

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 12, 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
Jameka R. Johnson
R.C. Miller
Cathy T. Williams
Ralph "Bo" Clayton, Assistant City Manager, ex-officio
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

Jonathan P. Skinner

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Joy Robison, Assistant Secretary
Jessica Jacobs, Recording Secretary

Also present:

Bob Pealo, City Attorney
Vanessa Carter, Assistant City Attorney

Call to Order

Mr. Hoege opened the meeting and welcomed everyone. Mr. Hoege informed the Board that The Mariners' Museum was awarded a Trip Advisor 2024 Traveler's Choice Award. He explained that this award places the Mariners' Museum in the top 10% of museums worldwide for guest experience. The Board congratulated Mr. Hoege on this honor.

Ms. Kingston asked Mr. Pealo to introduce guest Vanessa Carter. Mr. Pealo introduced Ms. Carter to the Board as a new Assistant City Attorney in his office and noted that she will be working with Development and the EDA/IDA on real estate matters. Mrs. Kingston assured the Board that Mr. Pealo had pledged to also continue to provide his expert assistance on the Authority's many ongoing projects. The Board welcomed Ms. Carter.

Secretary/Treasurer's Report

Mrs. Kingston said she was always pleased and proud to share recent achievements of Development staff, particularly when they demonstrate interest in leadership development and in gaining a deeper understanding and appreciation for the community. She acknowledged and congratulated Jessica Jacobs for her participation in and graduation from the City's Leadership Development Academy I program in June. Mrs. Kingston informed the Board that this is a 12-month, immersive personal and professional development opportunity for emerging employee leaders that focuses on relationship building, values and ethics, critical thinking, problem solving and other related skills development. The Board congratulated Ms. Jacobs for this accomplishment.

Mrs. Kingston recognized Brittany Thompson for being selected into the LEAD Peninsula Class of 2025, adding that this 10-month community and civic immersion program is organized by the Virginia Peninsula Chamber of Commerce and is noted for its comprehensive, behind-the-scenes look at civic operations and important components of the Peninsula's economy. She stated that there have been several Development team members who participated in LEAD Peninsula over the years, including Darius Turner, whom she also congratulated for successfully completing the program as a member of the Class of 2024. The Board congratulated Ms. Thompson and Mr. Turner for their accomplishments.

Mrs. Kingston stated that the renovation of 2510 Jefferson Avenue is rapidly approaching completion, adding that there was further work to be done, but the project is coming together very nicely and construction coordination has been smooth with Provost and WPA on the job. She said that staff previously distributed the flyer for 2510 Jefferson Avenue

and has shared it widely including posting it on CoStar and EDA/IDA's website, in addition to distributing it to the Chamber of Commerce, Black Brand, Minority Business Development Agency, The Offices @ 25&J, the CNI Community Action Committee and a number of other partners, as well as our individual connections. Mrs. Kingston shared that while there have been inquiries, staff has not yet received any firm interest. She said that with the building construction status nearing completion, staff anticipates that will spark more interest and will evaluate interest as we receive it.

Mrs. Kingston reminded the Board that on June 25th, as reported in The Daily Press, Governor Youngkin announced the expansion of Liebherr. She shared that this announcement comes after over 2½ years of staff's work and collaboration with the company, the City of Hampton and VEDP. Mrs. Kingston stated that staff is preparing the Commonwealth's Development Opportunity Fund and the ERCR incentive agreements, and that upon completion, she would request the EDA's approval. She said that due to scheduling conflicts, the in-person celebratory event tentatively planned for July has been postponed, and that a new time would be secured when the Liebherr family and the Governor are available.

Mrs. Kingston shared that on June 17th, staff was pleased to plan and host a successful unveiling reception for the Starfinder replica, an astrolabe sculpture to be installed in the Drillfield at Tech Center. She said that speakers, including the artist Owen Morell and Chair Hoege, highlighted the sculpture's inspiration as well as the historical and technological impacts of astrolabe instruments. Mrs. Kingston expressed gratitude for partners W.M. Jordan, the Newport News Public Art Foundation and the Mariners' Museum who understand the value of promoting both history and innovation through public art. She informed the Board that Starfinder is anticipated to be installed later this summer.

Mrs. Kingston noted that following a couple of months of anticipation and a few minor setbacks, we were happy to celebrate the official grand opening of Corkscrews & Brews, the new wine and coffee cafe located downtown on 23rd Street across from City Hall. She said that, in addition to wine, coffee and food offerings, owners Travis and Faith Reid offer a variety of soft drinks and light fare. Mrs. Kingston informed the Board that the cafe features a warm, inviting atmosphere and is a welcome addition to the growing lineup of merchants in The Yard District.

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 comment. Mr. Clayton informed the Board that City staff was in the process of reviewing the Train Station Restaurant RFP. He shared his desire to have a resolution to the RFP soon, and thanked the Board Members who are serving on the selection committee. Mr. Clayton informed the Board that City leadership was still working with the Navy to enhance the possible investment Downtown to create a greater quality of life for the Sailors.

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 9:12 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 disposition 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 an existing business' unannounced expansion in the southern 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 are negotiations in the southern section of the City. Ms. Johnson seconded the motion which passed unanimously on a roll call vote.

At 9:42 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 unanimously on a roll call vote.

Action(s) Coming Out of Closed Session

There were no motions coming out of closed session.

VPCC Workforce Training Center – 65% Design

Mrs. Kingston informed the Board that staff has continued working with the WM Jordan (WMJ) team, which has completed 30% site and building design and has developed preliminary pricing and an estimated guaranteed maximum price (GMP). She stated that an early budget estimate from the original concept plan was \$6 million, and that the estimated GMP after 30% Design is now \$8.2 million. Mrs. Kingston said that there are many more building design complexities desired by VPCC that are driving the cost estimates.

Mrs. Kingston informed the Board that WMJ has suggested sixteen Value Management options to reduce the cost of construction, and that VPCC agrees with a majority of them, bringing the estimated GMP down to approximately \$7.65 million. She shared that staff has been actively working with VPCC to identify funding sources to help address the gap. Mrs. Kingston stated that after consulting with the design/build team and VPCC, staff recommends moving forward with 65% Building Design incorporating the VPCC-approved Value Management options, and 100% Site Design. She noted that this expense will be shared 50/50 with VPCC, as have all other expenses to date. Mrs. Kingston shared that the 65% Building Design will provide significantly more detailed information for an improved GMP estimate, along with reflecting the agreed upon Value Management options. Mrs. Kingston said that the 100% Site Design would help to advance project schedule.

Mr. Hoege asked if there were any questions, and there were none.

Mr. Hoege introduced a Motion to authorize the W.M. Jordan design-build team to advance building design to 65% and site design to 100% for the VPCC Workforce Training Center project, and funding in the amount of \$349,429, with 50/50 cost sharing with the Virginia Peninsula Community College Educational Foundation, subject to review and approval of all documentation by EDA Legal Counsel. Mr. Bell seconded the motion which passed 5-0-1 on a roll call vote, with Mr. Miller abstaining. Mr. Miller explained his abstention noting he had recently joined the VPCC's Board of Directors.

Two City Center Lease Amendment

Mrs. Kingston stated that for some time now, a number of factors have been contributing to the need to consider expanding the City presence and EDA-related functions on the current floor in the Two City Center building, and that the EDA holds the lease for this space with rent and expenses funded by the City. She informed the Board that City staff are currently undertaking a comprehensive space study and future planning program that looks ahead as departments continue to update approaches to delivering City services in more updated and efficient ways. Mrs. Kingston stated that Development's evolution in meeting its responsibilities to the City and serving the EDA/IDA have engendered space demand changes that dovetail with the wider City ones. She stated that earlier in 2024, with the consent of the City Manager, staff began exploring expansion options with Colliers and the building owner, CCOP LLC and that the main objective has been to determine if, with minimal architectural alterations, an expansion into adjacent vacant space could affordably meet a wide range of needs.

Mrs. Kingston said that careful study and consideration of possible options has led to the conclusion that leasing the entire floor is the best long-term option. She stated that the space leased by the EDA and shared with the Hampton Roads Workforce Council via sublease is currently 7,357 square feet, adding that the leasable area of the entire floor is approximately 16,725 square feet. She added that among many benefits, expansion into the entire floor would make available temporary and interim "surge" office capacity for the City in the furnished offices we now lease, create a wider variety of conference room options and afford a larger and more functional EDA Board Room overlooking the fountain. She shared that there is inadequate meeting room space of all sizes at City Center which has created a constant challenge.

Mrs. Kingston said that the expansion would also provide two offices and additional open "landing space" for sublease to regional partner organizations who desire to have a consistent presence on the Peninsula. She added that the Alliance is interested in stationing a permanent representative, and the Hampton Roads Planning District Commission would like to have an office space to either possess for itself or share. Mrs. Kingston said that in addition, City departments' staff based in City Hall often have face-to-face meetings in both in City Center and in City Hall during any given day, and that for efficiency, when meetings wrap here in the afternoon, for example, available workstations and offices allows workdays to be completed in place without sacrificing work time for travel time and burning fuel returning to City Hall.

Mrs. Kingston informed the Board that the EDA has held a 10-year lease since 2018 for the currently occupied 7,357 square feet of space, currently at a rate of \$22.03 per square foot, and it subleases a 2,189 square-foot portion to the Hampton Roads Workforce Council at the same rate. She stated that this includes a rent charge of half of the EDA Board Room square footage to account for shared use with Workforce. Mrs. Kingston reminded the Board that a variety of City departments regularly use the Board Room for larger meetings. She shared that Colliers and the building owner have forwarded a Letter of Interest (LOI) with favorable terms for an amendment to the existing lease for the EDA and City to consider.

Mrs. Kingston shared the main lease amendment terms she reviewed with the City Manager including that the amendment would start a new 10-year lease term for the entire floor upon substantial completion of tenant improvements; six-month time frame for buildout; base rent continuing at the current rate plus 3% escalation for \$22.69 per square foot beginning November 1 as per current lease, adding that this would also be the starting rent rate for the entire expansion, with 3% escalations annually from the lease commencement date. She noted that the building owner would fund tenant buildout to Class A standard specifications if the lease rate, escalation rate and 10-year term are acceptable to the EDA. Mrs. Kingston explained that the current sublease with Workforce Council would continue for the same space without alterations, and that the EDA would also be able to sublease portions of the expansion space to other parties without prior approval by the building owner. Operating expense "pass through" would continue under the same terms, escalating proportionately with the increase in EDA-rented space as a percentage of total building space, and that all other terms would continue as under the existing lease. She stated that with the Board's consensus, she would sign the LOI with these terms so that Colliers and the owner can forward a lease amendment for staff and EDA legal counsel to review. Mrs. Kingston informed the Board that staff anticipates requesting final action at the August Board meeting.

Mr. Hoege asked if there were any questions. Ms. Williams and Ms. Gargiulo inquired about the number of permanent offices compared to landing spaces for both the current and future spaces. Mrs. Kingston said she would provide the Board with the requested details at the August Board Meeting.

Committee Reports

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

Marketing 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 June 4, 2024

Mr. Hoege asked for approval of the Minutes of the Regular Meeting of June 4, 2024. Mr. Bell so moved and Ms. Williams seconded the motion, which passed unanimously on a roll call vote.

Approval of Minutes from Special Meeting of June 18, 2024

Mr. Hoege asked for approval of the Minutes of the Special Meeting of June 18, 2024. Mr. Bell so moved and Mr. Miller 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 and 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 reminded the Board of the report generated by Chmura, and thanked Mr. Perry for ensuring the Board received the report prior to the Board meeting.

Mr. Hoege asked the Board to share insights gained from the report. Board members commented on and posed questions related to job data, tax revenue sources, housing and commuting trends. Addressing job count trends, Mr. Perry explained that Chmura applied national data and forecasts to the report and stated that Hampton Roads does not typically follow national trends. Board members discussed how more insights into the data could be obtained and contribute more to a narrative on the City's economic history and possible future direction. The Board and Mrs. Kingston agreed that a presentation by Chmura would be helpful.

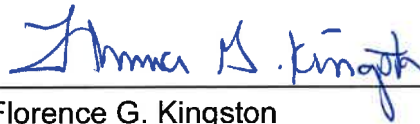
Unfinished Business

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

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 10:44 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: July 12, 2024

The Design Review Committee met on June 20th. The Committee considered a request by Colliers and Sherbco Construction for approval of an elevation of a proposed exterior building modification, replacing a current pedestrian access doorway with a roll-up door, at 11800 Merchants Walk in City Center at Oyster Point. The Committee voted to recommend approval of the request, subject to all applicable City codes and regulations.

The Committee considered a request by W.M. Jordan and Timmons Group on behalf of Newport News Industrial Corp. for approval of a site/grading/drainage plan, photometric plan, and planting plan depicting proposed improvements of the storage yard at the rear of the facility located at 11850 Jefferson Avenue in Oyster Point. The Committee voted to recommend approval of the request, subject to all applicable City codes and regulations.

The Committee also considered a request from ATCS on behalf of Tech Center II for approval of an elevation of a monument sign at 809 Diligence Drive in Oyster Point. The Committee voted to recommend approval of the request, subject to all applicable City codes and regulations.

The final consideration was a request from Spain Commercial on behalf of Tidewater Physicians Multispecialty Group for approval of elevations depicting exterior building modifications, removing roll-up doors and an existing atrium,

Design Review Committee Chair's Report

July 12, 2024

Page 2

at 11751 Rock Landing Drive in Oyster Point. The Committee voted to recommend approval of the request, subject to all applicable City codes and regulations.

Staff additionally reported on three building-mounted signage change administrative approvals for Huntington Ingalls Industries at 11815 Fountain Way and Oasis Salon at 704 Mariners Row in City Center, and Reese Family Services at 804 Omni Boulevard in Oyster Point II. Lastly, an administrative approval for monument sign panel replacements was issued for Hampton Roads International Montessori School at 11790 Jefferson Avenue in Oyster Point.

This Report requires Board ratification.



Faye P. Gargiulo

FPG:brt

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Date, Time, and Location: June 20, 2024, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA 23606

Members Present: Faye P. Gargiulo, Alonzo Bell, Jr., Thomas P. Herbert, Robert D. Mann, Teresa Nettles, Syliva S. Weinstein Craft, Elizabeth W. Willis

Members Absent: Cathy T. Williams



**ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY**

TO: Board of Directors
FROM: Chair, Executive Committee
SUBJECT: Chair's Report
DATE: July 12, 2024

The Executive Committee met on June 18th. The Committee was briefed on the proposed boundary amendments for the City's Enterprise Zones. The Virginia Enterprise Zone Program (VEZ) was established by the Virginia General Assembly in 1982 and is managed by the Virginia Department of Housing & Community Development to incentivize private investment in economically distressed areas. The City has maintained multiple zones since the program's inception and currently has two of the 45 approved zones in the Commonwealth – VEZ #3 & VEZ #31.

Secretary/Treasurer Florence Kingston described the proposed boundary changes to the two VEZ's, adding new commercial, office and industrial properties that could benefit from the program and eliminating those areas no longer eligible. Mrs. Kingston explained that, while nearly every major industrial and commercial submarket is currently in a zone, staff actively evaluated and amended the boundaries to maintain alignment with the City's Comprehensive Plan and Area Plans and to better align with the City's strategic priorities.

The process and timeline for these changes include conducting public hearings, obtaining approval from City Council and submitting the application to DHCD, all of which will be completed by November 1st, with approval anticipated by December 31, 2024. Approval would be retroactive to January 1, 2024.

Executive Committee Chair's Report
July 12, 2024
Page 2

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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2024\ExecutiveCommitteeChair'sReport07122024.docx

Date, Time and Location: June 18, 2024, at 12:30 pm at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Howard Hoega, Jonathan Skinner, Cathy Williams

Members Absent: Jameka Johnson



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Marketing Committee
SUBJECT: Chair's Report
DATE: July 12, 2024

The Marketing Committee met on June 20th. The group introduced itself as three new Committee members were welcomed, and the Chair offered his vision for the Committee. Members were energized and expressed enthusiasm. Fourteen40 Marketing gave an update on the EDA website.

This report does not require Board ratification.


R.C. Miller

RCM:rmb

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Date, Time and Location: June 20, 2024 at 10:30 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: R.C. Miller, Faye Gargiulo, JB Crowley, Tyler Neese, Ryan Sparks

Members Absent: Jonathan Skinner



ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors
FROM: Chair, Revolving Loan Fund Committee
SUBJECT: Chair's Report
DATE: July 12, 2024

The Revolving Loan Fund Committee met on June 26th.

Staff introduced the Committee to Maureen O'Hearn and Zamyia Darthard, the 2024 Summer interns for the Department of Development.

The Committee discussed the preferred changes to the Newport News Capital Fund (NNCF) Loan Program now allowed with the US EDA's defederalization of the Fund. Committee and staff concurred that the range of the NNCF loan rate and keeping it lower, in addition to other factors such as private match relaxation should be kept in mind as program revisions are considered.

Staff presented three (3) Façade Improvement Grant (FIG) Program requests.

- FIG request for \$20,000 from Woods Road I, LLC to include landscaping improvements, exterior power washing, parking lot paving and restriping at 671 J. Clyde Morris Boulevard.
- FIG request for \$20,000 from Donald Hedrick Trustee/Donald Hedrick Trust Share to include exterior finishing, painting and roof removal & replacement at 5835 Jefferson Avenue.

Revolving Loan Fund Committee Chair's Report
July 12, 2024
Page 2

- FIG request for \$20,000 from Kaur & Sandhu Associates, LLC to include landscaping improvements, paving and roof removal & replacement at 13250 Warwick Boulevard.

All FIG requests were unanimously approved.

This Report requires Board ratification.



Alonzo R. Bell, Jr.

ARB:tfw

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Date, Time and Location: June 26, 2024, at 12:30p.m. at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Alonzo Bell, R.C. Miller, John Lunsford and Sharon Owens-Clark

Members Absent: Jameka Johnson and George Knight