

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 August 2, 2024, in Room 101 of the Freeman Center, 1 University Place, 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  
Jonathan P. Skinner  
Cathy T. Williams  
Alan Archer, City Manager, ex-officio  
Florence G. Kingston, Secretary/Treasurer, ex-officio

Legal Counsel:

Raymond H. Suttle, Jr.

Staff:

Joy Robison, Assistant Secretary  
Jessica Jacobs, Recording Secretary

Also present:

Curtis Bethany III, Vice Mayor  
Bill Kelly, President, Christopher Newport University  
Todd Kramer, Christopher Newport University  
Sheila McAllister, Director, Department of Planning  
Brian Swets, Assistant Director, Department of Planning  
Ralph "Bo" Clayton, Assistant City Manager  
Vanessa Carter, Assistant City Attorney

Call to Order

Mr. Hoega opened the meeting and welcomed everyone. He stated he was excited to have the meeting at Christopher Newport University, giving the Board the opportunity to learn about the University's economic impact on Newport News.

Christopher Newport University's Economic Impact Presentation

Mrs. Kingston said she was thrilled to have President Bill Kelly join the Board Meeting. She added that prior to becoming the sixth president of CNU in July of 2023, Mr. Kelly distinguished himself as educator and military leader with nearly four decades of service in the U.S. Coast Guard, and served as the 42<sup>nd</sup> Superintendent of the U.S. Coast Guard Academy. Mrs. Kingston said that his commitment to inclusive leadership and advocacy for the Coast Guard's workforce further underscores his dedication to service and excellence. She informed the Board that President Kelly has been recognized with numerous awards for his service, including the Coast Guard Distinguished Service Medal and multiple Legion of Merit awards, reflecting his exceptional leadership and contributions. Mrs. Kingston said that President Kelly along with his wife, Angie Kelly, bring a wealth of experience and passion for service to the university.

President Kelly greeted the Board and thanked Mrs. Kingston for her introduction. He congratulated Vice Mayor Bethany and City staff for their achievement in receiving the All-American City Award. President Kelly informed the Board that CNU is one of Newport News' best kept secrets and shared his desire to get the word out more broadly. He stated that for the 2024-2025 academic year, CNU received a record high number of applications, with the most out-of-state applicants since the University's inception.

President Kelly stated that CNU is the number one regional public university in the State of Virginia, awarding graduates with bachelor's and master's degrees. He stated that although CNU was founded on liberal arts, 70% of the University's students graduate with either a STEM or business degree. He noted that a science and engineering center is currently under construction with classes to begin there in January 2026, and will feature a two-story drone lab, a robotics lab and classrooms to meet the needs of the industries of tomorrow. He shared that CNU is able to take advantage of the exceptional opportunities afforded by Jefferson Lab, Newport News Shipbuilding, NASA, Ferguson, Riverside and others to provide excellent internships to its students. He said that the University ranks seventh in the country for college intern placements, and those internships lead to great jobs. He further highlighted that 96% of CNU students either enter graduate school or secure a job within six months of graduating.

Ms. Gargiulo asked what kind of relationship CNU has with the Newport News Public School System (NNPS). President Kelly stated that there is a close relationship, which is featured through the Community Captains program for NNPS sophomores, which enables first generation college students to have an opportunity for free on-campus learning experiences. Mr. Bell inquired as to the number of NNPS students who apply and are accepted to CNU in relation to Hampton Roads. President Kelly said he would follow up with that information.

### Secretary/Treasurer's Report

Mrs. Kingston said she was proud to share that Development interns, Zamy Darthard and Maureen O'Hearn, admirably represented the Department of Development for the HRACRE Internship Program. She stated that through their impeccable attendance over the six-week program, and their active participation in the sessions and assignments, both Ms. Darthard and Ms. O'Hearn received scholarship checks at the program's closing luncheon. Mrs. Kingston shared that HRACRE had 30 interns participate this year and noted that Ms. Darthard and Ms. O'Hearn were two of the top six students to receive scholarships.

Mrs. Kingston stated that following the conveyance of a portion of 520 14<sup>th</sup> Street from the City to the EDA, staff has been coordinating with MEB, the contractor that is completing the construction of HRSD's pump station, which has requested to use a portion of the property for a laydown area. She shared that staff has worked with MEB on favorable terms for the lease: 1) Lease through December 31, 2026, with an option to extend for an additional six months; 2) \$6,000 annual payment; 3) Removal of all trash and debris from the property, including a number of tires located at the property; 4) Repair the gate and fence, which had been damaged previously by an attempted break in; 5) Maintain the grass area in the right-of-way adjacent to the leased area; and 6) Repair and cleanup of the existing building on the premises. Mrs. Kingston said that, in addition to the rent, these terms provide significant property cleanup and maintenance cost savings to the EDA.

Mrs. Kingston informed that Board that this arrangement is consistent with arrangements that have been made for laydown areas elsewhere in the City. She acknowledged the benefit the EDA would receive by MEB's tenancy and shared that the use would help facilitate an important infrastructure project in the City, and that she would seek a Motion at the end of her report to authorize the commercial lease.

Mrs. Kingston said that staff was continuing to progress with the Virginia Peninsula Community College Workforce Development Center project. She informed the Board that

the design-build team of W.M. Jordan, RRMM Architects and Timmons Group have been working diligently over the past several months, with the project working towards 65% building design and 100% site design as authorized at the June 12<sup>th</sup> Board meeting. Mrs. Kingston stated that W.M. Jordan would be hosting a second trades outreach event at the Downing-Gross Cultural Arts Center from 9:00 to 10:30 a.m. on August 23<sup>rd</sup> to inform contractors about construction opportunities and necessary qualifications for the project. She noted that the event is being advertised through W.M. Jordan social media outlets, Newport News NOW and various platforms that connect and support small and minority-owned businesses. Mrs. Kingston encouraged the Board to share the event with their networks.

Mrs. Kingston shared that the Hampton Roads Alliance produces a quarterly Economic Snapshot for Hampton Roads and recently released the report for the second quarter of 2024, which was provided at their places. She said that the snapshot highlights regional-level labor force statistics, top employers, industry employment and wages and population data. Mrs. Kingston stated that the Alliance routinely supports the City with project-driven data analysis requests, in addition to producing regional level statistics and that the snapshot information dovetails with the ongoing EDA strategy discussions.

Mrs. Kingston noted that staff recently gave a tour to Blair Durham, Co-Founder and President of Black BRAND, through Downtown, The Yard District, Southeast Community Resource Area and the Marshall-Ridley Choice Neighborhood Area, after the suggestion made by Vice Chair Williams. She stated that Black BRAND is a 501(C)(3) focused on Business, Research, Analytics, Networking, and Development, adding that Black BRAND is the Black Chamber of Commerce for Hampton Roads. Mrs. Kingston informed the Board that staff has been actively engaged with Black BRAND almost since its inception through sponsorships, speaking engagements/exhibiting, the Quarterly Corporate Roundtable and hosting of the 12-week SURGE Community Business Academy at Brooks Crossing Innovation + Opportunity Center, among other initiatives. She stated that staff looks forward to continuing to work with Ms. Durham and her team to launch and grow minority-owned businesses in Newport News.

Mrs. Kingston shared that the Newport News Redevelopment and Housing Authority, with the assistance of WRT, hosted a CNI Design Open House on Tuesday, July 30<sup>th</sup>. She stated that the event provided an opportunity for community members and stakeholders to provide input to shape the design and vision for the final phase of development at the corner of 28<sup>th</sup> Street and Washington Avenue in the City's Yard District. Mrs. Kingston said that the team received meaningful feedback from attendees that included City Council

members, CNI residents, City staff, investors, Pennrose Development and representatives from the Shipyard and Navy.

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 make comments. Mr. Archer informed the Board that the date of October 3<sup>rd</sup> has been set for the City Council and EDA/IDA joint retreat and would be held at the Riverside conference room in City Center. Mr. Hoege thanked Mr. Archer and Vice Mayor Bethany for their willingness to work together to organize the retreat.

Mr. Hoege introduced a Motion to Authorize execution of a Commercial Lease by and between the EDA and MEB General Contractors Inc. for a portion of 520 14<sup>th</sup> Street, providing for laydown area in connection with construction of an HRSD pump station, through December 31, 2026, with a 6-month extension option and an annual rental payment of \$6,000, subject to review and approval by EDA 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 9:39 a.m. Mr. Bell moved for the Authority to go into a closed meeting pursuant to VA Code Section §2.2-3711.A: Prospective Business (5) for the following purposes and subjects: (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. Ms. Williams seconded the motion which passed unanimously on a roll call vote.



At 9:45 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.

#### Two City Center Lease Amendment

Mrs. Kingston reminded the Board that staff had been exploring expansion options with Colliers and the building owner, CCOP LLC, to determine if, with minimal architectural alterations, an expansion into adjacent vacant space could affordably meet a wide range of needs. She stated that she signed an LOI as Secretary-Treasurer with the basic terms discussed during the July Board Meeting for expansion into all available space on the 3<sup>rd</sup> floor.

Mrs. Kingston shared that the current lease, effective since October 2018, is a 10-year lease for 7,357 square feet at the current rate of \$22.03 per square foot after 3% annual escalations. She said that the leasable area of the entire third floor is approximately 16,725 square feet, noting that under an expansion, there would be no change to the Hampton Roads Workforce Council space or sublease terms, and additional new space would equal about 9,368 leasable square feet.

Mrs. Kingston said that as staff has been exploring the possibility of taking over additional space, there have been several factors driving that need. She shared that at City Hall, staff are currently split between the 3<sup>rd</sup> and 6<sup>th</sup> floors, along with storage on both floors, and in the basement. Mrs. Kingston stated that as team members have transitioned, Development was able to consolidate the finance team together on the 3<sup>rd</sup> floor, which had previously been split between floors, and that Development's 3<sup>rd</sup> floor space is fully occupied. She shared that Development has made the marketing office, specifically the large conference room, more accessible for use by other City departments and other boards and commissions. Mrs. Kingston stated that this increased utilization is an overall benefit, although it has put stress on room availability and meeting conflicts have increased. She said that this use is also a function of an ongoing challenge with the lack of

meeting rooms of various sizes in City Center and that staff have also been in the position providing work places for colleagues before and after meetings.

Mrs. Kingston said that Colliers' architect developed a draft floor plan which would allow for consolidation of functions off the 6<sup>th</sup> floor at City Hall, and allow that space to be released to other City functions needing space. She highlighted other additions such as shared spaces, "landing" offices and cubicles increasing from three to eight; and in addition to the EDA/IDA board room with its capacity for 30, new meeting spaces would provide a new Board Room with capacity of 50, a new medium-sized conference room with capacity of 20, and a new small conference room with a capacity of 8. She shared that with this additional space, six of the furnished offices currently occupied by Development would be available for temporary or permanent use by other City departments, especially as the City's comprehensive space needs work progresses and the City manages its space allocations across different facilities, including Fountain Plaza Two.

Mrs. Kingston stated that the expanded space would also provide two offices for sublease to our regional partner organizations, the Alliance and the Hampton Roads Planning District Commission, reinforcing peninsula participation for these two Southside-based regional groups. She stated that in conversations with Doug Smith, he has committed to basing a Hampton Roads Alliance staff member on the Peninsula full-time. She shared that these factors have fed into the evaluation of the need and value of an expanded footprint, and that the floor plan developed by Colliers not only addresses Department needs, but also supports the broader City mission.

Mrs. Kingston reminded the Board of the lease amendment terms discussed in July: the proposed amendment starts a new 10-year lease term for the entire floor upon substantial completion of tenant improvements; a six-month time frame is anticipated to reach substantial completion; and, base rent would continue at the current rate + 3% escalation for \$22.69 per square foot beginning November 1<sup>st</sup> as per the current lease. She noted that current rent is \$9,485.94 per month, net of the Workforce sublease, or \$113,831.28 annualized and that rent upon expansion and with a 3% escalation beginning in November would become \$27,485.69 per month, net, or \$329,828.28 annually. She said that operating expense and fees "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 current operating expenses are about \$730 per month, which would roughly double upon expansion. She stated that the building's owner has offered to fund all tenant buildout to the building's Class A standard specifications if lease rate, escalation rate and 10-year term are acceptable. She said that the EDA would also be able to sublease portions of the expansion space to other parties without prior approval by the building

owner and that all other terms would continue as under the existing lease. She shared that in addition to these favorable terms, Colliers has also offered to build out the immediately adjacent former Hazen space at a faster pace as a first stage and allow early occupancy there without additional charge as the remainder is completed. Mrs. Kingston informed the Board that the City Manager has been engaged on this matter and supports making more work space options available through this effort. She stated that staff recommends authorization of the lease amendment, subject to final review and approval by EDA Counsel.

Mr. Hoege asked if there were any questions. Ms. Williams inquired about need for the expansion and how it would be funded, noting the expense over what is currently being paid. Mrs. Kingston shared that the City would fund the expansion and that the EDA/IDA would be responsible for a portion of rent for the Board Room, as is done currently.

Mr. Hoege introduced a Motion to authorize execution of a Lease Amendment between the EDA and CCOP, LLC to extend the existing lease in the Two City Center Building and to initiate a lease for the remaining leasable space on the third floor, totaling approximately 16,725 square feet, both for the same 10-year term beginning upon completion of tenant buildout in the expansion space, and continuing on the same terms as the existing lease, subject to review and approval by EDA Legal Counsel. Mr. Bell so moved and Mr. Skinner seconded the motion, which passed 6-1-0 on a roll call vote, with Ms. Williams objecting.

### Committee Reports

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

### Approval of Minutes of the Regular Meeting of July 12, 2024

Mr. Hoege asked for approval of the Minutes of the Regular Meeting of July 12, 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 and 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 introduced Department of Planning Director Sheila McAllister to begin dialogue centered on the City's upcoming Comprehensive Plan Update.

Ms. McAllister greeted the Board and introduced Mr. Swets as the City's lead in updating the Comprehensive Plan. Mr. Swets greeted the Board and shared that the goal of the Comprehensive Plan was to capture the goals and vision for the City for the next 20 to 30 years. Mr. Swets explained that there is currently an extensive public outreach program which will continue for another year to ensure that citizen's voices are heard and incorporated into the plan.

Mr. Swets explained that the current plan is divided into numerous categories and shared the desire to have the EDA/IDA Board Members help shape each category. He stated that Planning staff desired to incorporate other community entities' ideas and visions into each of the categories. Mr. Swets prompted Board Members and staff to verbalize what a prosperous and resilient community means to them. The group highlighted several priorities such as self-sustainability, resilience, cleanliness, and strong social capital. Additionally, Board Members advocated for utilizing technology for efficiency of operations, retaining youth in the City after graduation, and encouraging a diversity of jobs and wages for all types of citizens. Further, there was agreement that the plan should focus on the City as a whole, while still recognizing that certain districts have assets that should be leveraged.

Mr. Swets thanked the Board for their insights and willingness to participate in the visioning exercise. He stated that after the 18-month public outreach period, he would return to an EDA/IDA Board Meeting to ensure that the Board's vision was captured and incorporated. He encouraged Board members to visit the City's website and participate in the Community Survey, in addition to encouraging others to participate as well. Mrs. Kingston thanked the Board for participating as Board members and encouraged each member to additionally complete the survey as citizens.

Mr. Hoege asked Mr. Swets to inform the Board how Newport News' Public Schools currently fit into the Comprehensive Plan, and how will the new plan incorporate the school system. Mr. Swets shared that in connection with the Comprehensive Plan process that he will be meeting with NNPS leadership to begin a dialogue on how to best help the school system meet its goals.

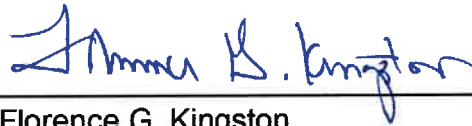
Unfinished Business

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 11:03 a.m.



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Florence G. Kingston  
Secretary/Treasurer



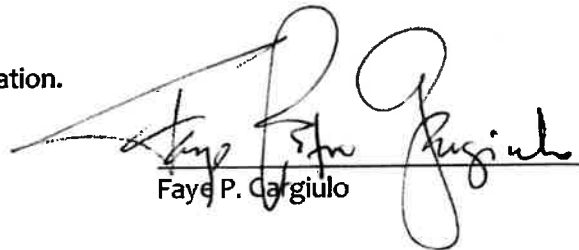
ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Design Review Committee  
SUBJECT: Chair's Report  
DATE: August 2, 2024

The Design Review Committee met on July 18<sup>th</sup>. The Committee considered a request by ATCS on behalf of Omni Medical Group – Tidewater Physicians Multispecialty Group for approval of a Class 2 Site Plan detailing a proposed parking lot expansion and improvements at 801 Triton Court in Oyster Point of Newport News. The Committee voted to recommend approval of the request, subject to all applicable City codes and regulations.

Staff additionally reported on four administrative approvals to include the following: a change of use approval from a shoe store to a Saladworks deli and sandwich shop at 701 Mariners Row; a monument sign panel replacement for Canon Boulevard Center at 11872 Canon Boulevard; a monument panel replacement and building-mounted signage change for North Wind at 703 City Center Boulevard; and an illuminated, building-mounted signage change for Huntington Ingalls Industries at 11815 Fountain Way.

This Report requires Board ratification.



Faye P. Gargiulo

FPG:brt

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Date, Time, and Location: July 18, 2024, at 8:00 a.m. at 11820 Fountain Way, Suite 301, Newport News, VA 23606

Members Present: Faye P. Gargiulo, Alonzo Bell, Jr., Cathy T. Williams, Thomas P. Herbert, Robert D. Mann, Syliva S. Weinstein Craft

Members Absent: Teresa Nettles, Bryan Trainum, Elizabeth W. Willis



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Marketing Committee  
SUBJECT: Chair's Report  
DATE: August 2, 2024

The Marketing Committee met on July 18<sup>th</sup>. Sabrina Jones, Senior Director of Advancement for The Mariners' Museum gave a presentation on how the Museum is an asset to the community through its stewardship, conservation and community building efforts.

This report does not require Board ratification.

  
R.C. Miller

RCM:mb

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Date, Time and Location: July 18, 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

Members Absent: Jonathan Skinner, Ryan Sparks