a visioning board for participants to add sticky notes detailing their opinions on what the Southeast Community needs now and into the future. Mrs. Kingston said that the City team was comprised of Ms. Terri Francis from the Department of Planning and Elizabeth McCoury, Robin Boyd, Shakir Johnson, Derek Perry, Darius Turner, Tricia Wilson and Jordan Wilson from the Department of Development. She thanked them all for their excellent work.

Mrs. Kingston informed the Board that, in April, Tom O’Grady attended the Association for Uncrewed Vehicle Systems International (AUVSI) Xponential autonomous systems conference at the San Diego Convention Center, the industry’s largest global conference and exhibition. She stated that the Virginia Innovation Partnership Corporation (VIPC) organized a Virginia Pavilion to showcase the Commonwealth’s national leadership in crewed and uncrewed systems technology development. Mrs. Kingston shared that the Virginia Pavilion hosted a cross section of small and large businesses, state agencies and education and research institutions. She said that Mr. O’Grady joined the Virginia Economic Development Partnership (VEDP) and Hampton Roads Alliance in the Virginia Pavilion and on outreach calls to a variety of companies with interest in expanding their operations to Virginia and emphasized the competitive advantages of the Hampton Roads region and Air Commerce Park in Newport News.

Mrs. Kingston noted that invitations were previously sent out for the upcoming reception and preview presentation for *Starfinder*, happening on Monday, June 17<sup>th</sup>, at The Mariners’ Museum, adding that the program would begin promptly at 5:00 p.m. She informed the Board that the *Starfinder* sculpture, anticipated to be installed at the Drillfield at Tech Center during August, symbolizes the impact of art, history and technology on our community. Mrs. Kingston shared that the event was designed to help generate “buzz” in the community, and Sculptor Owen Morrel will be a special guest.

Mrs. Kingston stated that it is always an exciting time when a local, EDA-supported business is able to garner attention from outside our regional borders. She shared that Virginia Technical Academy (VTA), founded by Dave Gillespie and located at an EDA-owned facility at 809 Omni Boulevard, recently hosted a speaking engagement by the Commonwealth's Secretary of Labor, the Honorable Bryan Slater. Mrs. Kingston said that Secretary Slater, along with Virginia Works Commissioner Carrie Roth, recognized VTA for its training programs, and discussed the importance and impact of trades on Virginia's workforce.

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 reminded the Board of BCIOC's Youth Career Program, and informed the Board that there were over 300 applications received and 50 employers have signed up to provide work sites for the program. He stated that 100 youth would be placed with employers through the program and shared his excitement that such a large number of local youth expressed interest. Mr. Hoege stated that The Mariners' Museum was a proud employer participant and that the process has been easy to navigate.

Mr. Hoege introduced a Motion to authorize execution of an amendment to that certain Real Estate Purchase Agreement between the EDA and Newport News Town Center IV, LLC, or assigns, in connection with the sale of approximately 1.1 acres of EDA-owned property comprised of 735 Mariners Row and 11821 Canon Boulevard, and a portion of 761 Mariners Row and 756 Town Center Drive, providing for a closing date on or before March 31, 2025, 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 execution of a Memorandum of Understanding between the EDA and the Virginia Department of Housing and Community Development, in connection with an awarded Virginia Main Street Small Area Plan Grant supporting the Hilton Village commercial corridor, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Ms. Gargiulo seconded the motion, which passed unanimously on a roll call vote.

Mr. Hoege introduced a Motion to authorize execution of a First Amendment to the Commercial Management Agreement between the EDA and Morton G. Thalhimier, Inc. (d/b/a Thalhimier) with a management fee of 2.15% of Gross Revenues, or a minimum of

\$3,200 per month, for an initial one (1) year term beginning July 1, 2024 and ending June 30, 2025, with four (4) one-year renewal options, 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 that the EDA authorize the scope of services from Atlantic Coast Commercial Services to provide flooring replacement and electrical receptacle updates on floors 1, 2, 3 and 6, and the removal of wallpaper and painting on floors 1 through 8, all supporting improvement to the Department of Human Services' space in Rouse Tower, and funding in the amount of \$1,348,646, subject to review and approval by EDA Legal Counsel, and subject to appropriation of funds by Newport News City Council. 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 12:31 p.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 for the following purposes and subjects: (3) Discussion or consideration of the acquisition of real property for a public purpose or of the disposition of publicly held real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, the subject of which is a proposed property acquisition in the southern section of the City, a proposed property disposition in the southern 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 existing business' unannounced expansion in the central 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, the subject of which is negotiation in the



central section of the City. Ms. Gargiulo seconded the motion which passed unanimously on a roll call vote.

At 1:06 p.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. Mr. Skinner seconded the motion which passed 5-0-1 on a roll call vote, with Ms. Williams abstaining.

#### Action(s) Coming Out of Closed Session

Mr. Hoege introduced a Motion to authorize the acquisition of 11006 Warwick Boulevard at an agreed-upon purchase price of \$6,500,000 from Warwick Plaza Shopping Center, LLP, as a strategic acquisition supporting Hilton Village, 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.

#### Committee Reports

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

#### Approval of Minutes of the Regular Meeting of May 3, 2024

Mr. Hoege asked for approval of the Minutes of the Regular Meeting of May 3, 2024. Mr. Bell so moved and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

#### EDA Strategy Discussion

Mr. Hoege reminded the Board of his goal of establishing a regular dialogue around EDA strategy to clearly articulate a unified approach behind all the economic development work done by the Board. He further reminded the Board that the first discussion involved a brainstorming session listing the assets on which the City builds its economic development activities. Mr. Hoege stated that in the second session the group reviewed the previous list,

added more items and focused on assets that the Board Members were most excited about.

Mr. Hoege stated that he wanted to work with the Development team to provide a snapshot of the Newport News economy and how the City's assets can help drive the economy. Mr. Hoege stated that Development was working with a consultant and asked Mrs. Kingston to describe the scope of their work. Mrs. Kingston stated that the City selected Chmura Consulting to generate data and reporting, adding that VEDP and other localities have previously worked with Chmura and that the report would be finalized within the coming weeks. The Board discussed collectively the kinds of demographic and economic information that would be desirable in the report including the breakdown of blue collar jobs to professional services and positions, the retention of secondary and post-secondary graduates, wages, etc.

#### Unfinished Business

Mr. Hoege asked if there was any unfinished business. Mr. Miller inquired about the Train Station redevelopment proposal review process and composition of the selection team. Mr. Perry informed him that his expression of interest was sufficient and welcomed Mr. Miller to the team.

#### New Business

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

There being no further business to come before the Board, Mr. Hoege adjourned the meeting at 1:49 p.m.



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Florence G. Kingston  
Secretary/Treasurer



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, Executive Committee

SUBJECT: Chair's Report

DATE: June 4, 2024

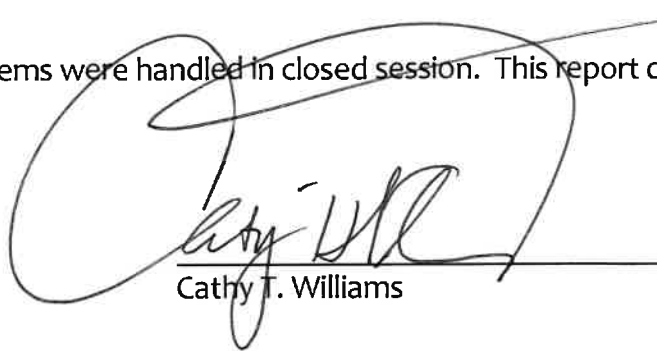
The Executive Committee met on May 20<sup>th</sup>. The Committee received an update on the S23 Holdings project from the company's CEO, Jorge Rivera. Mr. Rivera affirmed his company's sustained commitment to building a manufacturing facility and training school at 1550 Terminal Avenue in the Southeast Community. He enumerated the company's significant investments to date in property, machinery and employment and said that by the end of 2024, total investment will meet the \$64 million previously committed. Challenges in construction costs and supply chain issues due to the pandemic, complexities of Navy contracts, and lack of mooring capacity for ships and parking for workers have hampered the project's schedule and budget. However, the company has mitigated these challenges as well as possible and is positioning itself for long-term growth and success in Newport News. Mr. Jorge said he anticipates a June announcement for the commencement of the training school construction, and a late summer construction start for the fabrication facility at 1550 Terminal Avenue.

The Committee was briefed on the W.M. Jordan Design/Build Team's progress to date on the VPCC Workforce Center at 520 21<sup>st</sup> Street in the Southeast Community. Initial estimates for construction are 20% higher than initially projected due to the specialty equipment requested by VPCC, overall sitework costs and enhanced façade treatments for the building. The W.M. Jordan team will be exploring value engineering and other opportunities for price alignment. Additionally, the Development team will continue to investigate and apply for any grant funding available.

Executive Committee Chair's Report  
June 4, 2024  
Page 2

The Committee was reminded that the W.M Jordan team held a Construction Trades Partner Outreach meeting on May 14<sup>th</sup> at the Downing-Gross Cultural Arts Center to help recruit SWaM Certified subcontractors to work on the project. The meeting had good attendance and enabling the team to connect with potential vendors and provide information about the upcoming bid process. Another similar meeting is planned for July before construction bid documents are published.

The Committee's remaining items were handled in closed session. This report does not require Board ratification.



Cathy T. Williams

CTW:jer

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Date, Time and Location: May 20, 2024, at 12:00 pm at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Howard Hoega, Jameka Johnson, Jonathan Skinner, Cathy Williams

Members Absent: none



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors

FROM: Chair, Revolving Loan Fund Committee

SUBJECT: Chair's Report

DATE: June 4, 2024

The Revolving Loan Fund Committee met on May 30<sup>th</sup>.

Staff presented one (1) Modified Façade Improvement Grant (MFIG) Program request and four (4) Façade Improvement Grant (FIG) Program requests.

- FIG request for \$20,000 from River Port, LLC to include entry door and garage door installation at 1511 Harbor Lane.
- Modified FIG request for \$10,000 from Sherman Sidhu to include roof & siding replacement, and painting at 2504 Jefferson Avenue.
- FIG request for \$10,000 from Sherman Sidhu to include roof & siding replacement, and painting at 2504 Jefferson Avenue.
- FIG request for \$20,000 from KG Investments, LLC to include roof and siding replacement, door installation, landscaping improvements and painting at 4503 Jefferson Avenue.
- FIG request for \$20,000 from World Class Solutions, Inc. to include roof, window, and door replacement, landscaping improvements, fencing, exterior lighting and painting at 2200 Wickham Avenue.

Revolving Loan Fund Committee Chair's Report  
June 4, 2024  
Page 2

All FIG requests were unanimously approved, with one abstention on the vote related to 4503 Jefferson Avenue.

This Report requires Board ratification.



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Alonzo R. Bell, Jr.

**ARB:tfw**

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Date, Time and Location: May 30, 2024, at 12:30p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo Bell, R.C. Miller, George Knight and John Lunsford

Members Absent: Jameka Johnson and Sharon Owens-Clark