

## CORRECTED

### 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. Herbert called the meeting to order at 8:00 a.m., on Friday, June 6, 2014 in the EDA/IDA Board Room at Two City Center, 11820 Fountain Way, Suite 301, Newport News, Virginia.

Those members present were:

Thomas P. Herbert, Chair  
Alonzo R. Bell, Jr.  
Cary B. Epes  
Cassandra P. Greene  
Arthur P. Henderson, Jr.  
C. Gary Minter  
Florence G. Kingston, Secretary/Treasurer, ex-officio  
James M. Bourey, City Manager, ex-officio

Those members absent were:

Wendy C. Drucker, Vice Chair, Excused

Legal Counsel:

Raymond H. Suttle, Jr., Esquire  
Ralph M. Goldstein, Esquire

Staff:

Cherry Croushore, Assistant Secretary  
Sharon Baker, Recording Secretary

Also present:

Jeffrey H. Smith, Chair, Economic Development Authority – Gloucester County  
Collie Owens, City Attorney  
Robert Pealo, Assistant City Attorney  
Miles Jolly, Summer Associate, Jones, Blechman, Woltz and Kelly  
Katherine Westphal, Summer Associate, Jones, Blechman, Woltz and Kelly  
Beth Olberding, Graduate Intern, Department of Development  
Wyatt Pearson, Graduate Intern, Department of Development

Mr. Herbert opened the meeting by welcoming everyone, and noting that Jeff Smith, Chair of the Gloucester County EDA, was in attendance this morning as an observer.

Raymond Suttle, Jr., EDA/IDA Legal Counsel with Jones, Blechman, Woltz & Kelly, introduced two of the firm's summer associates, Katherine Westphal, from Washington DC, a graduate of Princeton University and a rising third-year law student at William & Mary and Miles Jolly, from Chesapeake, a graduate of Virginia Tech University and a rising third-year law student at the University of Virginia.

Amendment of Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement, dated July 1, 2008, Between EDA and Canon Virginia, Inc.

Mr. Herbert asked for the Amendment of Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement, dated July 1, 2008, Between EDA and Canon Virginia, Inc. Mrs. Kingston provided a brief summary of the ongoing project to the Board and advised she was seeking a motion to authorize an amendment to that certain Expansion/Relocation Cost Reduction Enterprise Zone Incentive Agreement, dated July 1, 2008, between the EDA and Canon Virginia, Inc. (CVI) in connection with CVI's planned manufacturing expansion in the production of black toner and capital investment of approximately \$27 million in CVI's Newport News facility, with all necessary documentation subject to review and approval of legal counsel. Mr. Minter so moved and Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

Secretary/Treasurer's Report

Mr. Herbert asked for the Secretary/Treasurer's Report. Mrs. Kingston stated she was pleased to introduce our new graduate interns, Beth Olberding and Wyatt Pearson. She informed the Board that Beth was pursuing a Dual Master's Degree in Urban and Regional Planning and Natural Resources at Virginia Tech, while Wyatt was pursuing his Master's Degree in Urban and Regional Planning, also at Virginia Tech. She noted that Beth was specializing in International Development through the Master's International Program with the Peace Corps and Wyatt was specializing in GIS and Environmental Policy. Mrs. Kingston noted that collectively, our graduate interns were bringing diverse perspectives to the Department this summer. She informed the Board that they both would be participating in the HRACRE (Hampton Roads Association for Commercial Real Estate) internship program as well, which would provide valuable networking and educational opportunities.

Mrs. Kingston informed the Board that bids had been received for the latest project under the Transportation Partnership Opportunity Fund (TPOF) grant for the Canon Virginia, Inc. expansion – Canon Boulevard Sidewalks, Phase II. She reported that of the competitive bids received, Engineering had advised that Pembroke Construction Company Co. Inc. was the responsive low bidder. Mrs. Kingston noted that this project would continue the sidewalk constructed in Phase I along the west side of Canon Boulevard from the Compass Pointe entrance north to Oyster Point Road, and then west along Oyster Point Road to Village Green Parkway, and that in future phases, it will connect to other sidewalks within the Greater Oyster Point area. Mrs. Kingston reminded the Board that the EDA's agreement with VDOT required EDA front-funding of project costs for which it can request reimbursement on a monthly basis. She reported that to date over \$4.4 million (including contingency amounts) had been approved by the EDA Board for design and construction, with all but the most recent invoices having been reimbursed by VDOT. Mrs. Kingston advised she was seeking a motion to accept the low bid by Pembroke Construction Company Co., Inc. and authorize a total of \$228,000, which was the total of the low bid plus a contingency amount, for construction of the Canon Boulevard Sidewalks, Phase II, subject to all necessary documents being reviewed and approved by legal counsel.

Mrs. Kingston reported that the Business Appreciation events were a huge success. She informed the Board that we had a standing room only crowd for the May 20<sup>th</sup> luncheon, and a full complement of 144 golfers for the golf tournament on June 3<sup>rd</sup>. She stated that our continued positive feedback reinforced the value of these activities. Mrs. Kingston thanked the Board for their continued support of our Business Appreciation events.

Mrs. Kingston stated that the long-awaited opening of Paragon City Center 12 Theaters, Neo Kitchen and Bar and MyPi Custom Pizza and Craft Beer was finally here. She reported that during the company's charity weekend, it was estimated that 700 military personnel and families enjoyed free movies, and proceeds from concessions and discounted tickets generated approximately \$2,000 for United Way of the Virginia Peninsula. She informed the Board that Paragon executives were pleased with the VIP night and the public grand opening. She thanked the Board, the City Manager and staff for helping to make Paragon's opening week a success.

Mrs. Kingston reported that the EDA, in conjunction with Sister Cities, hosted a delegation of Chinese businesspeople recently. She noted the visit was a follow-up to the Chengdu trip in 2013. Mrs. Kingston reported that while in town, the delegation received an overview of the region, learned about energy innovation at Jefferson Lab, energy conservation best practices at the City, Chinese educational programs at Hampton Roads Academy and experienced our culture and quality of life, among other things. She advised the Board that we anticipated additional visits in the future.

Mrs. Kingston reported that on May 27<sup>th</sup>, Carol Meredith had the pleasure of teaching Professor John Camobreco's Government 212 class at Christopher Newport University. She noted that the students were engaging and inquisitive, and advised that Mrs. Meredith had been invited to speak during the upcoming fall term.

Mrs. Kingston reported that during the month of May, EDA staff and Thalhimer Management Co. had completed the close-out of the renovation of the rest rooms in Rouse Tower. She noted that over the last twelve months, Atlantic Coast Commercial Services of Chesapeake (low bidder) had completed a project to correct the 1970's-era physical and functional obsolescence in the 37 rest rooms located throughout the twelve-story building. She advised that the total cost of this project was \$357,000 and that the project had been funded by accumulated replacement reserves and operating cash flows. Mrs. Kingston informed that Board that we had received compliments from the building tenants, both during and after construction.

Mrs. Kingston advised the Board that the Monthly Financial Statements were in their package. She noted a few highlights, and then stated she would be happy to answer any questions. There were no questions.

Mrs. Kingston gave the City Manager an opportunity to make comments.

Mr. Bourey advised that the City would be making an announcement about the One City Marathon and Community Festival events at a media event on June 16<sup>th</sup>. He noted there was a great deal of excitement about the marathon. The marathon was developed as a way to help bring the City together. He stated that Newport News was a great city with much diversity and many assets, and he noted that this was a perfect way for our citizens to celebrate all that is good in our City.

Mr. Bourey informed the Board that the City would be featured in the August 2013 issue of US Airways magazine. A number of businesses and attractions in the City have committed to participate in this initiative to support and enhance the editorial feature. The publication reaches more than 3 million onboard readers.

Mr. Herbert asked for a motion to accept the low bid by Pembroke Construction Company Co., Inc. and authorize a total of \$228,000, which was the total of the low bid plus a contingency amount, for construction of the Canon Boulevard Sidewalks, Phase II, subject to all necessary documents being reviewed and approved by legal counsel. Mr. Minter so moved and Mr. Bell seconded the motion, which passed unanimously on a roll call vote.

Assistant Secretary's Report

Mr. Herbert asked for the Assistant Secretary's Report. Ms. Croushore advised the Board the Committee Schedule was in their package and noted relevant details.

Madison Government Affairs Consultant Report

Mr. Herbert advised the Board that the Madison Government Affairs Report was in written format and asked if there were any questions. There were no questions.

At 8:22 a.m. Mr. Epes moved that the EDA/IDA Board go into closed session in accordance with VA Code Section §2.2-3711.A: Real Estate (3), Prospective Business (5), Legal Matters (7), for the following purposes and subjects: 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 was three separate property acquisitions, one located in the northern section of the City, one located in the central section of the City and one located in the southern section of the City; (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 was three separate unannounced existing business expansions, one business located in the northern section of the City and the other two located in the central section of the City; and/or (7) Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, the subject of which was advice related to contractual agency obligations. The motion was seconded by Mr. Minter and it passed unanimously on a roll call vote.

At 9:31 a.m. the EDA/IDA Board returned to open session following a certification motion by Mr. Epes in accordance with VA Code Section §2.2-3712(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. The motion was seconded by Mr. Bell and it passed unanimously on a roll call vote.

Mr. Herbert asked for a motion to authorize EDA acquisition of 15411, 15407 and 15401 Warwick Boulevard at the negotiated purchase price of \$928,775, which was 90.6% of the current assessed value, from John B. Babbs, Trustee under the John B. Babbs Revocable Trust, to facilitate voluntary land assemblage efforts in support of the City's Upper Warwick Boulevard Corridor Initiative, with all necessary documentation subject to legal counsel review and approval. Mr. Minter so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

EDA Action(s), as Fiscal Agent of Regional Air Service Enhancement Committee (RAISE), Based on RAISE June 5, 2014 Recommendations

Mr. Herbert asked for a Motion for EDA approval, as fiscal agent of the Regional Air Service Enhancement Committee (RAISE), to approve a \$700,650 grant to serve as required matching funds for a \$950,000 grant from the Federal Department of Transportation (DOT) Small Community Air Service Development Fund, relative to a Transportation Services Agreement (TSA) anticipated to be executed by the Peninsula Airport Commission with VisionAir, for air service to be provided by PEOPLExpress to Newark and Boston, with terms as specified in the TSA and in accordance with all DOT terms and conditions. Mr. Minter so moved and Ms. Greene seconded the motion, which passed unanimously on a roll call vote.

Committee Chair's Reports

Mr. Minter presented the Executive Committee Chair's Report, which was ratified by the Board and passed unanimously on a roll call vote. Ms. Greene presented the Revolving Loan Fund Committee Chair's Report, which was ratified by the Board and passed unanimously on a roll call vote.

Approval of Minutes of the Regular Meeting of May 2, 2014

Mr. Herbert asked for a motion that the Minutes of the Regular Meeting of May 2, 2014 be approved. Mr. Minter so moved and Mr. Epes seconded the motion, which passed 5-0 on a roll call vote with one abstention.

Unfinished Business

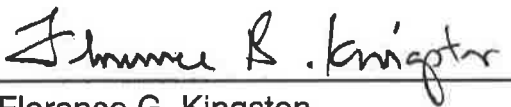
Mr. Herbert asked for any unfinished business. Mrs. Kingston stated there was no unfinished business.

New Business

Mr. Herbert asked for any new business. Mr. Bell informed that Board that he and Ms. Greene had the pleasure of attending the VIDA Conference in Richmond on May 21<sup>st</sup>. He noted it was rewarding to see how highly regarded our EDA was throughout the State and how skilled, creative and sophisticated our efforts were relative to other municipalities in regard to economic development activity, and specifically in our branding initiative. Ms. Greene concurred and stated it was an excellent conference and learning opportunity. Mrs. Kingston thanked Mr. Bell and Ms. Greene for noting the positive reflection of our efforts and stated there was no additional new business.

Mr. Herbert asked if there were any other matters to be considered today. There were no other matters.

There being no further business to come before the Board, Mr. Herbert adjourned the meeting at 9:41 am.



Florence G. Kingston  
Secretary/Treasurer