

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

Ms. Williams called the meeting to order at 9:20 a.m. on February 7, 2025, in the EDA/IDA Board Room at 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

Cathy T. Williams, Chair  
Faye P. Gargiulo  
R.C. Miller  
Jonathan P. Skinner  
Alan Archer, City Manager, ex-officio  
Florence G. Kingston, Secretary/Treasurer, ex-officio

Absent:

None

Legal Counsel:

Raymond H. Suttle, Jr.

Staff

Joy Robison, Assistant Secretary  
Jessica Jacobs, Recording Secretary

Also present:

Mayor Phillip Jones, City Council Liaison  
Bob Pealo, City Attorney  
Jon Haynes, Representative from Bon Secours Mercy Health, Inc.  
Brittany Simmons, Dinsmore & Shohl, Bond Counsel  
Nicole Guajardo, Pending Board Member  
Daniel Chenoweth, Pending Board Member  
Xavier Beale, Pending Board Member

Call to Order

Ms. Williams opened the meeting and welcomed everyone, stating that she was especially pleased to welcome and introduce the three pending Board Members: Dr. Nicole Guajardo, Dean of the College of Natural and Behavioral Sciences at Christopher Newport University; Daniel Chenoweth, Partner at PBMares, LLP; and Xavier Beale, Vice President of Human Resources and Trades Administration at Newport News Shipbuilding. Ms. Williams informed the Board that these pending Board members will be joining them as soon as the City Clerk's processes are complete and they are sworn in. She stated that she looks forward to the exceptional contributions each of them will make to the Board.

Request by Bon Secours Mercy Health Inc. (BSMH) for EDA Approval of the Issuance of Revenue Bonds by the Economic Development Authority of Henrico County, Virginia in an Aggregate Amount Not to Exceed \$600,000,000 for Multiple BSMH Affiliates to include an Amount Not to Exceed \$65,000,000 for the Benefit of Mary Immaculate in Newport News, Bond Counsel from Dinsmore & Shohl LLP; Public Hearing and Resolution 25-1

Mrs. Kingston shared that both EDAs and IDAs are authorized to issue bonds for the benefit of entities providing an essential public or governmental purpose which includes promotion of the safety, health, welfare, convenience, or prosperity of the inhabitants of Virginia. She stated that bond issuances are a way of financing utilized by larger nonprofit organizations such as universities and medical facilities for capital improvement projects. Mrs. Kingston stated that this bond related action relates to the medical group Bon Secours Mercy Health Inc. (BSMH) which has numerous affiliates across many localities, Mary Immaculate Hospital being one of them in Newport News. She stated that today's agenda item fulfills Bon Secours' requirement for the EDA to hold a public hearing to give citizens in our area the opportunity to be aware and comment on the bond issuance related to the project portion at Mary Immaculate Hospital.

Mrs. Kingston noted that upon the EDA's closure of the public hearing and subsequent resolution of concurrence approval, City Council will be asked for its approval/concurrence of the action to be taken by Henrico County, VA, to issue the aggregate bond amount for the benefit of multiple Bon Secours affiliates. She informed that Board that whether we are the bond issuer or just concurring with another issuer, neither this Board nor the City of Newport News has any financial obligations or liability related to the bond transaction and are not endorsing the transaction.

Chair Williams then opened the Public Hearing of the Economic Development Authority of the City of Newport News, Virginia (the "Authority") which was being held for the purpose of

receiving comments on a proposed Bond Issuance of up to \$600 Million by the Henrico Authority for the benefit of Bon Secours Mercy Health Inc. (BSMH) and certain affiliates, including Mary Immaculate Hospital in Newport News, to facilitate the financing or refinancing of capital expenditures and improvement costs in an amount not to exceed \$65 Million (the "Project").

She stated that this Public Hearing was advertised in the *Daily Press* on or about January 30, 2025.

Brittany Simmons with Dinsmore & Shohl, Bond Counsel for the Project, provided opening comments regarding the proposed bond issuance to include the general plan of finance described in the resolution and the need for Newport News' concurrence since a part of the overall Project was situated in our locality.

Jon Haynes, Representative from BSMH, was called on to share specifics on what would be occurring at the local facility. He stated much of the financing would be utilized for a new bed tower at the Mary Immaculate hospital site, that local employment numbers for the facility are approximately 650 and the project would create a slight employment increase.

Upon completion of comments from Project representatives, Chair Williams asked if there were any questions from the Board or comments from the public. There were no comments from the public related to the issuance of the bonds or the Project.

Chair Williams asked for a motion to close the Public Hearing. Ms. Gargiulo so moved and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

Chair Williams asked for a motion approving the Authority Resolution Number 25-1, as presented. Ms. Gargiulo so moved and Mr. Skinner seconded the motion, which passed unanimously on a roll call vote.

#### Presentation of Resolution of Appreciation to Karen R. Wilds

Ms. Kingston said that she had the pleasure of working with Ms. Karen Wilds for much of her own career and was privileged to have Ms. Wilds as a colleague and friend. She shared that Ms. Wilds, who had recently retired from the Newport News Redevelopment and Housing Authority (NNRHA) as Executive Director, through her leadership and passion, has had an indelible impact on Newport News communities and made possible the transformation currently being seen in the Southeast Community and specifically the CNI project area. She noted that Ms. Wilds and NNRHA have been allies and partners in

economic development over many years and that the EDA's effectiveness and success in community development can be directly attributed to the support and partnership from Ms. Wilds and NNRHA. She said that she was pleased that the EDA was recognizing her leadership and tenure.

Ms. Williams welcomed Ms. Wilds to the podium and presented a Resolution of Appreciation in honor of her years of service with NNRHA. The Resolution recognized Ms. Wilds' many accomplishments as Executive Director – championing the creation of affordable housing and viable neighborhoods; taking a lead role in the establishment of Brooks Crossing Grocery Store; and being a key member of the team responsible for securing the Choice Neighborhoods Implementation Grant awarded to NNRHA and the City, and implementing the connected redevelopment and community-building efforts within the Marshall-Ridley Choice Neighborhood.

Ms. Wilds expressed her gratitude for the recognition.

#### Secretary/Treasurer's Report

Mrs. Kingston congratulated the Board on the publication of another successful, information-packed Annual Report. She stated that following the Board meeting, electronic and hard copies will be delivered (as mandated) to City Council. Mrs. Kingston said that staff would also be working to get the Annual Report uploaded digitally to the EDA web site. She expressed gratitude to the Board members, staff and partners at Fourteen40 Marketing for their outstanding work.

Mrs. Kingston reminded the Board that during the previous year, the Board was provided an update on the City's priority to replace Fire Station 11, which is currently located at the airport. She further reminded the Board that the IDA's 4.5-acre property at 680 Turnberry Boulevard, at the corner of Turnberry Boulevard and Patrick Henry Drive, was identified by the City as an ideal location for the new station. Mrs. Kingston said that is because design is close to completion and construction anticipated to commence in the fall for the replacement facility, it is timely to proceed with authorizing the conveyance of 680 Turnberry Boulevard to the City in support of this important upgrade to emergency service delivery. She stated that action by City Council to accept the transfer of land from the IDA has been scheduled for its February 25<sup>th</sup> meeting and stated that she would be seeking a Motion at the end of her report to authorize the conveyance.

Mrs. Kingston shared that the Board previously authorized a sublease between the IDA and Forty-One on Harbor for the restaurant facility at 2295 Harbor Road. She stated that the

sublease includes an initial term of five years, with a five-year renewal option. Mrs. Kingston said that staff had shared that for the City-IDA lease to remain in place for the duration of the sublease, the City-IDA lease needs to be amended, adding that the current lease is set to terminate December 31, 2025. She stated that staff has worked with the City Attorney's Office and EDA/IDA counsel on an amendment to extend the lease by 15 years, with all other terms and conditions remaining the same, and that City Council approval is being coordinated for its February 25<sup>th</sup> meeting. Mrs. Kingston stated that IDA action is required to approve the amendment to the lease, adding that she would seek a Motion at the end of her report.

Mrs. Kingston said that while hard to believe how quickly time flies, we are now coming up on the end of the 5<sup>th</sup> year of the EDA management contract for The Offices @ Two Five & J with Point Management Group. She shared that the contract began in Summer 2020 and will expire this summer. Mrs. Kingston said that in anticipation of the end of that contract, staff has been working to draft a new solicitation for management services for The Offices @ Two Five & J with the goal of it being issued by early March. She said that if any Board members have an interest in participating in the RFP evaluation committee, staff would be glad to have their representation in that process.

Mrs. Kingston said that on Saturday, January 25<sup>th</sup>, Development staff participated in Black BRAND's Membership Summit at the Chesapeake Conference Center. She said that the theme for 2025 was "Regional Renaissance" and featured development panelists Leonard Sledge of Hampton, Steven Wright of Chesapeake, Ihsane Mouak of Virginia Beach and Development's Elizabeth McCoury. Mrs. Kingston stated that the event also featured a Black-Owned Business Pop-Up.

Mrs. Kingston announced that Development staff also participated in Black BRAND's 2025 B-Force Accelerator Graduation Ceremony and Resource Fair on Saturday, February 1<sup>st</sup>, at the Founders Inn and Conference Center in Virginia Beach. She stated that this event celebrated the entrepreneurial achievements and community spirit of the graduates, adding that the ceremony included inspiring speakers and a celebration of the graduates' journeys and milestones.

Mrs. Kingston stated that on Saturday, February 1<sup>st</sup>, Adrian Cole and his business partner Nado Garcia opened a new retail store named "Locker Room" in the Liberty Shoppes adjacent to the Apprentice School at 3301 Washington Avenue. She informed the Board that Locker Room is a high-end consignment shop that features sought-after designer shoes, vintage clothes and streetwear. Mrs. Kingston said that the opening was very well attended with long lines of people waiting to enter the new downtown store and stated that

staff is particularly excited with this new use filling one of the vacant storefronts and bringing a new draw to Downtown.

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, and Mr. Archer deferred to Mayor Jones for his comments. Mayor Jones informed the Board that he would be serving as City Council's representative and liaison for the EDA/IDA and that he was excited to participate in the Board's meetings with economic development being a focus for the rest of his term. He thanked the Board for their participation during the recent City Council and EDA/IDA joint retreat and expressed optimism for greater synergy between the two bodies.

Ms. Williams introduced a Motion to authorize conveyance of the 4.5-acre parcel located at 680 Turnberry Boulevard from the IDA to the City of Newport News, for the City's future construction and operation of Fire Station 11, subject to review and approval of all documentation by IDA Counsel. Ms. Gargiulo so moved, and Mr. Skinner seconded the motion which passed unanimously on a roll call vote.

Ms. Williams introduced a Motion to authorize execution of a Lease Amendment between the City and the IDA, to extend the term of the existing lease of the restaurant property at 2295 Harbor Road through December 31, 2040, with all other terms & conditions remaining the same, subject to review and approval by IDA Counsel. Mr. Skinner so moved, and Mr. Miller seconded the motion which passed unanimously on a roll call vote.

#### Assistant Secretary's Report

Ms. Williams 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

Mrs. Kingston said that the Madison Government Associates Federal Briefing report received each month is written by Jack Hession. She shared that for more than 20 years, Mr. Hession worked with Madison Government Affairs' founder and president Paul Hirsch, and that beginning in the mid-1990s, Mr. Hirsch and Madison Government Affairs served as the EDA's Washington DC advocate, interacting frequently with our congressional

delegation as well as with military leadership. She shared that one of the many highlights of MGA's advocacy was being instrumental in helping to protect Fort Eustis from Base Realignment threats in 1995 and 2005. Mrs. Kingston added that, with Mr. Hirsch's untimely passing last February, Mr. Hession continues the work, and with a slight change in the name, noting that "Madison Government Affairs" is now "Madison Government Associates."

Mrs. Kingston stated she was pleased to have Mr. Hession in person to deliver his report, adding that Mr. Hession brings perspective and focus on current congressional and federal-level developments connected with the Defense Industrial Base, Submarine Industrial Base and Advanced Air Mobility.

Mr. Hession greeted that Board. He informed that Board that over the past decade, the Defense Department's (DoD) supplier base has shrunk 30% despite increased contract spending. Mr. Hession explained the numerous reasons for supplier base decline, and that DoD is pursuing a first-ever industrial procurement modernization strategy. Mr. Hession also explained differences between the House of Representatives and Senate with respect to objectives focus and upcoming action on reconciliation bills.

Turning to aviation related matters, Mr. Hession explained how the FAA Reauthorization Act of 2024 directs the FAA to finalize rules on design and pilot training requirements for all vertical lift aircraft in AAM applications, as well as new regulations for certifying and installing new propulsion technologies such as electric engines, hybrid-electric propulsion, hydrogen fuel-cells and hydrogen combustion engines. Mr. Hession further informed the Board that Vertiport construction would modernize and electrify existing aviation infrastructure, creating the next generation of infrastructure, and that all of those could have FAA developments.

Ms. Williams asked if there were any questions from Mr. Hession, and there were none. She thanked Mr. Hession for his informative presentation.

At 9:53 a.m. Mr. Skinner 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 disposition 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 a prospective business interested in locating in the central section of the City, and two existing businesses' unannounced expansions in the central section of the City. Ms. Gargiulo seconded the motion which passed unanimously on a roll call vote.

At 10:25 a.m., the EDA/IDA Board returned to open session following a certification motion by Ms. Gargiulo, 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 3-0-1 on a roll call vote, with Ms. Williams abstaining as she was excused for a portion of the Closed Session that presented a conflict.

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

There were no motions coming out of closed session.

#### Amendment to the Bylaws of the Economic Development Authority

Mr. Perry reminded the Board that as discussed at prior meetings, staff has worked to evaluate the bylaws for the EDA and IDA. He stated that City Council has amended City Code regarding appointments to Boards and Commissions in order to remove the Newport News residency requirement and broaden parameters for appointments. Mr. Perry said that this will help increase the pool of potential individuals that can add value and their expertise, recognizing that many people have a vested interest in the success of Newport News, beyond solely maintaining a residence.

Mr. Perry said that in the case of the enabling legislation in the Code of Virginia, there is prescribed language that directors serving on IDAs must reside in either the locality, or an adjoining locality, adding that there is that limitation coming from the State. He shared that the proposed amendments to the EDA and IDA bylaws adjust the residency requirement to be inclusive of adjoining localities, which brings the bylaws closer to alignment with City Council's adjustments and provide that flexibility beyond a direct residency requirement.

Mr. Perry said that staff took the opportunity to perform broader cleanup of the Bylaws, making additional edits to correct gendered Officer titles, updating the department's name to Department of Development versus Planning and Development, and adding language that would provide guidelines for all-virtual meetings and remote meeting participation. He shared that to accommodate the all-virtual meetings and remote meeting participation, a



separate policy was being drafted and would be brought back to the Board for approval, and that the draft policy would be sent to Board Members prior to the March Board meeting for review.

Ms. Williams asked if there were any questions, and there were none.

Ms. Williams introduced a Motion to adopt the Amended and Restated Bylaws of the Economic Development Authority of the City of Newport News, Virginia as presented. Mr. Skinner so moved, and Mr. Miller seconded the motion which passed unanimously on a roll call vote.

#### Amendment to the Bylaws of the Industrial Development Authority

Ms. Williams introduced a Motion to adopt the Amended and Restated Bylaws of the Economic Development Authority of the City of Newport News, Virginia, as presented. Mr. Skinner so moved, and Mr. Miller seconded the motion which passed unanimously on a roll call vote.

#### Committee Reports

Ms. Williams called for the Committee Reports. Mr. Skinner presented the Executive Committee report which did not require Board ratification. Mr. Miller presented the Marketing Committee report, which did not require Board ratification.

#### FY 2026 EDA/IDA Budget

Ms. Williams asked Mrs. Kingston to present the 2026 EDA/IDA Budget. Mrs. Kingston advised the Board that a budget summary was at their places and that it had been discussed in detail at the January Executive Committee Meeting. She shared that the budget would cover the Fiscal Year 2026, running from July 1, 2025 through June 30, 2026. She noted highlights and answered questions.

Ms. Williams introduced a Motion to approve the FY2026 EDA/IDA Budget as presented. Mr. Skinner so moved, and Mr. Miller seconded the motion which passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of January 10, 2025

Ms. Williams asked for approval of the Minutes of the Regular Meeting of January 10, 2025. Mr. Skinner so moved, and Ms. Gargiulo seconded the motion which passed unanimously on a roll call vote.

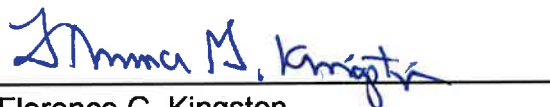
Unfinished Business

Ms. Williams asked for any unfinished business, and there was none.

New Business

Ms. Williams asked for any new business, and there was none.

There being no further business to come before the Board, Ms. Williams 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, Executive Committee  
SUBJECT: Chair's Report  
DATE: February 7, 2025

The Executive Committee met on January 21<sup>st</sup>. The Committee received a presentation on the FY 2026 EDA/IDA Budget. Based on the presentation received, the Executive Committee recommended approval of the FY2026 EDA/IDA Budget. Formal action on the FY26 Budget by the Board will follow today's presentation of the Budget to the Board, rather than take the form of ratification of this item in the Executive Committee Chair's Report.

The Committee was updated on the recent authorization of Ordinance No. 8038-24 by City Council on November 26, 2024, amending City Code to allow City Council to appoint non-residents for service on City boards and commissions. The new criteria for serving members include owning property in the City, being employed by the City, or maintaining a substantial business or professional interest in the City. Committee members discussed the need to also amend the Bylaws of the EDA and the IDA to be consistent with both this change, while also being consistent with the Code of Virginia. Staff and counsel told the Committee that the suggested Bylaws changes would be sent to them at least 7 days prior to the February 7<sup>th</sup> EDA/IDA Board Meeting so that the Board could take action to approve the amended Bylaws at that meeting.

This report does not require Board ratification.

  
Jonathan P. Skinner

JPS:jer

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Date, Time and Location: January 21, 2025, at 12:00 pm at 11820 Fountain Way, Suite 301, Newport News, VA

Members Present: Jonathan Skinner, Faye Gargiulo, R.C. Miller, Cathy Williams

Members Absent: none



ECONOMIC DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT AUTHORITY

TO: Board of Directors  
FROM: Chair, Marketing Committee  
SUBJECT: Chair's Report  
DATE: February 7, 2025

The Marketing Committee met on January 16<sup>th</sup>. Mark Butcher, General Manager of the Newport News Marriott and Diane Fulton, Area Director of Sales for Crestline Hotels and Resorts, gave an update on the Marriott Conference Center and its marketing initiatives. The information was well received, and Committee members expressed a desire for regular updates in the future.

This report does not require Board ratification.



R.C. Miller

RCM:mb

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Date, Time and Location: January 16, 2025 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