Agenda

City Council Regular Meeting

City Council Chambers
2400 Washington Ave
Tuesday, October 10, 2023, 7:00 PM

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A. Call to Order

B. Invocation

C. Pledge of Allegiance to the Flag of the United States of America

D. Presentations

1. Proclamation: Fire Prevention Week – October 8-14, 2023

E. Public Hearings

1. Ordinance Authorizing and Directing the City Manager to Execute any and all Documents Necessary to Effectuate and Implement a Port Host Communities Revitalization Fund Grant for 2295 Harbor Road — 3 - 26
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Community Development Port Host Communities Revitalization Fund Grant for Modernization and Facility Upgrades at 2295 Harbor Road – $691,659

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3. Newport News Public Schools – Fiscal Year 2023 State Revenue and City Revenue Carry-Forward Funds – $7,693,681 163 - 169

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I. Citizen Comments on Matters Germane to the Business of City Council

J. Old Business, New Business and Councilmember Comments

1. City Manager

2. City Attorney

3. City Clerk

4. Woodbury

5. Eley

6. Harris

7. Long

8. Vick

9. Bethany

10. Jones

K. Adjourn

*THE BUSINESS PORTION OF THE MEETING WILL BE CONCLUDED NO LATER THAN 10:00 P.M. TO ALLOW PERSONS TO ADDRESS CITY COUNCIL UNDER "CITIZEN COMMENTS ON MATTERS GERMANE TO THE BUSINESS OF CITY COUNCIL."

Shown Live On
Newport News Television
Cox Channel 48, Verizon Channel 19
www.nnva.gov/nntv

Agenda Item Summary

City Council Regular Meeting
October 10, 2023

SECTION:	Public Hearings
ITEM:	Ordinance Authorizing and Directing the City Manager to Execute any and all Documents Necessary to Effectuate and Implement a Port Host Communities Revitalization Fund Grant for 2295 Harbor Road
DEPARTMENT:	Development

STRATEGIC PRIORITIES ALIGNMENT:

Health, Safety & Well-being	Education & Learning	Opportunity & Economic Prosperity	Fun, Entertainment & Culture	Welcoming Communities & Connected Neighborhoods	Quality Government & Innovation	Environmental Stewardship & Sustainability
☒	☐	☒	☒	☒	☐	☒

ACTION:

A Request to Adopt an Ordinance Authorizing and Directing the City Manager to Execute any and all Documents Necessary to Effectuate and Implement a Port Host Communities Revitalization Fund Grant for 2295 Harbor Road.

BACKGROUND INFORMATION:

The City of Newport News (City) owns the property at 2295 Harbor Road that includes a waterfront restaurant. The property is located at the end of the 23rd Street corridor. This area was envisioned as, and is quickly becoming, a "restaurant row" within The Yard District of Downtown Newport News. The property fronts the James River and is adjacent to Christopher Newport Park and the James River Strand.

In April 2023, the City was awarded a $300,000 grant from the Virginia Department of Housing and Community Development's (VDHCD's) FY 2023 Port Host Communities Revitalization Fund (PHCRF) program to support improvements at 2295 Harbor Road. This state grant requires a minimum 1:1 match. The requested City match is $391,659. The total grant funding of $691,659 will be used to support modernization improvements and upgrades at the waterfront restaurant facility on the property, ahead of securing a new operator for the space.

In addition to the authorization of the PHCRF Grant Contract, one of the requirements of the

Port Host Communities Revitalization Fund Program is the execution of a deed covenant for a period of five years to ensure the facility will remain in use as the intended use, which in this case is a restaurant. Given the significance of the property on the 23rd Street corridor, the adjacent new investment and growth, and proximity to the James River Strand project, building improvements at 2295 Harbor Road are an ideal, appropriate and timely project.

FISCAL IMPACT SUMMARY:

The FY 2023 State PHCRF Grant of $300,000 and the required local grant match of $391,659 provided through the FY 2024 General Fund Operating Budget and from previously appropriated Downtown Initiatives funds will support improvements at 2295 Harbor Road.

CITY MANAGER RECOMMENDATION:

The City Manager recommends approval.

ATTACHMENTS:

2295 Harbor Road - 10-10-2023 - Exhibit

Port Host Communities Revitalization Fund Grant Agreement & Restrictive Covenants (2295 Harbor Rd) - 10-10-2023 - Ordinance

Appropriation of Port Host Communities Revitalization Fund Grant For 2295 Harbor Road

rag5087

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AND THE CITY CLERK TO ATTEST, ON BEHALF OF THE CITY OF NEWPORT NEWS, VIRGINIA, ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE AND IMPLEMENT A PORT HOST COMMUNITIES REVITALIZATION FUND GRANT FOR 2295 HARBOR ROAD.

WHEREAS, the City of Newport News, Virginia (the "City") is the owner of a parcel of land known as 2295 Harbor Road, part of which is leased to the Industrial Development Authority of the City of Newport News, Virginia and is the site of a waterfront restaurant (the "Restaurant Site"); and

WHEREAS, the Restaurant Site is located at the end of 23rd Street, which was envisioned as and is becoming a "restaurant row," and along the James River, adjacent to Christopher Newport Park and the James River Strand; and

WHEREAS, in 2019 the Commonwealth of Virginia established the Port Host Communities Revitalization Fund ("PHCRF") to be used for the strategic removal or redevelopment of port-related properties in the five Port Host Communities of Front Royal, Newport News, Norfolk, Portsmouth, and Richmond; and

WHEREAS, the City, recognizing the importance of the Restaurant Site, submitted an application for funding from the PHCRF to support facility improvements at the Restaurant Site to renovate and modernize the building located thereon; and

WHEREAS; in 2023, the City has been awarded a PHCRF Grant in the amount of $300,000 to support the facility improvements at the Restaurant Site ("the 2023 PHCRF Grant"), which requires a 1:1 funding match; and

WHEREAS, to effectuate the 2023 PHCRF Grant, the City is required to execute an Agreement with the Virginia Department of Housing and Community Development; and

WHEREAS, before PHCRF Grant Funds can be expended, the City is also required to impose a restrictive covenant on the property comprising the Restaurant Site, ensuring that the property be used as a restaurant for a period of five years.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Newport News:

1. That it desires to, and hereby does, authorize and direct the City Manager to execute and the City Clerk to attest, on behalf of the City of Newport News, Virginia, that certain Agreement, dated the 30th day of July, 2023, by and between the Virginia Department of Housing and Community Development and the City of Newport News, Virginia, relating to the award of a Port Host Communities Revitalization Fund Grant, a copy of which is attached hereto and made a part hereof.

2. That it desires to, and hereby does, authorize and direct the City Manager to execute and the City Clerk to attest, on behalf of the City of Newport News, Virginia, that certain Restriction Agreement, dated the 10th day of October, 2023, by and between the City of Newport News, Virginia and the Virginia Department of Housing and Community Development, a copy of which is attached hereto and made a part hereof.

3. That the City Manager is authorized to take such further action and execute such further documents as may be necessary to effectuate and implement the Port Host Communities Revitalization Fund Grant at 2295 Harbor Road, provided that all such documents shall be reviewed and approved by the City Attorney before execution.

CONTRACT: **#23-PHCRF-01**

AGREEMENT

This AGREEMENT, entered into as of this 30th day of July, 2023, by and between the Virginia Department of Housing and Community Development hereinafter referred to as "DHCD" and the City of Newport News, Virginia, hereinafter referred to as "GRANTEE."

WITNESSETH

WHEREAS, DHCD has been authorized by the Governor of the Commonwealth of Virginia to distribute and administer grants of the Port Host Communities Revitalization Fund Grant (PHCRF) according to 36-152 of the Code of Virginia, and

WHEREAS, 2295 Harbor Road, as described in the PHCRF proposal submitted by GRANTEE, has qualified for funding on the basis of the PHCRF Program Design,

Now THEREFORE, the above mentioned parties hereto do mutually agree as follows:

1. DHCD agrees to award the GRANTEE a Port Host Communities Revitalization Fund grant in an amount of the total allowable, eligible costs in carrying out the activities included in the scope of the work herein described not to exceed **$300,000.00 (Three Hundred Thousand Dollars).**

2. DHCD agrees to provide the GRANTEE with technical assistance in setting up and carrying out the administration of its 2295 Harbor Road construction project.

3. The GRANTEE will commence, carry out and complete the scope of work, beginning on **July 30, 2023**, as described in the GRANTEE's Port Host Communities Revitalization Fund proposal, and any subsequent, approved, written amendments to the proposal, which are made a part of this AGREEMENT.

PROJECT TITLE:	2295 Harbor Road
OUTCOME:	Redevelopment of the property at 2295 Harbor Road into restaurant/commercial space.
BENEFITS:	Expected community benefits include the creation of 10 full-time equivalent jobs and leverage $391,659 in non-PHCRF funds.
PRODUCT:	Renovated and modernized building with first floor that will be ready for a restaurant operator to lease.

4. A total of **$391,659** in non-PHCRF matching funds is committed to this project by the GRANTEE through local sources. Matching funds are required for the use of the Port Host Communities Revitalization Fund. To be eligible, matching funds

must be used to support eligible expenses as outlined in the program guidelines and GRANTEE's approved budget. The final disbursement will not be processed if GRANTEE's matching funds obligation has not been fulfilled.

5. The Project Management Team shall conduct regular construction progress meetings. The minutes and records of these meeting shall be kept in the project files.

6. GRANTEE agrees to provide quarterly progress reports to DHCD. The GRANTEE shall use the PHCRF Progress Report template in CAMS to submit the progress report. The Report shall include progress on the approved Port Host Communities Revitalization Fund project and its economic impacts. News articles, press releases, pictures, and other documentation should be submitted along with the written report. DHCD may share copies of the report with other interested parties identified by the State. DHCD, at its discretion, may require additional reports. If reports are not submitted in a timely manner, DHCD reserves the right to withhold payment requests until such reports are submitted.

7. DHCD shall monitor the GRANTEE at least once during the period covered by this Grant Agreement. DHCD may schedule additional monitoring visits as considered necessary. At any time during the Grant period, DHCD may request and shall be provided copies of any documents pertaining to the use of Program funds.

8. GRANTEE agrees to recognize DHCD's support for its programs in all communications with the media and its marketing publications and in the posting of a project sign on site. The following statement is suggested: "This project was funded in part by the Virginia Department of Housing and Community Development (VDHCD), a state agency that works to support communities to create healthy, safe, and affordable places for Virginians to call home."

9. The aforementioned program shall be carried out, and grant payments made in strict conformance with the CONTRACT DOCUMENTS.

10. The GRANTEE will use the lesser of (1) the amount specified above, or (2) if, at total PROGRAM completion, there are cost under-runs or project savings, these costs shall revert to DHCD. In no case will leveraged funds be returned beyond that amount which would have changed the PROGRAM'S ability to be funded initially.

11. The GRANTEE will initiate the ACTIVITY(S) required by the CONTRACT DOCUMENTS **beginning July 30, 2023,** unless grant Special Conditions require additional action on specified ACTIVITY(S) before proceeding with that ACTIVITY(S). In such instances the GRANTEE will initiate action relative to removal of the Special Conditions beginning with the execution of this AGREEMENT.

12. The GRANTEE shall complete the work as described in the CONTRACT DOCUMENTS, on or before **December 31, 2024**. Final requests for the funds must be made no later than **January 31, 2025.** Funds not expended by **December 31, 2024,** are subject to re-appropriation. If the ACTIVITIES are not completed by that date all Grant funding and this AGREEMENT shall be terminated and the GRANTEE shall return all unexpended funds, unless an amendment to the CONTRACT DOCUMENT provides otherwise.

13. DHCD agrees to make payment to the GRANTEE upon receipt of a properly completed and signed invoice. Requests for Payment may be on a reimbursable basis upon received documentation of the required expenditure and source of matched fund, and made to allow approximately thirty (30) days to receive funds. Funds are to be immediately disbursed by the GRANTEE.

14. The term CONTRACT DOCUMENTS means the following documents which are a part of this AGREEMENT and are incorporated by reference herein as if set out in full:

    A. AGREEMENT;
    B. SPECIAL CONDITIONS;
    C. GENERAL CONDITIONS;
    D. AMENDMENTS;
    E. PORT HOST COMMUNITIES REVITALIZATION FUND (PHCRF) PROPOSAL;
    F. APPROVED BUDGET; AND
    G. PORT HOST COMMUNITIES REVITALIZATION FUND (PHCRF) REPORT.

In witness whereof, the parties hereto have executed or caused to be executed by their duly authorized official this AGREEMENT in duplicate, each copy of which will be deemed an original.

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

BY:_____ DATE:_____
Bryan Horn, Director

CITY OF NEWPORT NEWS, VIRGINIA

BY:_____ DATE:_____
Alan K. Archer, Acting City Manager

ATTEST:

BY:_____
Mabel Washington Jenkins, MMC,
City Clerk

APPROVED AS TO FORM FOR THE
CITY OF NEWPORT NEWS, VIRGINIA

BY:_____
Collins L. Owens, Jr., City Attorney

SPECIAL CONDITIONS

1. A total of **$391,659** in non-PHCRF leverage funds is committed to this project by the GRANTEE through a mix of federal, state and local sources. These funds shall be expended prior to or in proportion to PHCRF Grant funds within the budget, per activity.

2. Documentation on the expenditure of these funds shall be maintained by the GRANTEE and reported to DHCD with each required report and at project closeout.

3. Any professional services must be procured in accordance with the Virginia Procurement Act. The GRANTEE must submit any contracts obligating PHCRF funds for review prior to any contract being executed. The GRANTEE also must submit documentation to detail that procurement requirements have been met, prior to any execution of contracts.

4. Grant funds will be disbursed on a reimbursement basis only. Request for funds will be completed through the CAMS (Centralized Application and Management System). Along with the reimbursement request, the Grantee will also upload and include documentation and proof of reimbursable expenditures (such as invoices, cancelled checks, source documents, etc). The Grantee will also be required to provide an update on match expenditure with the reimbursement request.

5. The GRANTEE must submit the final disbursement request to DHCD no later than **January 31, 2025,** in order to guarantee payment.

6. To expedite receipt of payment, it is recommended that Grantees contact the Virginia Department of Accounts (DOA) to arrange for electronic transfer of PHCRF funds. The forms to establish electronic payment with DOA are available at www.doa.virginia.gov. At the home page, click on the Electronic Data Interchange (EDI) link button on the right. Scroll down to the *Trading Partner Agreement and Enrollment* form for Localities and Grantees. Print the form, fill it out and submit it. Instructions on filling out the form are on the third page of the document.

7. The GRANTEE must submit one of the following financial documents: Financial Statement, Reviewed Financial Statement prepared by an independent Certified Public Accountant (CPA), Audited Financial Statement prepared by an independent CPA or an OMB A-133 Audit (Single Audit) prepared by an independent CPA. Please see the table below to determine which document your organization is required to submit.

   The threshold requirements outlined below are the *minimal* standards required by DHCD. We strongly encourage all organizations receiving funds from DHCD to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

Threshold Requirement	Document
Total annual expenditures ≤$100,000 – regardless of source	Financial Statement prepared by organizations
Total annual expenditure between $100,001 and $300,000 – regardless of source	Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures > $300,000 – regardless of source	Audited Financial Statement prepared by an Independent CPA
Federal expenditures ≥$750,000	OMB A-133 Audit (Single Audit) prepared by an Independent CPA

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at: http://www.dhcd.virginia.gov/images/DHCD/DHCD_Audit_Policy.pdf.

8. GRANTEE will provide a close out report by **January 31, 2025**, reflecting achievements with meeting performance goals as indicated in the approved grant proposal.

9. DHCD reserves the right to request and receive additional documentation pertaining to non-professional service or other contracts obligating PHCRF funds prior to approving drawdown requests.

10. DHCD reserves the right to end funding at any point should the project prove nonviable. This includes, but may not be limited to, lack of progress in conformance with the approved project proposal.

11. The Economic Development Authority of the City of Newport News, Virginia must secure the PHCRF investment, through the execution of restrictive language to the deed on the property for a period of five (5) years from the date of this grant closeout to insure that the facility will remain in use as this intended funded purposed. In the event that ownership transfer or change in the use of the property is proposed, at any time prior to five (5) years, the GRANTEE must notify DHCD immediately. DHCD may require prorated repayment of the grant under these circumstances. The legal documentation must be submitted to DHCD before any PHCRF construction funds will be released to the GRANTEE.

12. The following items must be performed in CAMS:

    a. The original executed Grant Agreement must be mailed to DHCD. A fully executed copy will be uploaded into "Projects and Reports" in CAMS.
    b. All products required by this contract must be uploaded into "Projects and Reports" in CAMS.

c. All remittance requests must be submitted through "Remittance" in CAMS.
d. Complete and upload all quarterly progress reports in a timely manner.
e. If products are submitted at the same time as a remittance request, the explanation text box at the bottom of the Remittances screen must note this fact.
f. Entities shall file the required financial document (see Section 7) in the Centralized Application and Management System (CAMS) within nine (9) months after the end of their fiscal year or 30 (thirty) days after it has been accepted (Reviewed Financial Statement, Audited Financial Statement, and OMB A-133 Audit only) - whichever comes first.

GENERAL CONDITIONS

1. DEFINITIONS - Whenever used in the Contract Documents the following terms when written in all capital letters shall have the meanings indicated and shall be applicable to both the singular and plural thereof:

   A. ACTIVITY - A PROGRAM activity which constitutes a specific portion of the PROGRAM, and as such is covered by its own budget account.

   B. AMENDMENT - A formal addition or modification to the Contract Documents which has been approved in writing by both parties, and which affects the scope, objectives or completion date of the PROJECT, or which affects the manner in which the PROJECT is to be carried out.

   C. APPLICANT - The entity which made the proposal for Port Host Communities Revitalization Fund (PHCRF) Program funding and accepted responsibility for assuring compliance and performance of all conditions.

   D. ASSURANCES - The ASSURANCES which are attached to this document.

   E. PORT HOST COMMUNITIES REVITALIZATION FUND -The funds, the PROJECT and PRODUCTS to be funded, and all conditions, laws and regulations affecting administration of funds currently in effect or as subsequently amended, and provided by DHCD to the GRANTEE.

   F. CONTRACT DOCUMENTS - The legal agreement between DHCD and the GRANTEE including the AGREEMENT and all documents referenced in paragraph 9 thereof.

   G. GRANTEE - The entity which is the recipient of Port Host Communities Revitalization Funds and as such must comply with CONTRACT DOCUMENTS.

   H. PROGRAM - The physical activities undertaken to meet the overall stated objective for which the Port Host Communities Revitalization Fund (PHCRF) Program funding is utilized.

   I. WORK - All labor, equipment and materials necessary to produce the construction of the Project as required by the CONTRACT DOCUMENTS.

   J. WRITTEN NOTICE - Any notice from one party to the AGREEMENT to the other signed by an authorized official which transmits binding statements of fact or condition and is delivered to the appropriate authorized official either in person or through the United States mail.

2. ADMINISTRATIVE PROCEDURES - The GRANTEE shall perform all contracted WORK and administer all grant funds and activities in conformance with the general terms and special conditions set forth where required in THE PROGRAM DESIGN, and any WRITTEN NOTICES from DHCD.

3. ACCOUNTING RECORDS - The GRANTEE shall establish and maintain separate accounts within its existing accounting system for these funds. The GRANTEE shall record in its accounting system all Grant payments received by it pursuant to this Grant and all other funds provided for, accruing to, or otherwise received on account of the Grant.

   All costs, including paid services contributed by the GRANTEE or others, charged to the Grant shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Grant shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall reside at the offices of the GRANTEE locality.

4. COSTS INCURRED PRIOR TO GRANT AGREEMENT EXECUTION - No costs incurred prior to **July 30, 2023,** shall be eligible for reimbursement with GRANT funds.

5. PROGRAM BUDGET - The GRANTEE shall carry out activities and incur costs only in conformance with the latest approved budget for the Grant and subject to the provisions of these CONTRACT DOCUMENTS. The budget may be revised, but no such budget or revision shall be effective unless and until the Department shall have approved the same in writing.

6. RECORDS - The GRANTEE shall maintain such all records related to this Grant. Records shall be readily accessible to DHCD, appropriate State agencies, and the general public during the course of the project and shall remain intact and accessible for three years from final closeout. Except if any litigation claim or audit is started before the expiration of the three year period the records shall be retained until such action is resolved. Notwithstanding, records of any nonexpendable property must be retained for a three year period following final disposition.

7. REPORTS - The GRANTEE shall furnish, regularly and in such form as DHCD may require, reports concerning the status of project activities and grant funds. Such reports shall be submitted in the form and manner as prescribed herein and in WRITTEN NOTICES from DHCD.

   All reports shall be completed in full and submitted at the time prescribed by DHCD. Reports shall contain accurate information and shall detail any problems, delays or adverse conditions experienced.

8. QUALITY CONTROL - The GRANTEE accepts the responsibility to assure that all grant funded PRODUCTS shall be implemented with the highest possible degree of competence, workmanship, quality and cost effectiveness.

9. COMMUNICATIONS - WRITTEN NOTICES shall constitute the only means of binding statements of fact or condition between the parties of this agreement. All required reports and requests to be issued by the GRANTEE must be made by way of a WRITTEN NOTICE unless other means are specified in the CONTRACT DOCUMENTS. *Please note that project-specific technical assistance provided via email does NOT have the weight of official WRITTEN NOTICE. Rather, it is comparable to oral technical assistance discussions*. All directives, findings and other formal issuance by DHCD must be transmitted through a WRITTEN NOTICE unless otherwise specified in the CONTRACT DOCUMENTS.

   WRITTEN NOTICES shall be signed by and addressed to the appropriate authorized official and shall be considered transmitted when delivered in person or through the United States mail.

   The GRANTEE shall act upon and respond to WRITTEN NOTICES promptly as directed.

10. METHOD AND TIMING OF PAYMENT - The GRANTEE shall utilize Request for Payment procedures as specified by DHCD. The GRANTEE shall request funds only for those amounts which have been obligated, encumbered, or expended through other accounts and which can be expended upon receipt or soon thereafter. To this end, the GRANTEE shall develop a financial management system which provides for timely expenditure of requested GRANT funds.

11. DRAWDOWN AND PAYMENT OF GRANT FUNDS - Drawdowns and expenditures of PHCRF funds must be made subsequent to or in proportion to other funds within the budget per activity.

12. BUDGET REVISIONS/AMENDMENTS - The GRANTEE shall not obligate, encumber, spend or otherwise utilize Port Host Communities Revitalization Fund (PHCRF) program funds for any activity or purpose not included or not in conformance with the budget as apportioned and as submitted to DHCD unless the GRANTEE has received explicit approval by WRITTEN NOTICE from DHCD to undertake such actions.

13. TERMINATION, SUSPENSION, CONDITIONS

    a. FOR CAUSE - If through any case, the GRANTEE or DHCD fails to comply with the terms, conditions or requirements of the CONTRACT DOCUMENTS the other party may terminate or suspend this AGREEMENT by giving WRITTEN NOTICE of the same and specifying

the effective date of termination or suspension at least five (5) days prior to such action.

If, after the effective date of any suspension of this AGREEMENT, it is mutually agreeable to DHCD and the GRANTEE upon remedy of any contract violation by the GRANTEE or DHCD, the suspension may be lifted and the AGREEMENT shall be in full force and effect at a specified date after the parties have exchanged WRITTEN NOTICES stating a mutual understanding that the cause for suspension has been identified, agreed to and remedied.

In the case of contract violations by the GRANTEE, DHCD may impose conditions other than termination or suspension which are appropriate to ensure proper grant and project administration and adherence to the terms of the CONTRACT DOCUMENTS. Such conditions must be imposed through WRITTEN NOTICE.

b. FOR CONVENIENCE - DHCD may terminate this AGREEMENT, FOR CONVENIENCE, in the event that DHCD is no longer authorized as an agency to administer the Port Host Communities Revitalization Fund or if the funds allocated are no longer available.

The GRANTEE may terminate this AGREEMENT for convenience at any time provided that all of the following conditions are met:

i. The GRANTEE gives DHCD ten (10) days WRITTEN NOTICE; and

ii. The PRODUCTS which have been initiated either have been completed and may be utilized in their stage of completion in a manner consistent with the objectives in the GRANTEE'S PROJECT Proposal, or will be completed by the GRANTEE through its own or other resources; and

iii. The GRANTEE had honored or will honor all contractual obligations to third parties affected by the Port Host Communities Revitalization Fund (PHCRF); and

iv. DHCD agrees to the termination.

A GRANTEE'S valid termination for convenience in accordance with these CONTRACT DOCUMENTS shall not affect nor prejudice the GRANTEE'S future relationship with DHCD nor its future consideration as an Port Host Communities Revitalization Fund (PHCRF) recipient.

14. SUBSEQUENT CONTRACTS - The GRANTEE shall remain fully obligated under the provisions of the CONTRACT DOCUMENTS notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the ACTIVITIES for which the Grant assistance is being provided to the GRANTEE.

    Any GRANTEE or CONTRACTOR or SUBCONTRACTOR which is not the APPLICANT shall comply with all the lawful requirements of the APPLICANT necessary to ensure that the PROGRAM for which this assistance is being provided under this AGREEMENT is carried out in accordance with the APPLICANT'S Assurances and Certifications.

15. POLITICAL ACTIVITY PROHIBTED - None of the funds, materials, property or services contributed by the DHCD or the GRANTEE, under this AGREEMENT, shall be used in the performance of this AGREEMENT for any partisan political activity, or to further the election or defeat of any candidate for public office.

16. INTEREST OF MEMBER OF AGENCY AND OTHERS - No officer, member, or employee of the GRANTEE and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this PROGRAM shall participate in any decision relating to this AGREEMENT which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this AGREEMENT or the proceeds thereof.

17. OFFICIALS NOT TO BENEFIT - No member of or delegate to the Congress of the United States of America and no Resident Commissioner shall be admitted to any share or part hereof or to any benefit to arise there from.

18. CERTIFICATIONS - The GRANTEE certifies that it will comply with the following:

    A. Freedom of Information Act;
    B. Virginia Conflict of Interest Act;
    C. Virginia Fair Employment Contracting Act;
    D. Virginia Public Procurement Act; and
    E. Americans with Disabilities Act (ADA).

19. GRANTEE will comply with:

    Title VI of the Civil Rights Act of 1964 (Pub. L 88-352), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the grantee receives Federal or State financial assistance and will immediately take any measure necessary to

effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal or State financial assistance extended to the grantee, this assurance shall obligate the grantee, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal or State financial assistance is extended or for another purpose of involving the provision of similar services to benefits.

Consideration: $0

Prepared By:
City Attorney's Office
2400 Washington Avenue
Newport News, VA 23607
Tel: (757) 926-8416
Fax: (757) 926-8549

Exemption Claimed Under Section 58.1-811.A.3. For Taxes Imposed by Section 58.1-801 on a Conveyance to the Commonwealth.

Exemption Claimed Under Section 58.1-811.C.4. For Taxes Imposed by Section 58.1-802 on a Conveyance by a Virginia City.

Title Insurance: Unknown

Portion of Tax Map No. 315.0001-19
2295 Harbor Road

THIS RESTRICTION AGREEMENT is made this 10th day of October, 2023, by and between the **CITY OF NEWPORT NEWS, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia ("CITY"), and the **VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**, a State agency of the Commonwealth of Virginia ("DHCD").

WHEREAS, the CITY is the owner of certain real property located in the City of Newport News, being a portion of Tax Map Identification Number 315000119, and described as Parcel 1, containing 15,744 square feet, more or less, as shown on Exhibit A, attached hereto and made a part hereof (the "Property"); and

WHEREAS, DHCD awarded a FY23 Port Host Communities Revitalization Fund Grant (the "FY23 PHCRF Grant") in the amount of $300,000.00 to the City to make improvements to the Property supporting its use as a restaurant; and

WHEREAS, the CITY and DHCD entered into that certain Agreement dated July 30, 2023 for the FY23 PHCRF Grant; and

WHEREAS, as a condition to DHCD's disbursement of the FY23 PHCRF Grant to the CITY for improvement of the Property, DHCD requires the placement of a recorded covenant among the land records of the Office of the Clerk of the Circuit Court of the City of Newport News, Virginia upon terms as hereinafter set forth.

NOW, THEREFORE, in consideration of the recitals and the disbursement of the PHCRF Grant to the CITY for the improvement of the Property, the parties agree as follows:

1. The CITY does hereby covenant unto DHCD that for a period of five (5) years (the "DHCD Compliance Period") from the date of the recording of this Restriction Agreement, the Property will be used as a restaurant, or in support of restaurant or related activities.

2. The CITY covenants to notify DHCD immediately in writing if during the DHCD Compliance Period there is (i) a change in ownership of the Property, or (ii) any change in use of

the Property that would cause the Property to no longer be considered a restaurant, or used in support of restaurant or other related activities, or otherwise no longer be qualified for the FY23 PHCRF Grant.

3. In the event that a change in ownership or change in the use causes the Property to no longer be a restaurant, or used in support of restaurant or other related activities, or no longer be qualified for the FY23 PHCRF Grant, DHCD may require the City to make pro-rated repayment (the "Repayment") of the FY23 PHCRF Grant under these circumstances in the amount (the "Repayment Amount") determined by the calculation as follows: the Repayment Amount shall be the product of the FY23 PHCRF Grant amount of $300,000.00 multiplied by a fraction, the denominator of which shall be 5 and the numerator of which shall be the number of years that are remaining from the date of the recording of this Restriction Agreement to the date at which DHCD requires a Repayment.

4. At the expiration of the DHCD Compliance Period, this Restriction Agreement shall terminate and the parties shall have no further obligation hereunder.

5. All notices, requests and other communications given under this Restriction Agreement must be in writing and delivered personally, by electronic mail, by reputable overnight courier service, or by certified mail, postage prepaid, addressed as follows:

To the CITY: City of Newport News, Virginia
2400 Washington Avenue, 3rd Floor
Newport News, VA 23607
Attn: Director of Development
Email: kingstonfg@nnva.gov

With copy to: City of Newport News, Virginia
2400 Washington Avenue, 9th Floor
Newport News, VA 23607
Attn: City Attorney
Email: owenscl@nnva.gov

To DHCD: Virginia Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, VA 24320
Attn: Rebecca Rowe, Associate Director
Email: rebecca.rowe@dhcd.virginia.gov

Notices will be deemed delivered as follows: (i) if delivered personally, upon delivery, (ii) if delivered by electronic mail, upon delivery (provided no notice of failure of delivery is received by the sender), (iii) if delivered by reputable overnight courier, as of 12:00 noon on the business day designated to such courier for delivery at the address given above, delivery fee prepaid, or (iv) if delivered by certified mail, as of the fifth business day after deposit in the US Mail, at the address given above, postage prepaid and return receipt requested. Either party may change its address for notice purposes by giving notice hereunder.

6. If any provision of this Restriction Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of this Restriction Agreement shall not be affected thereby.

7. The covenants, conditions and agreements contained in this Restriction Agreement shall bind and inure to the benefit of the CITY and DHCD and their respective successors and assigns.

8. No amendments or modification of this Restriction Agreement shall be valid or binding unless expressed in writing and signed by the party or parties to be bound thereby.

IN WITNESS WHEREOF, the CITY and DHCD have executed this Restriction Agreement as of the day and year first above written.

CITY OF NEWPORT NEWS, VIRGINIA

By _____
Alan K. Archer, Acting City Manager

ATTEST:

_____
Mabel Washington Jenkins, MMC, City Clerk

Approved as to form:

_____
Collins L. Owens. Jr., City Attorney

COMMONWEALTH OF VIRGINIA
CITY OF NEWPORT NEWS, to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2023, by Alan K. Archer, Acting City Manager, and Mabel Washington Jenkins, City Clerk, of the City of Newport News, Virginia.

_____
Notary Public

My commission expires: _____
Registration Number: _____

VIRGINIA DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

By _____
Sara J. Dunnigan, Deputy Director

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this_____ day of _____, 2023 by Sara J. Dunnigan, the Deputy Director of the Virginia Department of Housing and Community Development.

_____
Notary Public

My commission expires: _____
Registration Number: _____

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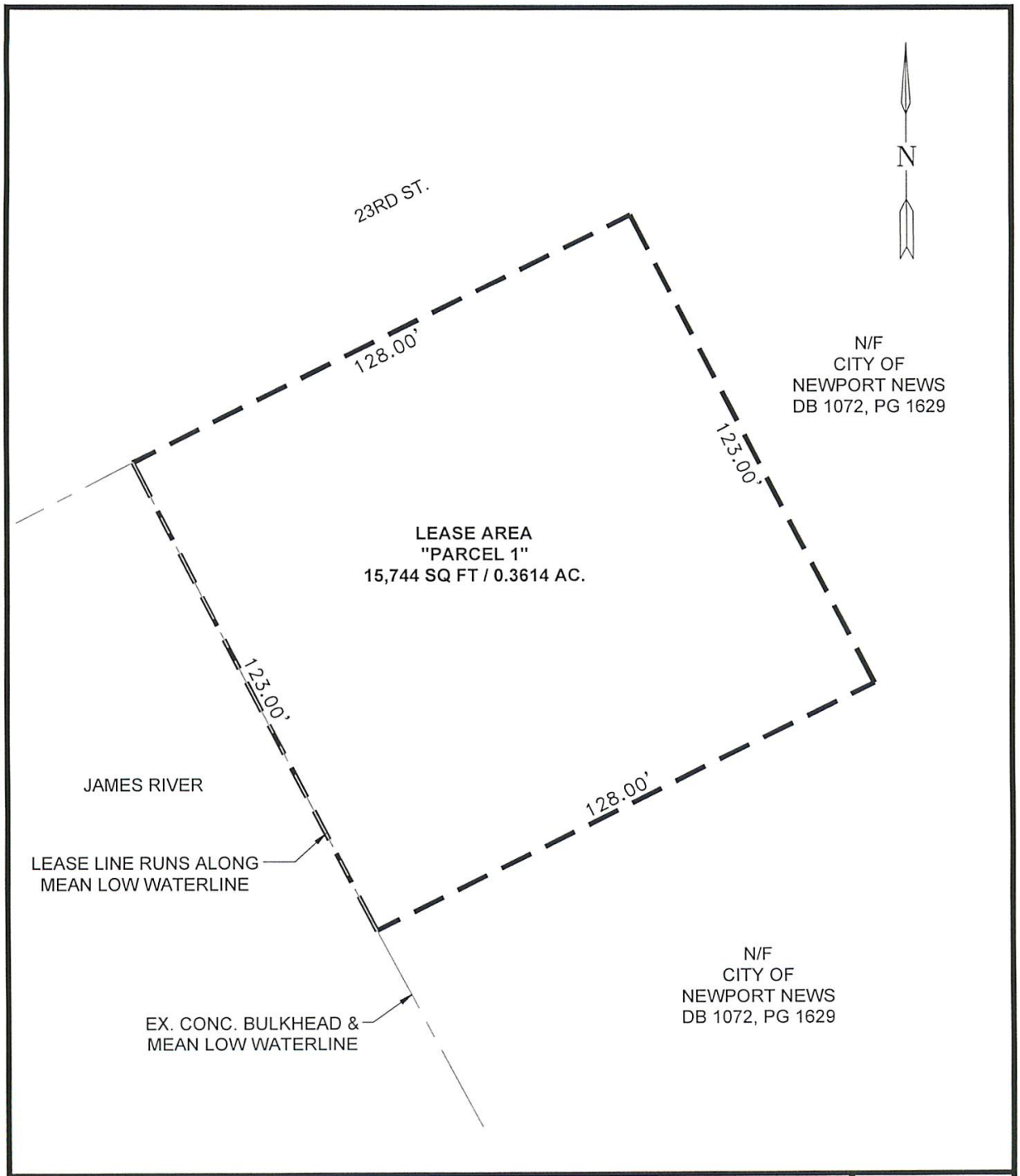
EXHIBIT A



CITY OF NEWPORT NEWS	EXHIBIT SHOWING LEASE AREA OF PARCEL 1 CITY OF NEWPORT NEWS, VIRGINIA	CORPORATION OF NEWPORT NEWS VIRGINIA

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MINUTES OF WORK SESSION

OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE 10TH FLOOR CONFERENCE ROOM
2400 WASHINGTON AVENUE
TUESDAY, SEPTEMBER 26, 2023, 4:30 P.M.

MEMBERS PRESENT: Councilman Marcellus L. Harris III, D. Div.; Mayor Phillip D. Jones; Councilman Cleon M. Long, P.E.; Councilwoman Tina L. Vick; Vice Mayor Curtis D. Bethany, III; and Councilman John R. Eley, III

MEMBERS ABSENT: Councilwoman Dr. Patricia P. Woodbury

OTHERS PRESENT: Alan Archer, Collins L. Owens, Jr., Mabel Washington Jenkins, Darlene Bradberry, Robert Pealo, Lisa Cipriano, Cory Cloud, Constantinos Velissarios, Scarlet Stiteler, Susan Goodwin, Virginia Lovell, Sheila McAllister, Flora Chioros, Allison Dichoso, Virginia Blount-Moore, Florence Kingston, Frank James, Cleder Jones, Michael Poplawski, Karen Wilds, Derek Perry, Robert Pealo, Shelly Ezanno, Marquise Johnson, Shanti Mullen, Craig Galant, Jerri Wilson, Police Chief Steve Drew, Interim Fire Chief Wesley Rogers, Jeffrey Senter, Jered Grimes, James McElheney, Marlin McDaniel, David Freeman, Eoghan "Owen" Miller, Tiffany Conatser, Justin Russell, Kristin Chhim, Josh Janney, and Zina F. Middleton

I. Fiscal Year 2023 Fourth Quarter Report

Acting City Manager Archer introduced Ms. Lisa Cipriano, Director, Department of Budget and Evaluation, to provide an overview of the Fiscal Year 2023 General Fund Year-End Report based on preliminary Fourth Quarter Results (see Fiscal Year 2023 General Fund Year-End Report based on Preliminary Fourth Quarter Results – September 26, 2023, attached and made a part of these minutes).

Ms. Cipriano advised that the budget process began 12 - 24 months prior and had finally come to fruition. She indicated the Finance Department had several weeks of adjustments to make, but the presentation seen today was a brief overview of budget the actual comparison of what was started on July 1, 2022. She reminded City Council that the FY 2023 Budget began during the COVID-19 pandemic in late 2021 and early 2022. She shared that the FY 2023 Budget was built on the views of a recession that could happen in 2023, based on the revenue numbers and expectations were for prolonged inflation and a harsh recession. She indicated that what had proven true during and prior to COVID and continued, was that real estate, personal property, and machinery and tools were strong and solid. The real estate, personal property, and machinery and tools taxes had performed according to estimates and had exceeded in most cases.

Ms. Cipriano shared that the FY 2023 General Fund Budget was $581.45 million. In summary, she shared the following details of FY 2023 Fourth Quarter Projections (unaudited, as of June 30, 2023):

Revised Budget - $581.4 million

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- Developed during on-going COVID conditions; moderated revenue projections to more conservative estimates, anticipating recession during FY 2023
- Core Revenue Base – Real Estate, Personal Property, Machinery and Tools – were solid
- Consumer sensitive taxes temporarily enhanced by inflationary pressures

Ms. Cipriano indicated that the consumer sensitive taxes (sales, meals, lodging, amusement and Business Professional Occupational License (BPOL) taxes had remained strong, but recognized that those receipts were driven primarily by inflation. She reviewed the general fund and shared that real estate taxes, after the City deducted $4 million dollars for tax relief, the City came in $1.5 million above the budget of the $240 million revenue estimate. She indicated the estimated personal property tax for FY 2023 were collected at a rate of 75 percent of the assessed value and the other half was collected at 100 percent of the assessed value. That, combined with delinquencies and current taxes, the City collected $2.8 million higher than estimated which offset the $2.9 million loss in machinery and tools. She indicated that sales tax was adjusted in February 2023 after the second quarter revenue estimates continued to be strong and the City collected about $34 million regardless of inflation. Ms. Cipriano shared that the meal tax category estimate increased at $1.8 million. She reminded the collection in lodging and amusement taxes was particularly sensitive during COVID, but collections were back at pre-COVID levels. She shared that tax on deeds were aggressive during COVID when the housing market was at its highest, the federal reserve's actions of raising interest rates 11 times to bring down and moderate inflation had its effect on taxes on deeds revenue source. The City collected approximately $150,000 each month in taxes on deeds. Ms. Cipriano advised that Business Professional Occupational License taxes were paid on a calendar year basis - included were receipts for contractors, retailers, wholesalers, and repairs. She shared this was the third year the City had been in the $3 million dollar level above what was estimated. She indicated the area businesses were showing strong behavior during the fiscal year. Ms. Cipriano summarized the major general fund revenues as follows:

Major General Fund Revenues

	Budget	Variance
Real Estate Taxes*	$240.0 million	+ $1.5 million
Personal Property*	$ 69.5 million	+ $2.8 million
Machinery and Tools	$ 30.8 million	($2.9 million)
Sales Tax	$ 34.8 million	($616,000)
Meals Tax	$ 32.3 million	+ $1.8 million
Lodging Tax	$ 4.1 million	+ $686,000
Amusement Tax	$700,000	+ $149,000
Taxes on Deeds	$ 2.7 million	($602,000)
BPOL	$ 18.7 million	+ $3.3 million
Interest Earnings	$ 1.5 million	+ $8.7 million

*Current, Delinquent, Tax Relief, Public Service Corporations

Ms. Cipriano shared that the Year End Projected Revenue Surplus was **+$26.0 million or 4.5%**.

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Expenditure Performance

Ms. Cipriano reminded that the City continued to operate in a strict controlled expenditure level, because inflation had to be addressed, which was affecting the City's purchase of goods and services. She shared there had been saving of approximately $13 million in salaries and benefits, because the City had hard to fill positions in some job classes. She indicated prolonged vacancies helped generate the almost $13 million dollars in savings. Contractual services was one area that was impacted by inflation with approximately $500,000 of overage was for the hiring of security staffing. She advised that contract put the City in an inflationary clause and paid over a half million dollars more. Ms. Cipriano indicated the materials and supplies were the items purchased which was where there was the greatest control, the City was able to slow down without changing or affecting citizen services, with saving of approximately $2 million. She advised that all other expenses included debt service, transfers to schools, federal and state grants, and approximately $456,000 in a contribution to Port – the homeless and winter sheltering program to take care of overnight sheltering and continued social distancing as there was an unfortunate flu outbreak at the end of the program that required additional cleaning and servicing. Ms. Cipriano summarized the major expenditures as follows:

Major Expenditures

	Budget	Variance
Salaries & Benefits	$258.1 million	+ $13.2 million
Contractual Services	$ 29.0 million	($783,000)
Materials/Supplies	$ 39.8 million	+ $ 1.9 million
Other Operating Costs	$254.5 million	($1.1 million)*

* Included Transfer to Schools, Debt Service, Community Support, Federal and State Grants. $420,000 more in Grants over $4.0 million budget.

Ms. Cipriano advised that the Finance Department would continue to make adjustments up until the audit, if necessary. She indicated to complete the budget process the recommendation was to transfer $15.5 million to cash capital at year-end, which provided ready cash for unprogrammed and unplanned projects to assist the City by deferring borrowing and paying interest on that much debt in the future. She shared that over $24 million would roll into fund balance at year-end should the Finance Department made adjustment, that would increase the unassigned fund balance and create a reserve balance of approximately $13 million. She shared that the reserve balance percentage would increase from 14.2% to 14.8%, which signaled to the rating agencies that the City was planning for the future. She indicated that the City was conservative and wanted to grow its fund balance and the Finance Department would continue with closing activities which included write-offs of uncollected taxes and bad debts through the end of the fiscal year. In December a report from the external auditors would explain how the financial picture looked. The year-end report from the Finance Department would be reflected as the official record of the financial activities. Ms. Cipriano summarized the FY 2023 year-end adjustments as follows:

FY 2023 Year-End Adjustments

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- Contribution of $15.5 million to Cash Capital to moderate future debt borrowings
- Combined General Fund Year-End Balance estimated at $24.3 million increase. Year-End Balance would go into Reserves, increasing reserves balance to approximately $14.8% - up from 14.2%
- Finance would continue year-end closing – final FY 2023 Annual Comprehensive Financial Report to City Council in December 2023

Councilman Long questioned whether the $15 million was included in the $24 million. Ms. Cipriano replied that was in two separate amounts, and that the $24 million surplus would be year-end result after the $15 million was moved to Cash Capital funds.

FY23 Fourth Quarter Report - Memo & Presentation - 9.26.2023

II. Choice Neighborhoods Initiative Update

Acting City Manager Archer, introduced Mr. Eoghan "Owen" Miller, Acting Assistant City Manager (ACM); Ms. Karen Wilds, Executive Director, Newport News Redevelopment and Housing Authority; and Mr. Derek Perry, Assistant Director, Department of Development, to provide an update of the Choice Neighborhoods Initiative (CNI) (a copy of the presentation "Choice Neighborhoods Initiative (CNI) – September 26, 2023, is attached and made a part of these minutes).

ACM Miller indicated that an overview and progress report would be provided on the Choice Neighborhood Initiative (CNI) and thought it would be timely to provide the new City Councilmembers with an update. ACM Miller thanked City Council, staff from all the departments, division agencies, citizen advisory committees, community support, stakeholders, and the residents who had been involved and engaged since the planning stages.

ACM Miller shared CNI background as follows:

Great Beginnings

- 2016: Awarded $500,000 Choice Neighborhoods Initiative Planning Grant to create The Transformation Plan
  - Over the course of 12 – 18 months community input was collected and feedback on the plan became a model for Housing and Urban Development (HUD) on how to conduct a citizen-centered focused approach to creating the plan.
  - 70 public meetings were conducted with approximately one thousand participants
- Target neighborhood: Marshall-Ridley
- Target housing area: Ridley Place

ACM Miller reminded that the City was not successful with the initial submission for the Implementation Grant in 2017, but received good feedback, was used to apply the following year. He advised that in May 2019, the Newport News Redevelopment and Housing Authority and the City of Newport News received a $30 million grant from the U.S. Department of Housing and Urban Development's (HUD) Choice Neighborhoods Initiative (CNI) program. He shared that another cohort

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of Implementation Grant recipients at that time (City of Norfolk). He indicated that while $30 million was certainly a lot, and was a catalyst for the additional leverage that not only the City provided, but a lot of our other partnering agencies such as state, federal, and local stakeholders. ACM Miller stated that throughout the different plans did take a lot of money and team effort to get to where the City wanted to be.

ACM Miller shared that the CNI was based on three plans: 1) People, 2) Housing, and 3) Neighborhood.

People Plan

ACM Miller shared that the people plan centered around the 256 families from Ridley Place. He advised the lead agency working with the people plan was Urban Strategies Incorporated (USI) who brought a wealth of experience from working with over a dozen CNI Implementation Grant localities. He shared initially during the move out, the goals for the people plan were as follows:

- Improve access to quality health services
- Reduce food insecurity and encourage healthy living
- Increase availability of and strengthen early education programs
- Create continuum of enriched learning and support opportunities
- Strengthen school-to-career pathways
- Fill in the skills gap and bolster job readiness
- Boost employment opportunities
- Foster resiliency and self-sufficiency

ACM Miller indicated the Marshall-Ridley families were supported by a local team that consisted of the following:

- Regional Vice President
- Operation Directors (3)
- Interim Senior Project Manager
- System Analyst
- Family Support Specialist Lead
- Family Support Specialists II (2)
- Education Specialist-Vacant

ACM Miller advised of the following details of the support Urban Strategies, Inc. (USI) provided to the Marshall-Ridley Neighborhood:

- USI became the People Plan Lead in March 2022 and began working directly with families in June 2022.
- USI used a results-based framework to provide support to target families. Data was gathered monthly around **economic mobility, health, education, housing stability** to support target families and ensure they are stable and thriving. The first step in USI's family support model protocol included a comprehensive assessment of each participant and their household. The

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assessment was used to identify the household's strengths, needs, assets, and goals related to employment, education, health, economic mobility, and housing stability.

- USI implemented support to Target Families, coordinated partnerships with supportive service partners, including Newport News Public Schools, and developed a resourcing strategy for the long-term sustainability of the People Strategy.
- There were 174 families currently enrolled in family supportive services.

NNPS Current Employed Strategies 2023-2024

ACM Miller provided a population snapshot: the NNPS CNI cohort currently consists of 205 students ranging from grades Pre-K to 12th grade. Students were located at 36 of the 41 total schools in the district. As families transition back into the Marshall-Ridley neighborhood, the partnership with NNRHA allows students to be identified and coded seamlessly.

- **Kindergarten Readiness**
  - 100% of Early Learners would receive activity calendars and books every month that focus on the Virginia Department of Education (VDOE) Five Areas of Development.
  - 100% of Early Learners would have access to virtual tutoring to support learning loss.

- **Academic Proficiency**
  - NNPS would assist families in growing their at home libraries through monthly literacy resource distribution.
  - Field trips to allow students and families to build background knowledge to connect with tiered testing.
  - All youth were offered priority enrollment in extended learning programs applicable to their academic grade level.

- **College and Career Readiness**
  - 100% of High School Seniors had a Post-Graduation goal-setting plan completed by the end of October.
  - 100% of High School students retain priority in enrolling in Credit Advancement and Credit Recovery opportunities.
  - 100% of High School students would have access to 1:1 online tutoring services.

ACM Miller shared that USI had assessed 174 Marshall-Ridley families enrolled and continued the outreach to families to provide family supportive services. He shared the August 2023 snapshot shown:

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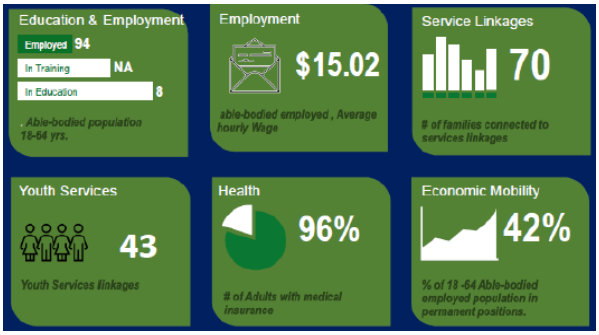

Housing Plan

Ms. Wilds expressed her excitement to share the progress in the housing plan for CNI. She wanted to thank City Council for its on-going support, staff, stakeholders, and all involved to make the CNI implementation successful and transformational. She shared the following Housing Plan Goals:

- Provide diverse housing types for a diverse community
- Integrate various housing types in an indistinguishable manner
- Provide affordable housing in an equitable way
- Increase homeownership rate
- Foster community

Ms. Wilds advised that the obsolete Ridley public housing complex was built in the early 1940s. In preparation for revitalization and site clearance tenant protection vouchers were provided to the families who lived at Ridley to ensure that their housing costs did not change from where they lived at Ridley Place, and being able to use a voucher to live in the private sector. The tenant protection voucher was a feature of the Choice Neighborhoods Initiative that provided an opportunity for families who wished to return to the area. She indicated during the transition phase that Ridley families had the ability and the mechanism to be able to return. She shared the location of the Ridley families by zip code as follows:

Zip Code	Percentage
23601	9%
23602	6%
23605	7%
23606	7%
23607	38%
23608	20%
In Region	10%
Out-of-State	3%

Ms. Wilds shared the status and details of the three phases of housing developments in the CNI area as follows:

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- The Lift and Rise on Jefferson - 81 units/38 replacement units – Construction Completed
- Ridley Phases 2 (North) and 3 (South) – 155 units/79 replacement units – Construction Underway/Completion, Spring-Summer 2024
- Downtown 28th Street and Washington – 73 units/25 replacement units – Tax Credits Awarded and other financing being secured – Construction start late 2024

Ms. Wilds indicated that the plan called for scattered sites for single-family development throughout CNI. She advised there were also some lots that were reserved on the former Ridley site along Ivy Avenue to build some single-family homes for sale. She advised that none of the CNI dollars could be used on housing for sale; however, the goal was to include and increase home ownership in the Southeast Community.

Ms. Wilds advised of the CNI Housing Development costs and funding sources as follows:

• CNI Grant	$ 19,177,593
• Virginia Housing Tax Credits	$ 41,409,213
• Deferred Developer Fee	$ 1,414,004
• Hampton Roads Planning District	$ 500,000
• VA Department of Housing and Community Development	$ 12,000,000
• Virginia Housing Revitalization Grant	$ 3,305,310
• First and Second Mortgage Financing	$ 18,287,173
• Local	$ 21,509,095
• Ridley Site Infrastructure City of Newport News	$ 18,629,742
• Gap for current Downtown Phase (to be determined)	$ 2,827,420
TOTAL	**$139,059,550**

Ms. Wilds shared that all units but one in the Lift and Rise apartment complex between 27th and 29th Street had been leased to-date. She indicated of the 81 units included affordable units and replacement units, as well as 23 former Ridley households had returned and signed a lease at the Lift and Rise apartment complex. She shared pictures of the Housing Progress: Lift and Rise, Ridley Site Mixed-Use Building and Townhomes, Housing Progress: Former Ridley Site (Corner of Ivy Avenue and 18th Street and 16th Street and Jefferson Avenue), and Downtown Phase (Washington Avenue and 28th Street) shown on slides 19 – 23 of the attached presentation.

Ms. Wilds advised that the HUD representatives from Washington DC visited the City in early August and were impressed with the tour. She indicated City staff provided details about where the City was with financing. They were very impressed with the progress, the construction work moving forward, and with the quality of work. The City would continue to work with HUD and WRT (the design firm on the final design of the downtown effort) to make sure that the finances and resources were available and that the City maximized the quality and the design for the final phase. She was of the belief the Downtown project would be under construction within 10 or 11 months.

Regarding the Lift and Rise, with only one unit unoccupied, Councilman Harris inquired about the number of Ridley families that returned. Ms. Wilds replied 23 Ridley families had returned, advising

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that those families received their applications first because the Ridley families were priority. She indicated other families may choose to wait and move to the Ridley site, others may use the tenant protection voucher. She advised that two surveys were completed and working on the third survey to check in with Ridley families to ascertain their plans. A significant number had said they liked using their voucher and liked being where they were with the flexibility to move. She reminded that tenant protection voucher, and as long as they remained eligible for the tenant protection voucher, they would get the same sort of housing assistance received when they lived at Ridley, in terms of assistance and paying rent.

Councilman Eley questioned whether there would be any luxury apartments planned for the Southeast or Downtown communities. Ms. Wilds replied there would be market rate apartments, but was uncertain whether the apartments would meet the criteria of luxury apartments.

Councilman Long inquired about the goal to increase home ownership rates. Ms. Wilds replied the home ownership rate was approximately 50% of the entire City, but 37% in the Southeast community. She shared historically there had been many rental properties in the Southeast Community, but through the work done with the removal of the old Harbor and Dickerson Apartments and Ridley Apartments, that would change the percentage of the units available for home ownership. Ms. Wilds felt the revitalization of the Southeast Community and the new housing single-family development would contribute to the increase in the home ownership rate.

Councilwoman Vick expressed her appreciation for Ms. Wilds and City staff for taking on this herculean task. She indicated it was such a balancing act to prepare, move families, and demolish properties, look where the Southeast Community is today! Councilwoman Vick shared that she walked around the community and talked to residents. She was happy to report the people were happy with the new housing. As she met with the Lift and Rise residents in August 2023, with the majority extremely happy with the building. She inquired about the buildable vacant lot effort. Ms. Wilds replied there had been a list assembled of buildable vacant lots, and Mr. Miller worked to maintain that list. Councilwoman Vick indicated one could see a big difference in the Southeast Community. She indicated that many builders were happy to have an opportunity to bid on properties, because they did not have the money to do million dollar projects, but would be able to build up their portfolio. This was a win-win for the residents and the City. She again, thanked everyone involved.

Neighborhood Goals

Mr. Derek Perry shared the neighborhood goals were driven by the following five principles:

- **Connectivity:** Improve connectivity of the community to the larger region by increasing the number and frequency of transit options.
- **Economic Development:** Foster economic development along Jefferson Avenue to create a vibrant commercial corridor, supporting home-grown, neighborhood-based businesses.
- **Neighborhood Health:** Build upon the neighborhood's waterfront location and porch friendly character to make the community greener, more walkable and welcoming, energy efficient, and resilient.
- **Safety:** Create an environment that is welcoming, peaceful and safe so that residents and visitors feel at ease walking throughout the neighborhood.

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- **Sense of Place:** Embrace the community's culture and heritage to enhance and distinguish the neighborhood's character and establish a sense of place.

Mr. Perry indicated the City was aggressively in pursuing grant opportunities to help bring in outside capital from federal and state funding sources to really reduce that local commitment. He shared the critical community improvements and funding sources for the Marshall-Ridley CNI Project as follows:

Newport News - Marshall-Ridley CNI Project	CCI Plan - Budget			
	CNI CCI-Funding	City	Other	Total
CCI 1: Health & Wellness Trail	$ 2,658,000.00	$ 7,301,632.00	$ 764,800.00	**$ 10,724,432.00**
CCI 2: Commercial Rehabilitation at 2510 Jefferson Avenue	$ 1,316,460.00	$ 683,540.00	$ 500,000.00	**$ 2,500,000.00**
CCI 3: Ridley Commercial Condo	$ 525,540.00	$ 69,018.00	$ -	**$ 594,558.00**
Neighborhood Improvement: Gateway Signage	$ -	$ 84,000.00	$ -	**$ 84,000.00**
Neighborhood Improvement: Residential Façade Improvement Grant Program	$ -	$ 2,100,000.00	$ -	**$ 2,100,000.00**
Neighborhood Improvement: Seafood Market/Commercial Kitchen	$ -	$ 5,050,000.00	$ 940,994.00	**$ 5,990,994.00**
Total	**$ 4,500,000.00**	**$ 15,288,190.00**	**$ 2,205,794.00**	**$ 21,993,984.00**

Mr. Perry reminded that the development of the health and wellness trail mentioned earlier would be a part of the Ridley Redevelopment site. He shared the details of the Health and Wellness Trail as follows:

- Trail Segment from 18th Street to King-Lincoln Park
  - 18th to 12th Street
    - Site Development in Progress and Design Under Final Review
    - To be completed in tandem with Ridley Site
- 12th Street to King-Lincoln Park
  - Under Design by JMT

Mr. Perry shared details of the project at 2510 Jefferson Avenue as follows:

- Building rehabilitation project – 3,200 SF
  - 1st Floor
    - Two Retail Units, with one unit designed as a coffee shop
  - 2nd Floor
    - Two Office Suites
    - Construction to begin September 2023 with completion by Summer 2024

Mr. Perry advised of the Community Gateways as follows:

- Gateway Improvements:
  - 39th Street and Marshall Avenue
  - 25th Street and Jefferson Avenue
- Sign concept being developed in coordination with Communications Department

Mr. Perry indicated that residents were excited about the Residential Façade Program. He advised that the program was developed and being implemented by the Newport News Redevelopment and Housing Authority. Mr. Perry shared that NNRHA was seeking to build equity wealth with homeowners, help reward folks for their patience, and assist those impacted by living adjacent to a

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distressed public housing community. He indicated that this was an impactful project, once could really see the transformation of those homes, and the benefit to the homeowners. (Before and after photos were shown on slide 30 of the attached presentation). He shared the following details of the residential façade program:

- Residential Façade Grant Program
  - $20,000 Grant for Exterior Improvements
  - Owner-Occupied Dwellings within CNI Geography
- Program Status:
  - 113 Applicants
  - 17 Projects completed to-date

Mr. Perry advised of the seafood market project and one of the comments through the planning process was, "How do we make the catch, the product that came through the Seafood Industrial Park (SIP) more accessible to the neighborhood?" He indicated that was a topic for one of the neighborhood leadership class cohorts. He indicated that the locations at the head of the SIP working with Architects on the design, but the vision of vendor stall kiosks was an opportunity where there could be retail and wholesale seafood purchases. The goal was to have the Seafood Market be an amenity for the neighborhood, and residents, but also be an attraction that would draw people in. Mr. Perry summarized the details of the Seafood Market as follows:

- Seafood-Centric Market and Food Hall
  - Seafood Market with Vendor Stalls and Kiosks
  - Catering Kitchen Supporting On-Site Dining and Commissary Services
  - Currently under design with Work Program Architects

Vice Mayor Bethany inquired whether it was the goal for the City to own and operate the seafood market or whether upon completion the City would hire someone else to operate the market or whether the seafood market would be sold. Mr. Perry replied the seafood market would be owned by the Economic Development Authority (EDA). He advised that the EDA was facilitating the construction and would continue to work through the operating logistics, whether it would be a master operating agreement for the space or work to bring in tenants. He believed as the design progresses the EDA would be able to look at how the space would function and whether EDA would managed the leases directly with tenants or have a larger operating agreement with someone that could manage the site. He indicated that the EDA and the City wanted to find the best way for that space to be successful.

Councilman Eley questioned whether the seafood market would have the capability for local boaters to be able to dock and have access to the seafood market. Mr. Perry replied the design architects had been reviewing that possibility. In parallel with this project on dock improvements, there were two existing piers; however, those piers were a little worn, and while working on the designs, it included dredging the northern part of the harbor which was silted in and not accessible to some of the vessels. He advised the design work included reviewing installation of a dock system that would support the existing crabbers and the watermen utilizing the space, but also had an opportunity for public boat access and mooring in order for people to be able to enter into the harbor. He reminded that the City received grant funding from the United States Economic Development Administration in the amount

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of $660,000 that would support the seafood market and dock design, as well as the dredge project. Councilman Eley shared that he believed that would be great and the City could see a lot of traffic from the southside. He shared that three years ago he visited London and there were shipping containers that housed different shops and a variety of food, but every night it was packed and it provided the opportunity to try different types of foods. It also afforded private chefs and other entrepreneurs the opportunity to share their talents because everyone could not afford to go into a brick and mortar building. He indicated that new ideas could attract a lot of people from the southside, especially there was access to the dock.

Mr. Perry shared the Broader Neighborhood Projects (shown on slide 32 of the presentation and attached to these minutes) as follows:

- Virginia Peninsula Community College Workforce Center
- Modified Façade Improvement Grant
- Murals
- Early Childhood Development Center
- Southeast Community Resource Area (SECRA)
- Brooks Crossing Innovation and Opportunity Center (BCIOC)
- The Offices @ Two Five & J
- Resurgence Grant
    - $100,000 from DHCD to assist with implement of a rent credit program and expansion of the modified façade program, as well as the E-Commerce Grant

Vice Mayor Bethany shared that all of the plans and projects were phenomenal and he looked forward to seeing everything come to fruition. He reminded that the majority of the City Council were not a part of the original plans; and asked staff to make Council aware of any challenges or hurdles that could potentially arise.

Councilwoman Vick encouraged City staff to continue to apply for grant funding particularly for the Early Childhood Center and additional apartments. She indicated with COVID returning, the City needed to be prepared.

Mr. Miller shared there had been challenges and continued with the CNI anticipating there would be a challenge but this huge transformation both in terms of people's lives and the environment had been successful. He advised that a lot of credit should be given to Ms. Wilds and Mr. Perry for finding additional dollars. Staff would continue to work aggressively. It was his belief that the City was in a good position, had made major progress advancing the plan and getting within sight of the end.

CNI Update - Presentaiton - 9.26.2023

III. Special Events Update

Acting City Manager Archer, introduced Ms. Shelly Ezanno, Recreation Program Superintendent, Department of Parks and Recreation, to provide an update on the Fall and Winter Special Events (a

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copy of the presentation "Fall and Winter Special Events October 2023 – March 2024 is attached and made a part of these minutes).

Ms. Ezanno shared details of the Fall and Winter Special Event Lineup from October 2023 – March 2024 as follows:

Fall-O-Ween Festival (*Formerly "Fall Festival of Folklife"*)

- Newport News Park
- Saturday, October 7th and Sunday, October 8th
- 10:00 a.m. – 5:00 p.m. (both days)
- $10 Parking
- Halloween and Autumn Themed Vendors, Live Entertainment, Pumpkin Patch, Children's Activities, Food Vendors and More!

Celebration in Lights at Newport News Park

- Two (2) miles of Drive-Through of over 1 Million Holiday Lights
- November 23rd – January 1st
- 5:30 pm – 10:00 pm (nightly)
- $12 per car (Monday – Thursday) and $15 per car (Friday – Sunday)
- $10 per car for advance purchases (tickets could be purchased at Newport News Visitor Center (good any night)
- $75 per bus (nightly)

Lights at the Fountain at City Center at Oyster Point

❖ **Tree Lighting Event by City Council – Saturday, December 2nd**, 5:00 p.m. – 8:00 p.m.

- Tree Lighting Ceremony 6:30 p.m.
- Programming Included:
  - Live Entertainment and Performers
  - Food Vendors, Holiday Gift Vendors, Themed Games, Children's Activities, Giveaways, Instragrammable Moments, and More!

Lights at the Fountain

- Theme: Let It Glow
- December 2nd – January 1st
- NEW in 2023
  - Holiday Light Show
  - Optik – Interactive Art
- Hours of Operation: 5:00 p.m. – 9:00 p.m.

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- Free and Open to the Public

Holiday Frost at Downing-Gross Cultural Arts Center

- Friday, December 8th, 4:00 p.m. – 8:00 p.m.
- Theme: A Salute to 50 Years of Hip Hop
- Children's Activities on all three floors
- 360 Photo with Santa, Candy Crafts and More!
- RSVP Required at the Downing-Gross website

A Hip Hop Christmas Carol (Holiday Frost Theater Production)

- Downing Gross Cultural Arts Center
- Saturday, December 9th – Show Times: 11:00 a.m., 3:00 p.m. and 5:00 p.m.
- Tickets ($5.00) – on the Downing-Gross Website

ARTech Lights at NEW Location: Downing-Gross Cultural Arts Center (Light Show)

- Saturday, December 9th – January 1st, 5:00 p.m. – 9:00 p.m.
- Nightly Light Shows
- 30-foot Animated Tree
- Holiday Décor

❖ **ARTech Lights Event** – December 9th, 5:00 p.m. – 8:00 p.m.

- Programming Included:
  - Food Vendors, Silent Disco, DJ, Children's Activities, Snow Globe, Strolling Entertainers, Giveaways and More!
    - Free and Open to the Public

Homemade Holiday Jazzle at Pearl Bailey Library

- Saturday, December 9th - 12 noon – 5:00 p.m.
- Holiday Crafts, Holiday Jazz Music
- Refreshments

Other Holiday Events

- Port Warwick Tree Lighting – Saturday, November 25th
- Hilton Village Gingerbread Celebration – Saturday, December 9th
- Holiday Home Lights Tour – TBA
- Santa's Workshop – December 2nd – December 30th at the Denbigh Community Center

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Winter Carnival at Ye Ole' Kmart Site

- Saturday, February 3, 2024, 12 noon – 5:00 p.m.
- Carnival Games, Food Vendors, DJ, Children's Craft, Inflatables, Face Painting and More!
- Skating Rink
  - Friday, 4:00 – 8:00 p.m.
  - Saturday and Sunday, Noon – 5:00 p.m.

The Newport News One City Marathon Weekend – 10 Years Running
Newport News Park to the Yard District

- Saturday, March 2nd
  - Maritime 5K and Nautical Mile Fun Run
  - Finish Line Celebration 1 – Tradition Brewing Company

- Sunday, March 3rd
  - Half Marathon and One City Marathon
  - Finish Line Celebration 2 – Coastal Fermentory

Councilman Eley thanked the Department of Parks and Recreation for doing a great job and providing activities for all citizens throughout the entire City. He also shared that Parks and Recreation did an amazing job at Denbigh Day and everything was well organized. He recalled participating in the One City Marathon activities at City Center in 2022 but was unaware of the final celebration. He requested that additional signage be erected to let people know that the Finish Line Celebration was located at Tradition Brewing Company. Ms. Ezzano advised that Parks and Recreation would erect additional signage.

Special Events Update - Presentation - 9.26.2023

IV. Civic Engagement Strategy to Rotate City Council Meeting Locations

Mayor Jones advised that Civic Engagement Strategy would be discussed and suggestions/recommendations on how the City could rotate City Council meetings. There had been an appetite to televise work sessions which had been done and the next step would be to rotate City Council meetings. Mayor Jones indicated City Council initially discussed having one in the North District and one in the Central District in 2023; however, he thought it was probably more prudent to have a meeting in Denbigh since there was already a set-up at that location. He did not believe fair to citizens to rotate meetings without proper notice. He indicated once the meeting schedule was discussed for 2024, he requested that the City Council meeting schedule be published providing citizens sufficient notice. He believed that was a way to promote transparency, but a schedule must be agreed upon.

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Acting Manager Archer advised that there were six (6) sites available throughout the City with sufficient technology to host City Council Work Sessions and Regular Meetings. He shared the recommended sites as follows:

South District
City Hall
2400 Washington Avenue Newport
News, VA
Parking - City Hall Parking lot

Central District
James and York Rooms Combined
700 Town Center Drive
Newport News, VA
Parking - Free in Public Parking Garages

North District
Denbigh Community Center
15198 Warwick Boulevard
Newport News, VA
Parking - On-site Parking lot

FUTURE POSSIBLE SITES
(Signals need to be retested at these sites)

Mary Passage Middle School **(North District)**
400 Atkinson Boulevard
Newport News, VA

Woodside High School **(North District)**
134500 Woodside Lane
Newport News, VA

Sherwood Site **(North District)**
13797 Warwick Boulevard
Newport News, VA

Acting City Manager reminded that work sessions and City Council meetings be held at the same location for adequate logistical and staffing support. He further suggested that there not be two remote meeting back to back.

Mayor Jones indicated the Council needed to work together and ensure that people who live in the North District could participate as well as those in the Central and South District. This would be a work

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in progress, but it was important to establish locations, dates, and the number of meetings per district to schedule and publish for 2024.

Vice Mayor Bethany inquired about the number of meetings to be scheduled in the North District and Central District. Mayor Jones shared that people from all across the City could participate, but also that it should not require ten hours of staff input and AV support for a two-hour Council meeting. Mayor Jones suggested two meetings in the North District and two in the Central District in 2024 would be appropriate. Regarding the Joint School Board meeting mentioned by Councilwoman Vick, he suggested that meeting be held in the Central District. By consensus, City Council agreed to hold two meetings in the North District and two meetings in the Central District in 2024.

V. Comments/Ideas/Suggestions

Regarding Civic Engagement, Mayor Jones advised that he had met with members of the Hampton City Council and there was a desire to have a joint meeting. He believed what happened in Newport News was often tied to Hampton and vice versa. He also believed there were too many silos. He suggested scheduling a joint meeting of the City Councils for Newport News and Hampton in 2024. Vice Mayor Bethany questioned whether there were any special procedures when two City Councils met and whether the two Councils had met before. City Attorney Owens replied that the meeting would need to be properly advertised and the two Councils had never held a joint meeting. Mayor Jones indicated the two Cities shared similar issues with housing, homelessness, the Peninsula Airport Commission, there was numerous things that happened on the peninsula and he believed both City Councils should be in the room. Mayor Jones indicated 2024 would be a great beginning for partnerships. Councilwoman Vick shared that Newport News and Hampton Police and Fire Departments worked together, it would be good for us to know the full scope. She advised that a partnership would be great.

Mayor Jones shared that he talked to the Newport News Public Schools administration and the School Board Chair and they would like to schedule a joint meeting between City Council and School Board sooner rather than later. He requested a Joint Meeting be scheduled. By consensus, City Council agreed.

Mayor Jones shared there were numerous unfilled positions in the City and would like to hear from the Department of Human Resources. He requested a briefing in the future.

Councilwoman Vick reminded that she served on the Virginia First Cities Board and constantly had discussions and reports concerning housing, the state of the city, and other issues. She suggested having additional staff attend the meetings to receive and share information. She thanked Ms. Jerri Wilson, who had assisted in the past. Councilwoman Vick shared that the board continued to evolve, it had gotten more complicated and needed someone with expertise in housing and workforce. She requested assistance from Acting City Manager Archer and/or Mayor Jones to ensure that staff was available. The meetings were held place in Richmond via Zoom.

City Attorney Owens reminded of new business for the September 26, 2023 City Council Regular Meeting for consideration of the Resolution confirming, ratifying and terminating the declaration of a

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local emergency issued by the Newport News Director of Emergency Management on September 22, 2023, made necessary by Tropical Storm Ophelia.

Regarding the Joint City Council and School Board meeting, Acting City Manager Archer shared that he had begun discussion with the School Superintendent and requested a timeframe.

THERE BEING NO FURTHER BUSINESS
ON MOTION, COUNCIL ADJOURNED AT 5:47 P.M.

Zina F. Middleton, MMC
Chief Deputy City Clerk

Phillip D. Jones
Mayor
Presiding Officer

A true copy, teste:

City Clerk

Office of the
City Manager

September 26, 2023

TO: The Honorable City Council

FROM: Acting City Manager

SUBJECT: Unaudited Preliminary FY 2023 Fourth Quarter Financial Report

This Fourth Quarter FY 2023 Financial Report, prepared by the Department of Budget and Evaluation, describes the budgetary performance of revenues and expenditures at the end of the fiscal year. This report uses preliminary and unaudited results of operations, in a Budget to Actual comparison, for the fiscal year ending June 30, 2023. While the audit of the fiscal year is not yet complete, this report provides City Council with a reasonably accurate estimate of fiscal year outcomes for the General Fund. The official results will be issued in December when the City publishes its Annual Comprehensive Financial Report (ACFR).

General Fund revenues performed better than anticipated. With a strong Real Estate Tax collection, and continued growth of some consumer sensitive revenues during the year, General Fund Revenues exceeded the $581.4 million budget by over $26.0 million or 4.5%. General Fund expenditure savings also contributed positively to ending the fiscal year on solid footing with $13.4 million in savings prior to year-end adjustments.

In total, including the other General Fund supported operating funds, the revenue collections when combined with expenditures resulted in a net projected year-end surplus of $24.5 million.

Revenues

It is important to note that the FY 2023 Operating Budget was developed in anticipation of a short but continuing inflationary period, followed by a recession. Conservative revenue estimates were developed well in advance of the economic impacts of record high inflationary periods experienced during the fiscal year, coupled with equally high and sustained consumer spending.

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Local taxes from the two of the three major revenue drivers of Real Estate and Personal Property, met or exceeded FY 2023 projections. The City's revenue continues to have a solid foundation in its real estate tax base. Total collections of $241.0 million, factoring in Real Estate Tax Relief programs, exceeded the total revenue estimate by $1.5 million or 0.6%.

Personal Property Tax receipts exceeded budget estimates by $2.8 million or 4.1% higher. Of this amount, $1.1 million represents more in collections from Current Personal Property Taxes, and $1.7 million over the estimate from Delinquent Personal Property taxes. As a reminder, the 75% assessment level for Personal Property was in effect for the December 5th Calendar Year 2022 tax cycle. The 100% assessment level was restored for the June 5th Calendar Year 2023 tax cycle.

Combined Current and Delinquent Machinery and Tools Taxes fell below revenue estimates by $2.9 million less than the $30.8 million budgeted. An unanticipated level of revenue from Interest Earnings of $10.2 million was collected due to the Federal Reserve's 11 interest rate adjustments during the fiscal year. This resulted in $8.7 million more in revenue than estimated from this revenue source.

The Other Local Taxes revenue category includes the most consumer sensitive revenues of sales, meals, lodging, amusement, and BPOL taxes. Sales Tax revenues remained steady throughout the year, generally showing month to month sustained collections over the prior fiscal year, with revenue just $616 thousand short of the $34.8 million estimate. Meal Tax receipts routinely showed strong performance, ending the year approximately $1.8 million more than the $32.2 million estimate. Lodging tax revenues were strong, exceeded the pre-pandemic levels, collecting $685 thousand more than the $4.1 million estimate. Amusement Tax revenue continues to grow; in conjunction with the opening of new venues, this revenue source exceeded the $700 thousand estimate by $148 thousand.

Business Professional and Occupational Licenses (BPOL) also performed strongly this fiscal year. Collections exceeded the $18.7 million estimate by $3.3 million. BPOL taxes are based on a business' gross receipts earned over the prior calendar (2022) year. BPOL revenue has remained solid over the past several fiscal years, with collections surpassing the estimate across all the major categories in FY 2023; this demonstrates resilience and continued growth of our Newport News businesses.

Housing market sales continued to remain strong and growing throughout the fiscal year, a trend that was experienced at local, state, and national

levels during the fiscal year. The impact of the Federal Reserve interest rate actions intended to mitigate inflation did have an impact on the final revenues from the Grantees Tax on Deeds with collections averaging $178 thousand per month. Overall, collections were $602 thousand less than the $2.7 million estimate.

Expenditures

The Operating Departments did an outstanding job controlling expenditures in FY 2023 in the face of constantly escalating operating costs due to continuing inflation levels. With most expenditure categories impacted by month over month inflationary pressures, an overall measured approach in holding expenses ensured that operating costs were contained within budgeted levels while still providing essential services.

These savings were primarily attributed to two areas; personnel expenditure savings due to sustained vacancies and hard to fill positions, and operating materials and supplies savings due to strict monitoring on the timing of essential purchases.

Expenditure savings, combined with Revenues being stronger than initially anticipated, provided the opportunity to continue the practice of funding cash capital reserves as a hedge against future debt borrowing. As part of the year-end closing process, an adjustment was made allocating $15.5 million of year-end surplus to Debt/Cash Capital. This allocation allows the City to have ready access to funds without having to use General Fund Balance reserves or to acquire additional debt. It grants a degree of flexibility for future years when our anticipated debt service will escalate due to upcoming large capital investments.

Combined Results

The overall General Fund Operating Budget ended the year with a surplus, primarily driven by strong revenue receipts and managed expenditure controls. This projection does not include any final year-end adjustments for GASB (Governmental Accounting Standards Board) compliance made as part of the annual audit.

The combined General Fund year-end surplus is anticipated to be $24.5 million, after a portion of the surplus is used to balance any over-expenditures in the Other General Fund Operating Budgets. This surplus will increase the Fund Balance of the City's General Fund. The City's General Fund-Fund Balance Policy requires the Unassigned Fund Balance to be 7.5% of the year-end General Fund revenues. The City's practice has

been to establish an Unassigned General Fund-Fund Balance level of 11% or more, when possible. At FY 2023 year-end, the General Fund unassigned balance is anticipated to be over the 14.8% level. This level of fund balance reserve is an important element in the City's overall strong financial management.

I am pleased to report that the hard work by the operating departments to mitigate costs, bolstered by strong collections in our core revenue sources resulted in a solid fiscal position. The City will end the year with sufficient revenues to cover expenses, an overall General Fund surplus, and will be able to supplement critical cash capital reserves.

Alan K. Archer

AKA:ljc

Attachment

cc: Lisa Cipriano, Director, Department of Budget and Evaluation

FY 2023 OPERATING BUDGET
PROJECTED RESULTS OF OPERATIONS

Fourth Quarter - July 2022 through June 2023

GENERAL FUND

REVENUES	Adopted Budget	Revised Budget	YTD Receipts	Projected Total Receipts	*Difference from Revised Budget* Surplus/(Deficit) Amount	Percent
Real Estate Taxes[1]	$240,031,953	$241,031,953	$242,570,390	$242,570,390	$1,538,437	0.6%
Personal Property Taxes[2]	64,465,000	69,465,000	72,299,153	72,299,153	2,834,153	4.1%
Machinery & Tools Taxes[3]	30,817,000	30,817,000	27,865,211	27,865,211	(2,951,789)	(9.6%)
Other General Property Taxes	3,003,000	3,003,000	5,103,636	5,103,636	2,100,636	70.0%
Other Local Taxes	118,001,200	121,001,200	125,567,112	125,567,112	4,565,912	3.8%
Permits and Fees	2,982,826	2,982,826	4,336,940	4,336,940	1,354,114	45.4%
Fines and Forfeitures	1,372,958	1,372,958	1,135,010	1,135,010	(237,948)	(17.3%)
Revenue from Use-Money & Prop	2,551,797	3,551,797	12,364,561	12,364,561	8,812,764	248.1%
Charges for Services	6,571,687	6,571,687	8,323,787	8,323,787	1,752,100	26.7%
Miscellaneous Revenue	25,615,723	28,484,744	29,009,123	29,009,123	524,379	1.8%
Recovered Costs	14,121,122	14,121,122	14,724,385	14,724,385	603,263	4.3%
Non-Categorical Aid	948,000	948,000	745,199	745,199	(202,801)	(21.4%)
Shared Expenses	10,066,852	10,066,852	12,316,684	12,316,684	2,249,832	22.3%
Categorical Aid	38,234,882	38,313,075	41,000,770	41,000,770	2,687,695	7.0%
Non-Revenue Receipts	9,700,000	9,700,000	10,083,740	10,083,740	383,740	4.0%
TOTAL REVENUES	**$568,484,000**	**$581,431,214**	**$607,445,699**	**$607,445,699**	**$26,014,485**	**4.5%**

EXPENDITURES	Adopted Budget	Revised Budget	YTD Exp/Enc	Projected Total Expense	*Difference from Revised Budget* Surplus/(Deficit) Amount	Percent
Personnel Services	$174,988,289	$175,000,694	$166,090,744	$166,090,744	$8,909,950	5.1%
Taxes, Benefits, Insurance	83,119,656	83,120,605	78,813,928	78,813,928	4,306,677	5.2%
Contractual Services	26,236,479	29,093,354	29,876,362	29,876,362	(783,008)	(2.7%)
Vehicle Costs	7,445,183	7,445,183	7,445,183	7,445,183	0	0.0%
Fuel	2,285,785	2,286,235	2,024,782	2,024,782	261,453	11.4%
Utilities	5,768,977	5,768,977	5,481,983	5,481,983	286,994	5.0%
Operating Materials, Supplies, Ins	39,577,598	39,666,995	37,905,038	37,905,038	1,761,956	4.4%
Equipment (Except Vehicles)	1,941,723	1,998,476	2,032,076	2,032,076	(33,600)	(1.7%)
Leases, Rentals	8,144,152	8,143,912	8,219,426	8,219,426	(75,514)	(0.9%)
Community Support	11,905,698	11,905,698	12,079,560	12,079,560	(173,862)	(1.5%)
Transfer to Schools	116,189,307	116,189,307	116,189,307	116,189,307	0	0.0%
Debt Service/Cash Capital	59,463,259	69,463,259	86,599,663	86,599,663	(17,136,404)	(24.7%)
Payments to Other Funds	21,351,417	21,351,417	21,283,135	21,283,135	68,282	0.3%
Direct Program Costs - DHS	10,066,477	9,997,102	9,895,756	9,895,756	101,346	1.0%
TOTAL EXPENDITURES	**$568,484,000**	**$581,431,214**	**$583,936,945**	**$583,936,945**	**($2,505,731)**	**(0.4%)**
TOTAL DIFFERENCE					**$23,508,754**	**4.0%**

[1]Includes Current, Delinquent, Tax Relief, Public Service Corp (PSC) Real Estate Taxes

[2]Includes Current and Delinquent Personal Property Taxes

[3]Includes Current and Public Service Corp (PSC) Machinery & Tools Taxes

OTHER GENERAL FUND SUPPORTED FUNDS	Adopted Budget	Projected Revenues	Projected Expenditures	*Surplus/(Deficit)* Amount	Percent
Auto Liability Fund	$1,837,000	$1,826,451	$1,685,435	$141,016	7.7%
General Liability Fund	$1,915,800	$2,316,808	$2,724,441	($407,633)	(17.6%)
Worker's Compensation Fund	$3,390,000	$3,308,640	$2,332,701	$975,939	29.5%
Recreation Revolving Fund	$4,653,600	$3,871,376	$3,434,318	$437,058	11.3%
Golf Course Fund	$1,861,700	$1,831,955	$1,970,784	($138,829)	(7.6%)
Leeward Marina Fund	$286,200	$287,555	$275,120	$12,435	4.3%
TOTAL	**$13,944,300**	**$13,442,784**	**$12,422,799**	**$1,019,985**	**7.6%**

TOTAL PROJECTED DIFFERENCE - Combined **$24,528,739**

FY 2023 General Fund Year-End Report

Preliminary Fourth Quarter Results

City Council Work Session

September 26, 2023

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Overview

Fiscal Year 2023 General Fund

Fourth Quarter Projection

Unaudited, as of June 30, 2023

Revised Budget - $581.4 million

- Developed during on-going COVID conditions; Moderated Revenue projections to more conservative estimates, anticipating Recession during FY 2023
- Core Revenue Base – Real Estate, Personal Property, M&T – are solid
- Consumer sensitive taxes temporarily enhanced by inflationary pressures

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REVENUE Performance

Major General Fund Revenues

	Budget	Variance
Real Estate Tax*	$241.0m	+$1.5m
Personal Prprty*	$ 69.5m	+$2.8m
Machinery & Tools	$ 30.8m	($2.9m)
Sales Tax	$ 34.8m	($616k)
Meals Tax	$ 32.3m	+$1.8m

*Current, Delinquent, Tax Relief, Public Service Corporations

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Major General Fund Revenues

	Budget	Variance
Lodging Tax	$ 4.1m	+$686k
Amusement Tax	$700k	+$148k
Tax on Deeds	$ 2.7m	($602k)
BPOL	$18.7m	+$3.3m
Interest Earnings	$ 1.5m	+$8.7m

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Projected FY 2023 General Fund 4th Quarter Revenues

Projected Revenue Surplus

$26.0 million

or + 4.5%

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EXPENDITURE Performance

Major General Fund Expenditures

	Budget	Variance
Salaries & Benefits	$258.1m	+$13.2m
Contractual Svcs	$ 29.0m	($783k)
Materials & Supplies	$ 39.8m	+$1.9m
All Other Expenses*	$254.5m	($1.1m)

*Includes Transfer to Schools, Debt Service, Community Support, Federal & State Grants. $420k more in Grants over $4.0m budget

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Year-End Adjustments

FY 2023 Year-End Adjustments

- Contribution of $15.5 million to Cash Capital to moderate future debt borrowings
- Combined General Fund Year-End Balance estimated at $24.3 million increase. Year-End Balance will go into Reserves, increasing reserves balance to approximately $14.8% - up from 14.2%
- Finance will continue year-end closing – final FY 2023 Annual Comprehensive Financial Report to City Council in December 2023

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Questions?

Choice Neighborhoods Initiative (CNI)

City Council Work Session
September 26, 2023

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Background

Great Beginnings

- 2016: Awarded $500,000 Choice Neighborhoods Initiative Planning Grant to create The Transformation Plan
- Target neighborhood: Marshall-Ridley
- Target housing area: Ridley Place

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Recipient of the HUD Choice Neighborhoods Initiative (CNI) Implementation Grant

- In May 2019, the Newport News Redevelopment and Housing Authority and the City of Newport News received a $30 million grant from the U.S. Department of Housing and Urban Development's (HUD) Choice Neighborhoods Initiative (CNI) program.

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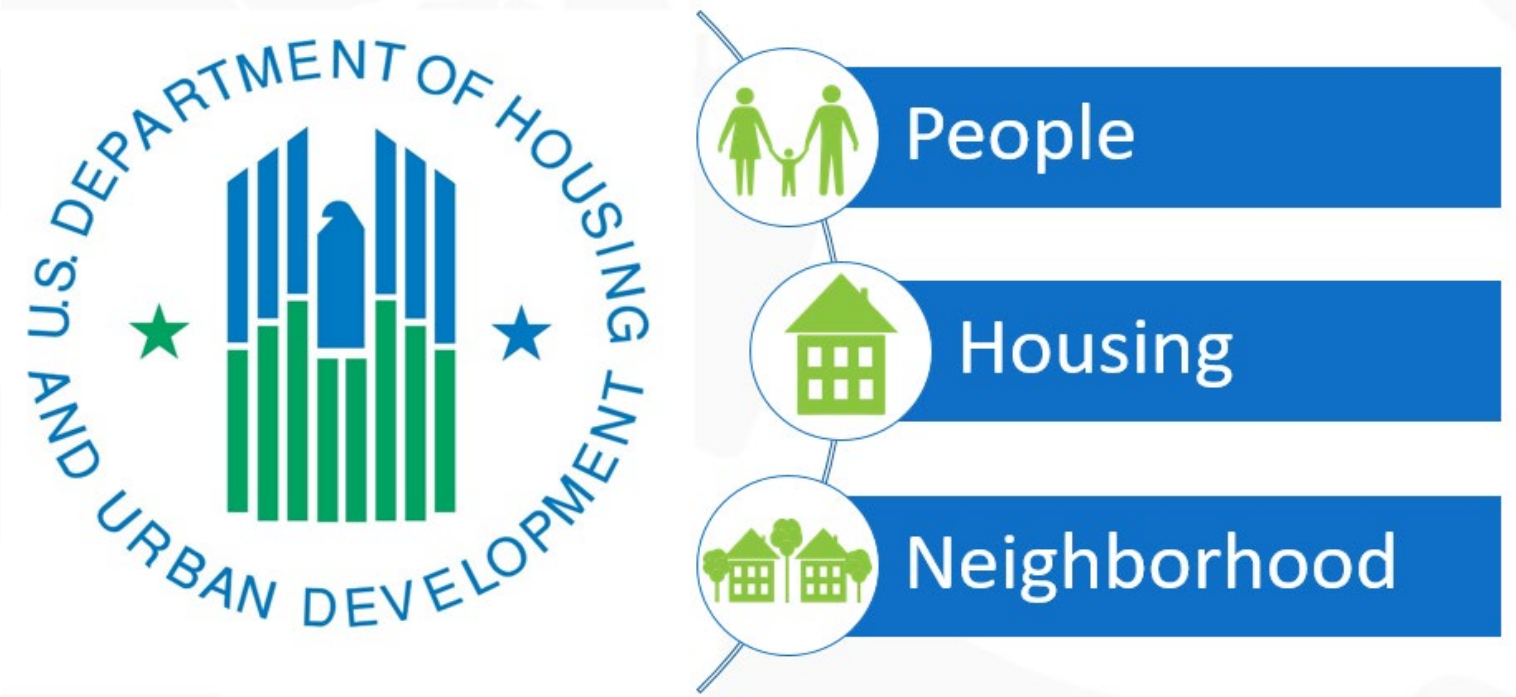
What is the Choice Neighborhoods Initiative?



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People Plan

People Plan Goals

- Improve access to quality health services
- Reduce food insecurity & encourage healthy living
- Increase availability of & strengthen early education programs
- Create continuum of enriched learning & support opportunities
- Strengthen school-to-career pathways
- Fill in the skills gap & bolster job readiness
- Boost employment opportunities
- Foster resiliency & self-sufficiency

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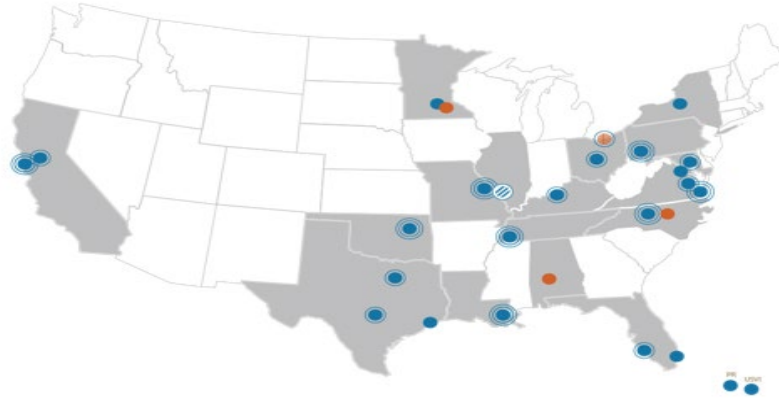
People Plan Lead

Urban Strategies, Inc. (USI)

- Over **40** Years of Experience Nationwide
- Supporting More Than **30,000** Families
- Connected to Over **100,000** Units of Housing
- Human Capital Planning in **25** Cities
- HOPE VI Communities
- **18** Choice Neighborhood Implementation Grants = $**480 Million** in Awarded Funds
- **2** Choice Planning Grants
- Over $**460 Million** in Public and Private Resources Leveraged for Innovative Programs and Initiatives
- Cradle-to-College/Career Partnerships in **10** School Systems
- Elderly Services in **4** Senior Living Communities

USI | URBAN STRATEGIES, INC.

A map of USI communities



- Choice Neighborhood Initiative Sites
- Choice Neighborhood Planning Sites
- Human Capital Sites
- Both Choice Neighborhood Initiative and Human Capital Sites
- PERC Sites
- PERC and Human Capital Sites

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Marshall-Ridley Newport News Team

The Marshall-Ridley families are supported by:

- Regional Vice President
- Operation Directors (3)
- Interim Senior Project Manager
- System Analyst
- Family Support Specialist Lead
- Family Support Specialists II (2)
- Education Specialist-Vacant

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USI and the Marshall-Ridley Neighborhood

- USI became the People Plan Lead in March 2022 and began working directly with our families in June 2022.
- USI uses a results-based framework to provide support to target families. Data is gathered monthly around **economic mobility, health, education, housing stability** to support target families and ensure they are stable and thriving. The first step in USI's family support model protocol includes a comprehensive assessment of each participant and their household. The assessment is used to identify the household's strengths, needs, assets, and goals related to employment, education, health, economic mobility, and housing stability.
- USI implements support to Target Families, coordinates partnerships with supportive service partners, including Newport News Public Schools, and develops a resourcing strategy for the long-term sustainability of the People Strategy.
- There are 174 families currently enrolled in family supportive services.

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NNPS Current Employed Strategies 2023-2024

Population Snapshot: The NNPS CNI cohort currently consists of 205 students ranging from grades Pre-K to 12th grade. Students are located at 36 of the 41 total schools in the district. As families transition back into the Marshall-Ridley neighborhood, our partnership with NNRHA allows students to be identified and coded seamlessly.

- **Kindergarten Readiness**
  - 100% of Early Learners will receive activity calendars and books every month that focus on the VDOE's Five Areas of Development.
  - 100% of Early Learners will have access to virtual tutoring to support learning loss
- **Academic Proficiency**
  - NNPS will assist families in growing their at home libraries through monthly literacy resource distribution.
  - Field trips to allow students and families to build background knowledge to connect with tiered testing
  - All youth are offered priority enrollment in extended learning programs applicable to their academic grade level.
- **College and Career Readiness**
  - 100% of High School Seniors have a Post-Graduation goal setting plan completed by the end of October.
  - 100% of High School students retain priority in enrolling in Credit Advancement and Credit Recovery opportunities.
  - 100% of High School students will have access to 1:1 online tutoring services.

Monthly Updates

Marshall Ridley Families

174 Enrolled

USI Inc. has currently assessed 174 families; and continues to outreach to families to provide family supportive services

August 2023 Snapshot:

Education & Employment

Employed	94
In Training	NA
In Education	8

. Able-bodied population 18-64 yrs.

Employment

$15.02

able-bodied employed , Average hourly Wage

Service Linkages

70

# of families connected to services linkages

Youth Services

43

Youth Services linkages

Health

96%

# of Adults with medical insurance

Economic Mobility

42%

% of 18 -64 Able-bodied employed population in permanent positions.

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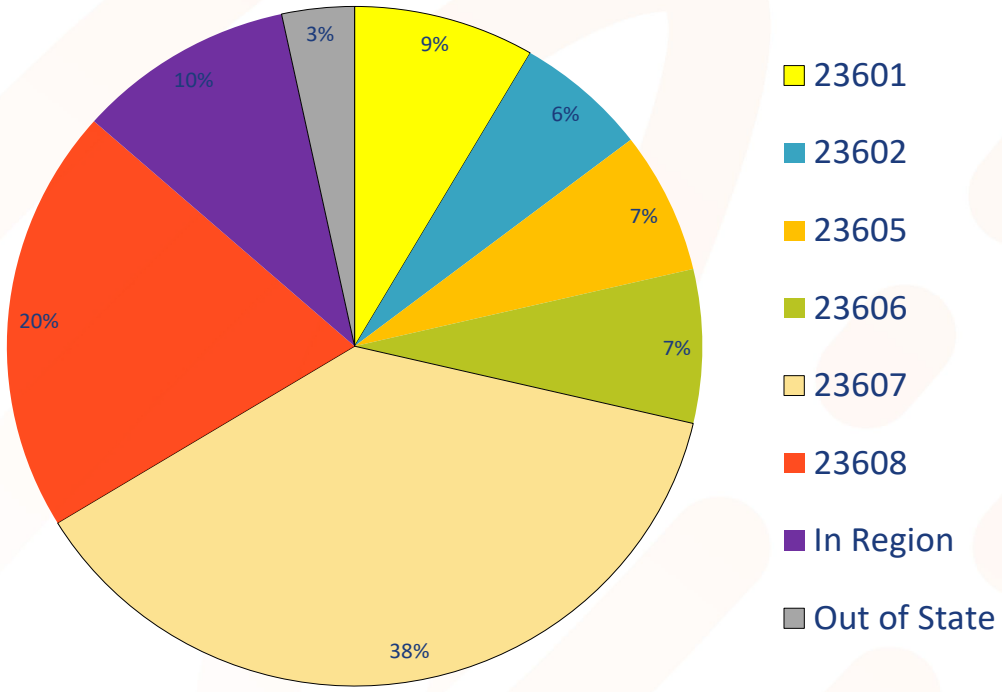
Housing Plan

Housing Plan Goals

- Provide diverse housing types for a diverse community
- Integrate various housing types in an indistinguishable manner
- Provide affordable housing in an equitable way
- Increase homeownership rate
- Foster community

Distribution of Former Ridley Families Relocated using Tenant Protection Vouchers

Ridley Families in HCV by Zip Code



ZIP Codes in Newport News

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Status of Housing Developments

- The Lift & Rise on Jefferson - 81 units/38 replacement – Construction Completed
- Ridley Phases 2(North) & 3 (South) - 155 units/79 replacement - Construction Underway/Completion, Spring-Summer 2024
- Downtown 28th and Washington - 73 units/25 replacement - Tax Credits Awarded and other financing being secured – Construction start late 2024

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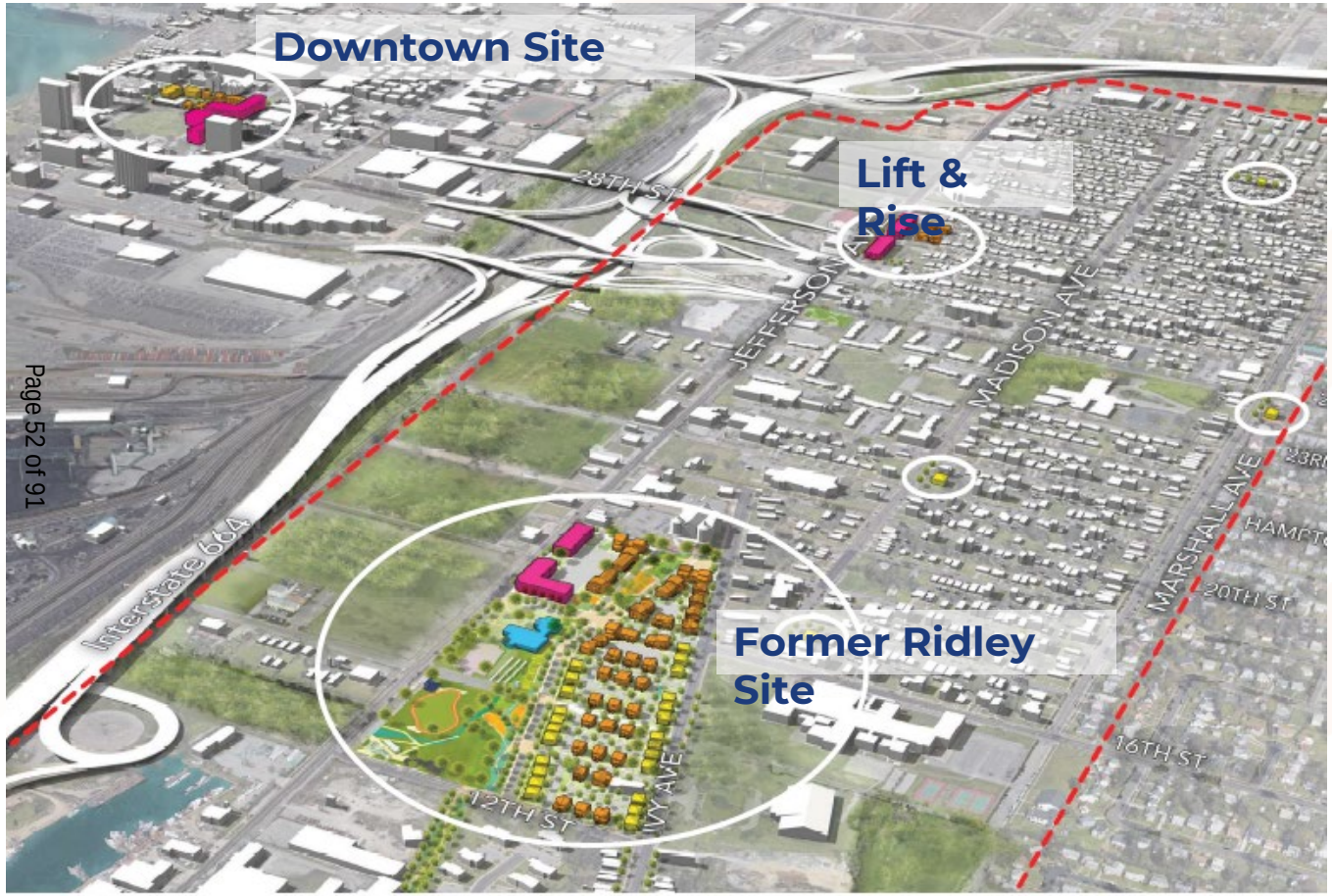
CNI Housing Sites



- MIXED-USE, MULTI-FAMILY UNITS
- WALK-UP/TOWNHOME/ DUPLEX UNITS
- HOMEOWNERSHIP UNITS
- FAMILY INVESTMENT CENTER
- HOUSING SITE
- CNI BOUNDARY

Inside CNI Area	
Lift & Rise on Jefferson	81
Former Ridley Site	155
Downtown Site	73
Total Rental Units	309

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CNI Housing Development Costs and Funding Sources

• CNI Grant	$ 19,177,593
• Virginia Housing Tax Credits	$ 41,409,213
• Deferred Developer Fee	$ 1,414,004
• Hampton Roads Planning District	$ 500,000
• Virginia Department of H & CD	$ 12,000,000
• Virginia Housing Revitalization Grant	$ 3,305,310
• First and Second Mortgage Financing	$ 18,287,173
• Local	$ 21,509,095
• Ridley Site Infrastructure City of Newport News	$ 18,629,742
• Gap for current Downtown Phase (to be determined)	$ 2,827,420
TOTAL	**$139,059,550**

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Housing Progress: Lift & Rise

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Housing Progress: Lift & Rise

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Ridley Site Mixed Use Building and Townhomes

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Housing Progress: Former Ridley Site

Corner Ivy Avenue & 18th Street

16th Street and Jefferson Avenue

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Downtown Phase

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Neighborhood

Neighborhood Goals

- Connectivity: Improve connectivity of the community to the larger region by increasing the number and frequency of transit options.
- Economic Development: Foster economic development along Jefferson Avenue to create a vibrant commercial corridor, supporting home-grown, neighborhood-based businesses.
- Neighborhood Health: Build upon the neighborhood's waterfront location and porch friendly character to make the community greener, more walkable and welcoming, energy efficient, and resilient.
- Safety: Create an environment that is welcoming, peaceful and safe so that residents and visitors feel at ease walking throughout the neighborhood.
- Sense of Place: Embrace the community's culture and heritage to enhance and distinguish the neighborhood's character and establish a sense of place.

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Critical Community Improvements

Newport News - Marshall-Ridley CNI Project	CCI Plan - Budget			
	CNI CCI-Funding	City	Other	Total
CCI 1: Health & Wellness Trail	$ 2,658,000.00	$ 7,301,632.00	$ 764,800.00	**$ 10,724,432.00**
CCI 2: Commercial Rehabilitation at 2510 Jefferson Avenue	$ 1,316,460.00	$ 683,540.00	$ 500,000.00	**$ 2,500,000.00**
CCI 3: Ridley Commercial Condo	$ 525,540.00	$ 69,018.00	$ -	**$ 594,558.00**
Neighborhood Improvement: Gateway Signage	$ -	$ 84,000.00	$ -	**$ 84,000.00**
Neighborhood Improvement: Residential Façade Improvement Grant Program	$ -	$ 2,100,000.00	$ -	**$ 2,100,000.00**
Neighborhood Improvement: Seafood Market/Commercial Kitchen	$ -	$ 5,050,000.00	$ 940,994.00	**$ 5,990,994.00**
Total	**$ 4,500,000.00**	**$ 15,288,190.00**	**$ 2,205,794.00**	**$ 21,993,984.00**

Health and Wellness Trail

- Trail Segment from 18th Street to King-Lincoln Park
  - 18th to 12th Street
    - Site Development in Progress & Design Under Final Review
    - To be completed in tandem with Ridley Site
  - 12th Street to King-Lincoln Park
    - Under Design by JMT

① COMMUNITY GREEN
- Flex Fields
- Picnic Groves
- Pergola - Small Scale
- Earth Berms
- Meadow
- Trash & Recycle Receptacles
- Pedestrian Light
- Emergency Call Tower

② PONDS & RAIN GARDEN:
- Educational Marker
- Boulders
- River Rock Channel

③ CREATIVE PLAYGROUND:
- Nature Play Equipment
- Trash & Recycle Receptacles
- Pedestrian Light
- Safety Rubber Surface
- Engineered Wood Fiber Surface
- Modular Seating
- Vegetative Safety Buffer

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2510 Jefferson Avenue

- Building rehabilitation project – ~3,200 SF
- 1st Floor
  - Two Retail Units, with one unit designed as a coffee shop
- 2nd Floor
  - Two Office Suites
- Construction start in September 2023 with completion by Summer 2024

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Community Gateways

- Gateway Improvements:
  - 39th Street and Marshall Avenue
  - 25th Street and Jefferson Avenue
- Sign concept being developed in coordination with Communications Department

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Residential Façade Program

- Residential Façade Grant Program
  - $20,000 Grant for Exterior Improvements
  - Owner-Occupied Dwellings within CNI Geography
- Program Status:
  - 113 Applicants
  - 17 Projects Completed To Date

BEFORE

AFTER

BEFORE

AFTER

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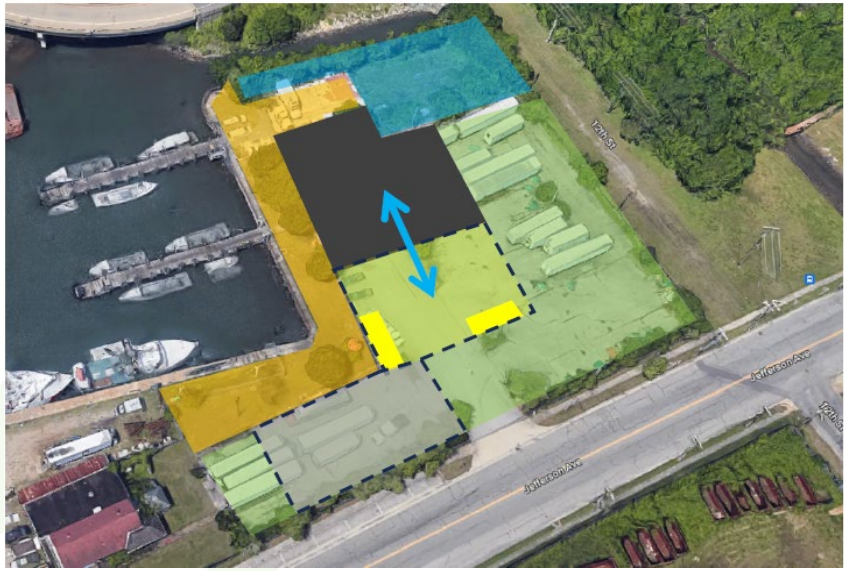
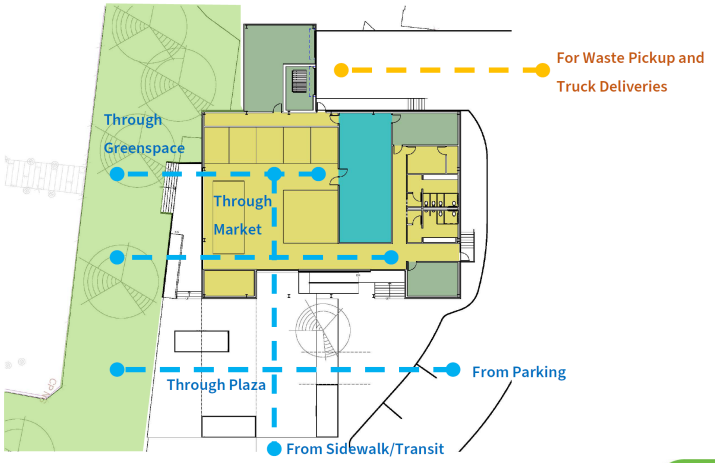
Seafood Market

- Seafood-Centric Market and Food Hall
  - Seafood Market with Vendor Stalls & Kiosks
  - Catering Kitchen Supporting On-Site Dining & Commissary Services
  - Currently under design with Work Program Architects

LAYOUT AND OUTDOOR SPACE



PRELIMINARY PLAN LAYOUT



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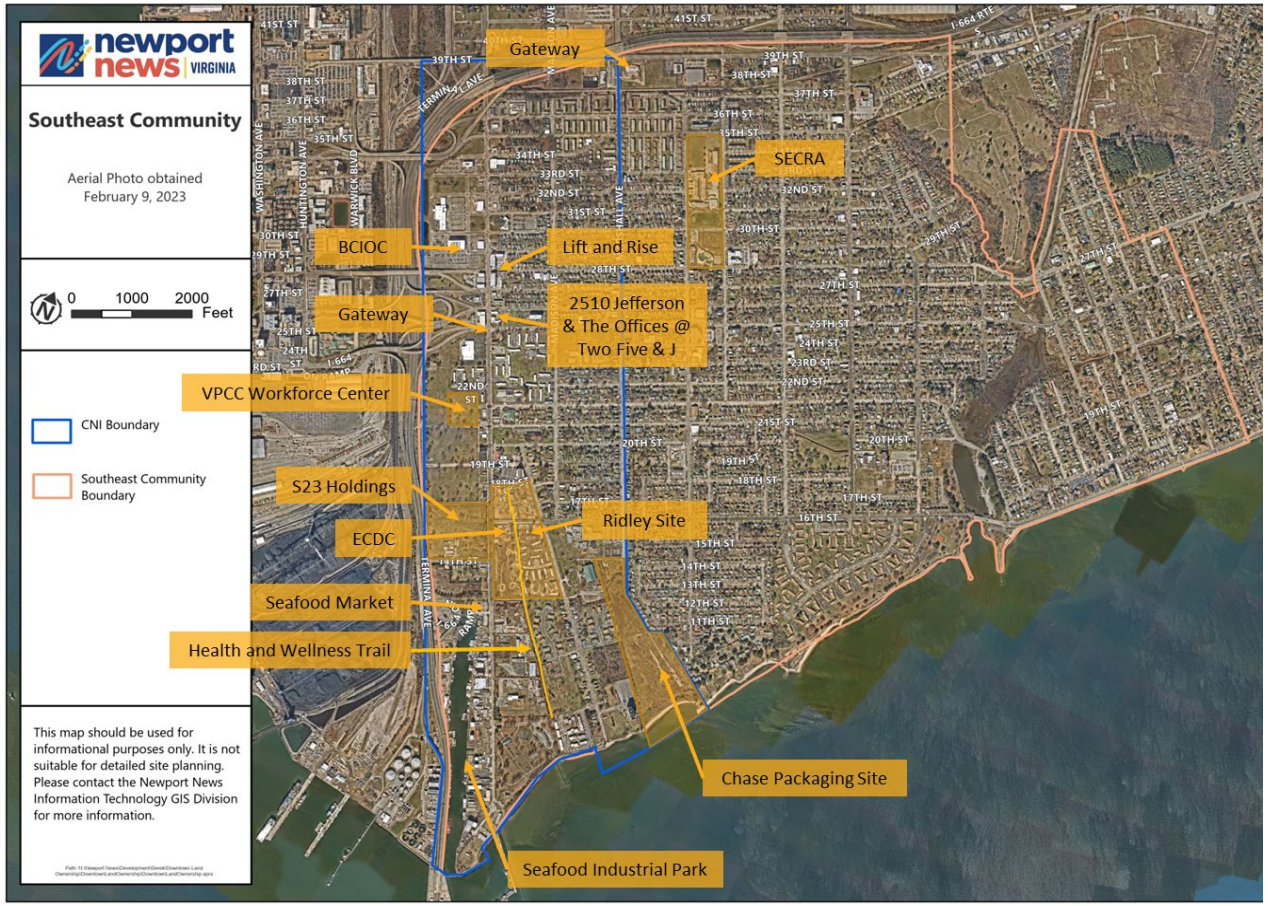
Broader Neighborhood Projects

- VPCC Workforce Center
- Modified Façade Improvement Grant
- Murals
- Early Childhood Development Center
- SECRA
- BCIOC
- The Offices @ Two Five & J
- Resurgence Grant



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Questions?

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FALL & WINTER
LINEUP
Special Events
October 2023 - March 2024
newport news
PARKS & RECREATION

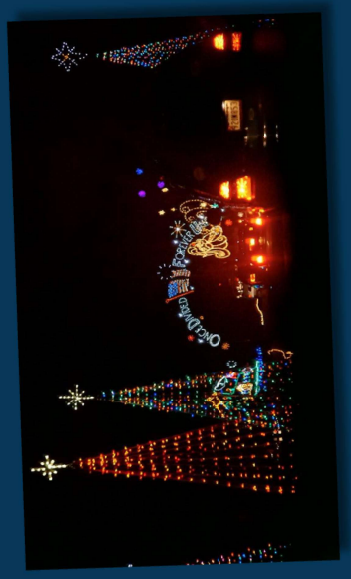
2023-2024 Event Lineup

- Fall-O-Ween Festival
- NlightN Holiday Event Series
- Other Holiday Events
- Winter Carnival
- One City Marathon Weekend

Newport News
FALL-O-WEEN
Festival
Former "Fall Festival of Folklife"
Newport News Park
Sat, Oct 7th & Sun, Oct 8th

NEWPORT NEWS
FALL-O-WEEN
FESTIVAL
SMALL
LARGE
$1
Halloween and Autumn
Themed Vendors, Live
Entertainment, Pumpkin
Patch, Children's Activities,
Food Vendors and More!

CELEBRATION
in lights
Newport News Park



Celebration in Lights

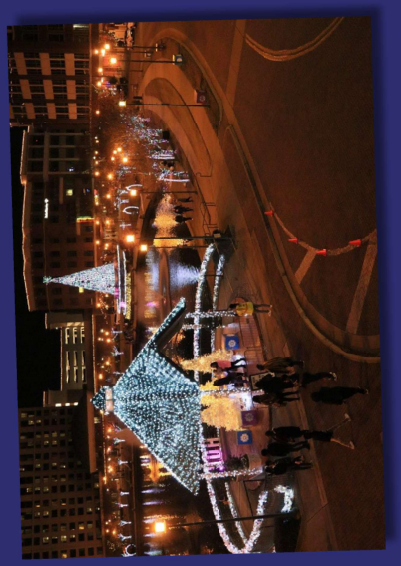
- November 23rd – Jan 1st
- 1 Million+ Holiday Lights, 2 Mile Drive-Thru
- $12/Car Mon-Thu; $15/Car Fri-Sun; $75/Bus
- $10 Tickets Available in Advance at Newport News Visitor Center

lights at the FOUNTAIN
City Center at Oyster Point

Annual Tree Lighting Ceremony
(Lights at the Fountain)
❄ Sat, Dec 2nd
❄ Live Entertainment and Performers
❄ Food Vendors, Holiday Gift Vendors, Themed
Games, Children's Activities, Giveways and More!

Lights at the Fountain

- Dec 2nd – Jan 1st
- Theme: Let it Glow
- NEW in 2023
  - Holiday Light Show
  - Optik – Interactive Art

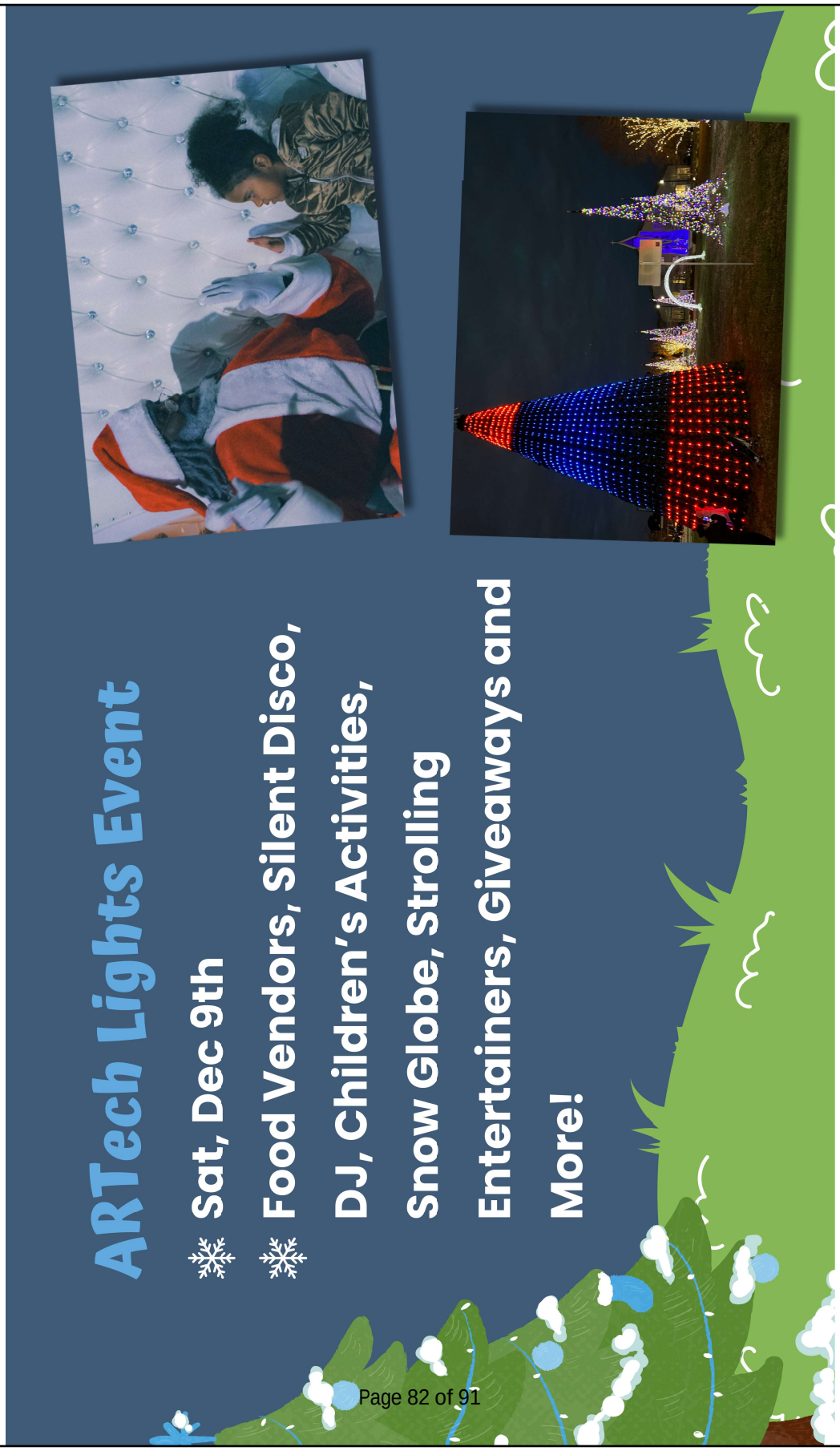


Holiday
FROST
Downing-Gross Cultural Arts Center

Holiday Frost
Fri, Dec 8th
Theme: A Salute to 50 Years of Hip Hop
Childrens Activities on All 3 Floors
360 Photo w/ Santa, Candy Crafts and More!
RSVP Required

A Hip Hop Christmas Carol
(Holiday Frost Theater Production)
❄ Sat, Dec 9th
❄ Showtimes: 11AM | 3PM | 5PM
❄ Tickets – $5 on the Downing-Gross Website

ARTechlights
Downing-Gross Cultural Arts Center


ARTech Lights Event
❄ Sat, Dec 9th
❄ Food Vendors, Silent Disco,
DJ, Children's Activities,
Snow Globe, Strolling
Entertainers, Giveaways and
More!

ARTech Lights (Light Show)
Dec 2nd – Jan 1st
Nightly Light Shows
30ft Animated Tree
Holiday Decor
NEW LOCATION: Downing-Gross Cultural
Arts Center

Homemade
Holiday
Jazzle
Pearl Bailey Library

Homemade Holiday Jazzle
(Pearl Bailey Library)
Sat, Dec 9th
Holidays Crafts, Holiday Jazz Music
Refreshments

Other Holiday Events

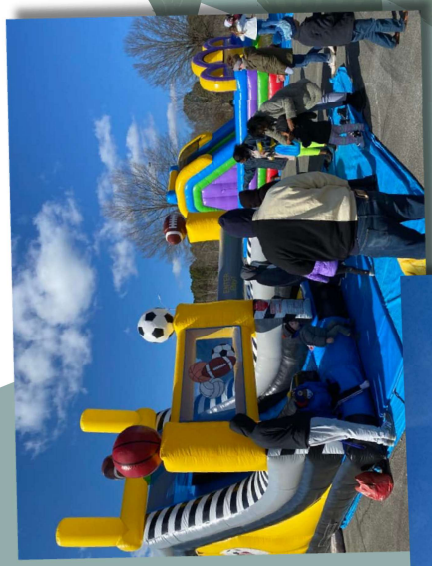
- Port Warwick Tree Lighting – Sat, Nov 25th
- Hilton Village Gingerbread Celebration – Sat, Dec 9th
- Holiday Home Lights Tour – TBA
- Santa's Workshop – Dec 2nd – 30th
  (Denbigh Community Center)

Winter
CARNIVAL
Ye Ole' Kmart Site

Winter Carnival

- Sat, Feb 3rd
- Carnival Games, Food Vendors, DJ, Children's Crafts, Inflatables, Face Painting and More!
- Skating Rink

FRI 4–8PM | SAT & SUN 12–5PM



THE NEWPORT NEWS
10
YEARS RUNNING
ONE CITY
MARATHON WEEKEND
PRESENTED BY
Newport News
Shipbuilding
A Division of HII
Newport News Park to the Yard District

One City Marathon

- **Sat, Mar 2nd**
  - **Maritime 5k & Nautical Mile Fun Run**
  - **Celebration 1 – Tradition Brewing Company**
- **Sun, Mar 3rd**
  - **Half Marathon & One City Marathon**
  - **Celebration 2 – Coastal Fermentory**

QUESTIONS?

Draft

MINUTES OF REGULAR MEETING

OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE CITY COUNCIL CHAMBERS
2400 WASHINGTON AVENUE
TUESDAY, SEPTEMBER 26, 2023, 7:00 P.M.

MEMBERS PRESENT: Councilman Marcellus L. Harris III, D. Div.; Mayor Phillip D. Jones; Councilman Cleon M. Long, P.E.; Councilwoman Tina L. Vick; Vice Mayor Curtis D. Bethany, III; and Councilman John R. Eley, III

MEMBERS ABSENT: Councilwoman Dr. Patricia P. Woodbury

A. Call to Order

Mayor Jones called the meeting to order and extended a welcome to all.

Mayor Jones stated the City Code identified the procedure for citizen participation regarding items on the Council agenda, as well as the opportunity for citizens to address City Council on matters germane to the business of the Council and were advised to register in the foyer. He explained matters that were germane to the business of Council meant matters that the City Council, by law, were empowered to act upon. This did not include announcements that were personal to an individual, business, or organization, including campaign information. He pointed out copies of the ordinance highlighting citizen participation and encouraged citizens to review the document.

Mayor Jones requested that cell phones and electronic devices be silenced or turned off.

B. Invocation

Mayor Jones advised that it was the practice of the Newport News City Councilmembers to stand for the invocation and pledge. He welcomed all in attendance to also stand but indicated they were under no obligation to do so.

The invocation was rendered by Reverend Clark DeSarro-Royal, Hilton Presbyterian Church.

C. Pledge of Allegiance to the Flag of the United States of America

The Pledge of Allegiance to the Flag of the United States of America was led by Councilwoman Tina Vick.

D. Presentations

None

MOTION MADE BY COUNCILWOMAN VICK; SECONDED BY COUNCILMAN LONG; AND CARRIED UNANIMOUSLY TO EXCUSE COUNCILWOMAN WOODBURY FROM THIS MEETING.

Draft

E. Public Hearings

1. Ordinance Releasing and Vacating a Temporary Detention Pond Easement Across Property Located at 474 Reddick Road

AN ORDINANCE OF THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, RELEASING AND VACATING A TEMPORARY DETENTION POND EASEMENT. This ordinance released and vacated a temporary detention pond easement across property located at 474 Reddick Road.

A stormwater management facility (detention pond) was installed on the property at 474 Reddick Road when the Hunter Oaks subdivision was developed in 2002. The facility was intended to be temporary until the downstream receiving channel was adequate.

A detailed Personal Computer Stormwater Management Model (PCSWMM) was developed that showed the channel was adequate. Therefore, the facility could be removed and the temporary detention pond easement over the property could be vacated.

Mr. Terry Namkung, the owner of the property located at 474 Reddick Road, requested the City to vacate its interest in the temporary easement as stated on the development plan.

Mr. Namkung removed the temporary facility, so the temporary drainage easement was no longer necessary.

The City Manager recommended approval.

(No registered speakers)

Moved by Councilman Cleon M. Long, P.E., seconded by Councilman Marcellus L. Harris III, D. Div., to close the public hearing.

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

Moved by Councilwoman Tina L. Vick, seconded by Councilman Cleon M. Long, P.E., adoption of the ordinance.

Carried by the following votes:

Draft

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

2. Ordinance Authorizing and Directing the City Manager to Execute a Deed of Easement By and Between the City of Newport News, Virginia and Virginia Electric and Power Company, d/b/a Dominion Energy Virginia, Granting a Utility Easement Over City-Owned Property at 13200 and 13210 Warwick Springs Road

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AND THE CITY CLERK TO ATTEST, ON BEHALF OF THE CITY OF NEWPORT NEWS, VIRGINIA, THAT CERTAIN DEED OF EASEMENT BY AND BETWEEN THE CITY OF NEWPORT NEWS, VIRGINIA, AND VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION ENERGY VIRGINIA, DATED THE 26TH DAY OF SEPTEMBER, 2023, FOR AN EASEMENT ACROSS CITY-OWNED PROPERTY LOCATED AT 13200 AND 13210 WARWICK SPRINGS ROAD, NEWPORT NEWS, VIRGINIA. This ordinance authorized and directed the City Manager to execute a Deed of Easement by and between the City of Newport News and Dominion Energy Virginia, granting a utility easement over City-owned property at 13200 and 13210 Warwick Springs Road.

City Council was requested to adopt an ordinance authorizing the execution of a Deed of Easement by and between the City of Newport News and Dominion Energy Virginia granting a utility easement over City-owned property at 13200 and 13210 Warwick Springs Road.

Installation of a three-phased power connection was needed to power the transformer for the future Amtrak maintenance building being developed in connection with the Newport News Transportation Center. The proposed 15-foot-wide underground utility easement would support the power needs for the maintenance building.

City Council received and opened one bid for this easement at its September 12, 2023 Regular Meeting. Virginia Electric and Power Company (d/b/a Dominion Energy Virginia) was the successful bidder in that process with a bid of $1.

The required Public Hearing on the adoption of an ordinance authorizing the execution of a deed of easement to the successful bidder was advertised for the September 26, 2023 Regular Meeting of City Council.

The City Manager recommended approval.

(No registered speakers)

Moved by Councilwoman Tina L. Vick, seconded by Councilman Cleon M. Long, P.E., adoption of the ordinance.

Draft

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

Moved by Councilman Cleon M. Long, P.E., seconded by Councilman Marcellus L. Harris III, D. Div., to close the public hearing.

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

F. Consent Agenda

Moved by Councilwoman Tina L. Vick, seconded by Councilman Cleon M. Long, P.E., adoption of the Consent Agenda, Items F1 and F2, as shown below.

1. Minutes of the Work Session of September 12, 2023

(No registered speakers)

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

2. Minutes of the Regular Meeting of September 12, 2023

(No registered speakers)

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

G. Other City Council Actions

1. Resolution Approving a Capital Improvements Plan (CIP) for Fiscal Year 2024 – 2028 for the City of Newport News, Virginia

Draft

A RESOLUTION APPROVING A CAPITAL IMPROVEMENTS PLAN FOR THE FISCAL YEAR 2024 TO THE FISCAL YEAR 2028 FOR THE CITY OF NEWPORT NEWS, VIRGINIA. This resolution approved a Capital Improvements Plan (CIP) for Fiscal Year 2024 – 2028 for the City of Newport News, Virginia.

A resolution was prepared for City Council approval of the FY 2024- FY 2028 CIP. By ordinance, the City Manager was required to provide an updated CIP to City Council no later than November 1 of each year. The CIP was initially presented to City Council at its October 25, 2022 Work Session to provide an update on the Recommended FY 2024 – FY 2028 CIP. Subsequent Work Sessions were held on the following dates to continue discussions on the CIP – June 23, 2023, July 25, 2023, August 8, 2023, and September 12, 2023.

Included is a summary of the five-year $1.1 billion financial plan, along with a list of projects by category. Total General Fund supported spending of $866.4 million was funded from General Obligation Bonds of $503.4 million, Cash Capital of $105.6 million, and Grant Funding of $257.4 million.

Total capital spending for User-Fee Funds was projected at $239.5 million, consisting of Waterworks projects totaling $123 million, Sewer Rehabilitation projects totaling $20.1 million, and Stormwater Drainage projects totaling $66.5 million.

The recommended CIP reflects substantial investment in transportation infrastructure, which included funding for street reconstruction and resurfacing, concrete replacement, utilities undergrounding/burial, bridge replacements, and pedestrian, road safety, local roadway, streetlight, traffic and intersection improvements. Specific projects included funds for Complete Streets – 16th Street, Oyster Point Road Widening, Birthplace of America Trail, and various traffic signal and pedestrian improvements. Funds were recommended to provide the City match required for projects included as part of the City's State Revenue Sharing application.

Community development and redevelopment continued to be a main focus of the CIP. The Capital Plan included funding for completion of the Choice Neighborhood Initiative (CNI) and provided appropriate funding in accordance with the Transportation Plan for the Marshall-Ridley Choice Neighborhood. The Plan provided continued funding in the Denbigh/Lee Hall areas to support the acquisition of strategically located properties, streetscape and landscape enhancements, and other targeted redevelopment and rehabilitation efforts. Other development and redevelopment efforts included funding for the Downtown Initiatives, City Center at Oyster Point Projects, Tech Center at Oyster Point/Jefferson Lab, and funding to support future economic development opportunities throughout the City.

The Schools category reflected $112.8 million of General Fund Cash Capital and General Obligation Bond funding. Of that $52.8 million was included for renovations at Warwick High School. Each year included $12 million for the purchase of new buses, replacement of aging HVAC unit, roofs and electrical service, and site repairs.

Draft

Continuing with the Public Buildings category, funds were allocated for the continued renovation and repair (e.g., HVAC roof replacement) of City buildings and facilities. The construction of new buildings and facilities included, the planning and design phases of new court facilities, along with construction of two new courtrooms, a new Fire Station No. 12 in the Menchville area, and Sherwood development. Additional funds were included for the construction of Fire Station No. 11 as construction costs increased due to inflation. This category also included $21 million in grant funding secured by Newport News Public Schools for the Huntington Middle School replacement, and $61.4 million was included to complete other community investments, such as a library and recreational amenities.

In the area of Parks and Recreation, funding was recommended for the continued maintenance and renovation of recreational and park facilities, the replacement of lighting equipment and light poles at athletic fields, the continued planned phased construction of Stoney Run Park, and for landscape improvements throughout the City. Other projects included campsite improvements, park shoreline and beach improvements, and the development of the Stoney Run Greenway. Funding was included for the planning and development of the City Farm property at Riverview Farm Park.

Funding was recommended to replace and improve mission critical equipment throughout the City. This included fire vehicle and apparatus replacement, as well as Police and Fire Department in-vehicle computer tablets. The proposed plan maintained annual funding to replace public safety radios. In addition, the plan included funds to continue upgrading the phone system to Voice Over IP in City offices.

Significant investment was anticipated in the Waterworks, Sanitary Sewer, and Stormwater systems. Major waterworks projects included improvements to Harwood's Mill and Little Creek Dams. The Sanitary Sewer Consent Order (Virginia Department of Environmental Quality) and Municipal Separate Storm Sewer System Permit (Environmental Protection Agency) are expected to have a continued impact on the sewer rehabilitation and stormwater categories, respectively.

City Council approval was required to appropriate funds for the projects included in the FY 2024 - 2028 CIP.

The City Manager recommended approval.

(No registered speakers)

Moved by Councilwoman Tina L. Vick, seconded by Councilman Cleon M. Long, P.E., approval of the resolution.

Carried by the following votes:

Draft

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

2. Resolution Granting Local Approval for Hospital to Home, LLC, D/B/A H2H Emergency Services, a Private Emergency Medical Services Agency, to Provide Certain Medical Transport Services Within the City of Newport News

A RESOLUTION GRANTING LOCAL APPROVAL FOR HOSPITAL TO HOME, LLC, D/B/A H2H EMERGENCY SERVICES, A PRIVATE EMERGENCY MEDICAL SERVICES AGENCY, TO PROVIDE CERTAIN MEDICAL TRANSPORT SERVICES WITHIN THE CITY OF NEWPORT NEWS. This resolution granted local approval for Hospital to Home, LLC to provide certain medial transport services within the City of Newport News.

Hospital to Home, LLC, d/b/a H2H Emergency Services (H2H) an emergency medical services agency licensed by the Virginia Department of Health to provide Ground Ambulance - advanced Life Support (ALS) and Ground Ambulance – Basic Life Support (BLS) services in the Commonwealth of Virginia.

The Virginia Administrative Code (12 VAC5-31-420) required that any applicant for licensure by the Virginia Office of Emergency Medical Services submit with its application an ordinance or resolution confirming approval of the governing body of each locality where the agency maintained an office or stationed an EMS vehicle for response.

H2H requested City Council approval to provide medical transport services from its location at 10524 Jefferson Avenue, Newport News, Virginia 23601.

The City Manager recommended approval.

(No registered speakers)

Moved by Councilwoman Tina L. Vick, seconded by Councilman Cleon M. Long, P.E., approval of the resolution.

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

3. Item 1 of 2: Resolution Authorizing the City Manager to Execute a Grant Agreement By and Between the Commonwealth of Virginia and the City of Newport News, Virginia, for a Virginia Military Community Infrastructure Grant for the Harwood's Mill Dam Improvement Project

Draft

A RESOLUTION AUTHORIZING AND DIRECTING THE ACTING CITY MANAGER TO EXECUTE, ON BEHALF OF THE CITY OF NEWPORT NEWS, VIRGINIA, THAT CERTAIN GRANT AGREEMENT BY AND BETWEEN THE COMMONWEALTH OF VIRGINIA, ACTING THROUGH THE OFFICE OF THE SECRETARY OF FINANCE AND THE OFFICE OF THE SECRETARY OF VETERANS AND DEFENSE AFFAIRS OF THE COMMONWEALTH OF VIRGINIA AND THE CITY OF NEWPORT NEWS, VIRGINIA, FOR A VIRGINIA MILITARY COMMUNITY INFRASTRUCTURE GRANT RELATED TO IMPROVEMENTS TO THE HARWOOD'S MILL RESERVOIR DAM. This resolution authorized the City Manager to execute a Grant Agreement by and between the Commonwealth of Virginia and the City of Newport News, Virginia, for a Virginia Military Community Infrastructure Grant for the Harwood's Mill Dam Improvement Project.

Newport News Waterworks had negotiated a grant agreement with the Commonwealth of Virginia in support of the renewal and upgrades to the Harwood's Mill dam and spillway infrastructures. Grant funding totaled $1,225,781. Newport News Waterworks would administer the requirements of the grant to include progress and financial reporting. This dam renewal project has been included in the Newport News Waterworks' Capital Improvements Plan (CIP) and was underway. Harwood's Mill Reservoir was one of two terminal reservoirs that served the regional water retreatment plants. The project was located in York County, Virginia.

Upgrades to the Harwood's Mill dam and spillway were identified in modeling and compliance studies years ago. The upgrades included replacement of aging concrete materials in the spillway, demolition of previously abandoned infrastructure, and raising of the dam height to fully protect these facilities from the probable maximum flood.

Two grant agreements were previously executed by the City of Newport News in support of this project, including Virginia Department of Emergency Management and Defense Community Infrastructure Program (Federal). This grant agreement would supplement those funds and Newport News Waterworks' capital funds.

There was no direct fiscal impact related to this Agreement. Indirect impact(s) would include the ability for Newport News Waterworks to reallocate $1,225,781 of Enterprise funds from the dam project to other important capital improvement projects.

The City Manager recommended approval.

(No registered speakers)

Moved by Councilman Cleon M. Long, P.E., seconded by Councilman Marcellus L. Harris III, D. Div., approval of the resolution.

Carried by the following votes:

Draft

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

4. Item 2 of 2: Waterworks Department – Harwood's Mill Dam Improvement Project – $1,225,781

A RESOLUTION APPROPRIATING FUNDS FROM COMMONWEALTH OF VIRGINIA GRANT FUNDS ($1,225,781.00) TO CONSTRUCTION FOR THE HARWOOD'S MILL DAM IMPROVEMENT PROJECT ($1,225,781.00). This resolution appropriated $1,225,781.00 in Commonwealth of Virginia Grant Funds for the Harwood's Mill Dam Improvement Project ($1,225,781.00).

On June 13, 2023, City Council approved funding for the Harwood's Mill Dam Improvement Project of $23,920,350 by Resolution #13646-23 for the renewal and upgrades to the Harwood's Mill dam and spillway infrastructure. Harwood's Mill Reservoir was one of two terminal reservoirs that served the regional water treatment plants, and was located in York County, Virginia. This project was funded by a combination of Waterworks bond funds and two federal grant awards. This dam renewal project was included in the Waterworks Capital Improvements Plan and is underway.

Waterworks subsequently received a grant fund from the Commonwealth of Virginia totaling $1,225,781 in support of this project. Waterworks would administer the requirements of the grant including progress and financial reporting.

It was requested that City Council appropriate state grant funds in the amount of $1,225,781. These funds would free an equal amount of Waterworks revenue bond funds appropriated to the project, allowing them to be reallocated to a future Waterworks capital project when needed. The total proposed dam improvement project appropriation would remain at $23,920,350.

The Harwood's Mill Dam Improvement Project would now be funded with a combination of Waterworks bond funds and two federal grant awards, as one state grant award. The project would remain at the previously appropriated amount of $23,920,350.

The City Manager recommended approval.

(No registered speakers)

Moved by Councilwoman Tina L. Vick, seconded by Councilman Cleon M. Long, P.E., approval of the resolution.

Carried by the following votes:

Draft

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

5. Motion Designating City Council's Voting Delegate and Alternate Delegate to the Virginia Municipal League (VML)

A request that City Council designate, by motion, the City's voting delegates (2) and one alternate for the 2023 Virginia Municipal League (VML) Business Meeting. The 2023 Annual Conference was scheduled October 8 – 10, 2023, in Norfolk, Virginia at the Norfolk Marriott Hotel. VML's Business Meeting would occur on Monday, October 9, 2023 during the conference. The City Manager requested that City Council designate, by motion, the City's voting delegate and alternate delegate for the VML Business Meeting.

In accordance with the operating procedures of the League's Constitution, each locality was required to select one delegate to vote per 100,000 population, rounded up to the nearest 200,000. The City of Newport News' population exceeded 182,155 according to the 2020 Census results, requiring City Council to select an official delegate, and an alternate delegate. The names of the individuals must be submitted by September 29, 2023 to certify the City's voting appointees during the conference.

(No registered speakers)

Councilman Harris made a motion designating Councilwoman Vick and Councilwoman Woodbury as the City's Voting Delegates, and Ms. Jerri Wilson, Management and Legislative Program Analyst, as the Alternate, at the VML Annual Conference Business Meeting; motion was seconded by Councilman Long.

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

H. Appropriations

Moved by Councilman Cleon M. Long, P.E., seconded by Councilwoman Tina L. Vick, adoption of Appropriations, Items H1 through H5, all inclusive, as shown below.

1. Department of Engineering – Fiscal Year 2023 Bond Authorization, Public Buildings Category: Southeast Community Resource Area Project – $71,000,000

A RESOLUTION APPROPRIATING FUNDS FROM BONDS AUTHORIZED AND UNISSUED – PUBLIC BUILDINGS CATEGORY ($50,000,000.00) AND STATE SCHOOL CONSTRUCTION GRANT – LOCAL REVENUE ($21,000,000.00) TO SOUTHEAST COMMUNITY RESOURCE

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AREA. This resolution appropriated $71,000,000 from Bonds Authorized and Unissued - Public Buildings Category, to the Southeast Community Resource Area.

The Southeast Community Resource Area (SECRA) site was approximately 19-acres, comprised of five individual parcels, located between 35th Street and 28th Street and between Orcutt Avenue and Wickham Avenue.

The City of Newport News (City) and Newport News Public Schools (NNPS) staff worked together to prepare a scope of services, and in August 2020, issued a Request for Proposal (RFP) for professional services for the SECRA project. The project scope included the creation of a Master Plan (Phase One), the design of a modern 21st century 600-student middle school and an educational and recreational services and community meeting space. The creation of a 75,000 square foot shared-use community campus would enhance other redevelopment initiatives within the Southeast Community, and would replace aging and outdated facilities with a modern recreation center and library with community meeting rooms.

The RFP Committee, comprised of members of the City and NNPS staff, reviewed the proposals, interviewed the firms, and selected Quinn Evans as the consultant for this project. Phase One was completed. Phase Two, which would include the design of a new middle school and new community center, along with demolition of the existing buildings on site, was near completion.

The initial project was envisioned to be two separate construction projects, spread out over a multi-year period. Based on the consultant's assessment, the development, design, and bids for construction of the individual buildings as one project, would be the best efficiencies of time, staffing, construction, and costs. The project would be bid and managed as a single project with project funding phase over the two years.

Subsequently, in March 2023, NNPS applied for a State School Construction Assistance Grant for Huntington Middle School. Grants would be awarded up to 30% of the project costs, for public school construction, additions, or major modernization/renovation projects in which construction began on or after July 1, 2022. Grant funded project costs include reasonable and allowable project construction costs, to include planning, design (architectural and engineering, site acquisition, construction phase costs including the core building structure and related site work. In May 2023, the State Board of Education awarded NNPS $21 million in grant funds for the estimated $70 million design and construction of Huntington Middle School.

The Newport News City Council was requested to appropriate $50 million from the FY 2023 Bond Authorization and $21 million from the State School Construction Assistance Grant for a total of $71 million towards the construction of Huntington Middle School. The balance or the funding for the SECRA community portion of the project would be included in the FY 2024 – FY 2028 Capital Improvements Plan. Once the FY 2024 CIP was adopted and a subsequent FY 2024 Bond Authorization was approved by City Council,

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phased appropriations for the remaining construction of the Huntington/SECRA project would occur in the future, when necessary.

Funding was available from the Public Buildings Category of the FY 2023 Bond Authorization in the amount of $50 million for the construction of Huntington Middle School. The amount of $21 million was available from the State School Construction Assistance Program Grant, for a total appropriation request of $71 million.

The City Manager recommended approval.

(No registered speakers)

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

2. Department of Development – Virginia Port Authority Aid to Local Ports Grant Program: Menchville Marina Improvements – $427,410

A RESOLUTION APPROPRIATING FUNDS FROM THE VIRGINIA PORT AUTHORITY AID TO LOCAL PORTS GRANT PROGRAM ($427,410.00) FOR IMPROVEMENTS TO MENCHVILLE MARINA ($427,410.00). This resolution appropriated $427,410.00 from local revenue ($106,852.00) and State Revenue – Virginia Port Authority ($320,558.00) for improvements to Menchville Marina.

The City of Newport News (City) was the owner of the marina located at 494, 520, 522, and 524 Menchville Road South (Menchville Marina). Menchville Marina was a critical component of the Virginia oyster fishery and served as a central location on the Peninsula for seafood offloading and distribution for watermen working the lower James River and its tributaries.

The City applied for, and was awarded, $427,410 by the Virginia Port Authority through its Aid to Local Ports Annual Grant Program for improvements at Menchville Marina. Funding included $320,558 in State funds and the required 25% match in local funds of $106,852. This highly competitive State grant program offered $1,000,000 annually for capital improvements to publicly-owned marine facilities that support commercial port activities in the State of Virginia.

This grant award would be used to fund the construction of floating docks at Menchville Marina, equipped with fresh water, electricity and safety equipment that would support the watermen who utilized the marina facility. The existing docks had reached the end of their lives and were not in a condition suitable for use. As part of the new dock project,

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the existing docks would be removed and shoreline stabilization work around the new docks would be performed.

The required local match in the amount of $106,852 was included in the General Fund Operating Budget.

The City Manager recommended approval.

(No registered speakers)

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

3. Department of Development – Fiscal Year 2023 Bond Authorization, Community Development Category: Maritime Economic Development Projects – $1,000,000

A RESOLUTION APPROPRIATING FUNDS FROM FISCAL YEAR 2023 BOND AUTHORIZATION COMMUNITY DEVELOPMENT CATEGORY ($1,000,000.00) TO MARITIME ECONOMIC DEVELOPMENT PROJECTS ($1,000,000.00). This resolution appropriated $1,000,000 from Fiscal Year 2023 Bond Authorization, Community Development Category to Maritime Economic Development Projects.

City Council was requested to appropriate $1,000,000 in Community Development funding from the FY 2023 Bond Authorization to support Maritime Economic Development projects.

The City had completed the design for dock and shoreline stabilization improvements, restroom and site improvements at Menchville Marina (494, 520, 522, and 524 Menchville Road South). Menchville Marina was a critical component of the Virginia oyster fishery and served as a central location on the Peninsula for seafood offloading and distribution for watermen working the lower James River and its tributaries.

The project would include the construction of new restrooms, floating docks equipped with fresh water, electricity and safety equipment, shoreline stabilization work, and site improvements that would bring the marina in compliance with current site standards and regulations, while making significant operational and safety improvements for the watermen using the facility.

The project was supported by $320,558 from the Virginia Port Authority's Aid to Local Ports grant, $250,000 in previously awarded funds from the Post Host Communities Revitalization Fund, and $106,852 in a City local grant match. The entire project was appropriated at $1,677,410.

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The $1,000,000 appropriation was requested from the Community Development Category of the FY 2023 Bond Authorization.

The City Manager recommended approval.

(No registered speakers)

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

4. Newport News Sheriff's Office – Byrne Discretionary Community Project Funding – $760,000

A RESOLUTION APPROPRIATING FUNDS FROM THE BYRNE DISCRETIONARY GRANT PROGRAM ($760,000.00) TO THE GUN VIOLENCE AND VIOLENT CRIME REDUCTION INITIATIVE ($760,000.00) FOR USE BY THE NEWPORT NEWS SHERIFF'S OFFICE. This resolution appropriated $760,000 for the City's Gun Violence and Violent Crime Reduction Initiative.

On August 10, 2023, the City was officially awarded $760,000 from the Federal Department of Justice (DOJ) through the Byrne Discretionary Community Project Funding /Byrne Discretionary Grants Program to support the City's Gun Violence and Violent Crime Reduction Initiative. The announcement of the grant award was previously presented to City Council in May 2023 by Congressmen Bobby Scott. The Gun Violence and Violent Crime Reduction Initiative was a collaborative effort between the Sheriff's Office, Police Department, and Commonwealth's Attorney Office focused on prevention and intervention to reduce acts of gun violence and violent crimes.

The grant award supported the gun violence initiative through a variety of components such as expansion of the Sheriff's Office's Re-Entry Program. The grant funding would support three managers, funding for stable housing, and transportation to citizens returning to the community after incarceration. Enhancing the Re-Entry Program was essential to decrease rates of recidivism. In addition, a portion of the funds would be used to enhance crime prevention and gun violence response technology within the Police Department, as well as expand the safety and relocation program to support victims and witnesses of violent crimes.

The initiative was fully supported through federal grant funds for the current fiscal year (FY 2024). No local match was required.

The City Manager recommended approval.

Draft

(No registered speakers)

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

5. Department of Engineering – Fiscal Year 2023 Virginia Department of Transportation Smart Scale Grant Program Project Funds for the Oyster Point Road Improvements Project from Jefferson Avenue to Operations Drive – $15,985,681

A RESOLUTION APPROPRIATING FUNDS FROM THE VIRGINIA DEPARTMENT OF TRANSPORTATION SMART SCALE GRANT PROGRAM ($15,985,681.00) TO THE OYSTER POINT ROAD IMPROVEMENTS PROJECT ($15,985,681.00) FROM JEFFERSON AVENUE TO OPERATIONS DRIVE. This resolution appropriated $15,985,681.00 from the FY 2023 VDOT Smart Scale Grant Program for the Oyster Point Road Improvements project.

City Council was requested to approve an appropriation of $15,985,681 from VDOT Smart Scale Program for the Oyster Point Road Improvements project from Jefferson Avenue to Operations Drive.

The City had competed for, and successfully secured, VDOT Smart Scale Program grant funds for the Oyster Point Road Improvements Project. The project scope included the installation of refuge islands and pedestrian signals for the north and south legs of the intersection of Jefferson Avenue and Oyster Point Road, and would include the construction of a third through lane east and westbound on Oyster Point Road, as well as signal timing changes to improve the operational efficiency for all movements.

The Smart Scale Program grant was 80% Federal, 20% State, and 0% locally funded.

The City Manager recommended approval.

(No registered speakers)

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

I. Citizen Comments on Matters Germane to the Business of City Council

Mr. Clarence Whitley, 403 Menchville Road South, Newport News, spoke on the 1884 Warwick County Confederate Monument. He reminded that he had addressed City Council on several occasions requesting that the monument City Council voted to remove in 2020 be re-erected.

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In many ways the City was diverse, but not when the monument was removed. Mr. Whitley indicated the confederate soldiers fought for the Commonwealth and Warwick County. They did not go to war over slavery as believed, but because the Commonwealth asked, they protected Virginia when the aggressors of the North marched across the state line and into Manassas. Mr. Whitley asked that those men be honored for serving the United States of America in uniform by answering the call. He reminded that he previously recommended that the 1884 Warwick County Confederate Monument be put up at Lee Hall Mansion, Endview Plantation, or the Virginia War Museum. He inquired whether the City would re-erect the monument on private property to be maintained by the owner(s) of the private property, and not the City. An organization would be named to protect and maintain the monument. Mr. Whitley asked members of City Council to do what the former City Council would not. Mr. Whitley further advised that the battle flag on the monument had nothing to do with the Ku Klux Klan (KKK) organization but was the rally point for the confederate soldiers at the time of battle. It was now the really point for the souls of the confederate soldiers to come home.

Mr. Thomas Holland, 5919A Orcutt Avenue, Newport News, shared personal background information, having been born in Georgia, and was moved from foster home to foster home until the age of 18, when he enlisted in the army. He met his wife Angie in the military while in Germany. He and his wife were deployed for four years, and moved to Williamsburg, Virginia when they completed their military career. They eventually moved to Newport News when he began working with the Newport News Shipyard, and had a chance to build and own a home. He shared that their mortgage increased from $1,500 per month to $2,600 per month. Mr. Holland advised that he needed help. He contacted the Veterans Administration who approved his loan. Within one year, his house was valued at an extra $118,000. He stated he felt as though he was losing everything he worked for. As a member of a Union, he would receive a $3 raise, but would do nothing to secure his home. He questioned the substantial increase and indicated that he would lose his home in the next year.

Mayor Jones and Acting City Manager Archer agreed to meet with Mr. Holland at the conclusion of the meeting.

Ms. Angela Harris, 2101 Hampton Avenue, Newport News, advised that she was born and raised in the City of Newport News and observed that the City had changed drastically from the top to the bottom. She referenced the history of her ancestors, as well as the confederate ancestors referenced by Mr. Whitley. Ms. Harris commented on the historical East End Parks Tour and paid tribute to her ancestors – Dr. Mary T. Christian; June Mears; Tyree Harrell and brothers; Mr. Huntley; former Newport News Mayor Joe Frank; and living elders, Linwood DeBrew; O. H. Smith, with 90 years of service in the community; James “Jimmy” Summers; of Summers Automotive, moving forward with the allocation of money, advising that some of those funds could have been used to save some of the aforementioned businesses, as well as Huntington Middle School. Ms. Harris referenced the following sites: (1) Chase Bag Company, a brownfield owned by the City of Newport News, Old Dominion Land Company, Newport News Shipyard and Dry Dock Company, which was leased out for ninety years, never to be known as the original Newport News Shipyard and Dry Dock Company, which existed before Collis P. Huntington came to Newport News from West Virginia with his coal; (2) Hampton Roads Sanitation District. The water was tested. There needed to be a better clean-up; King

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William Reservoir; (3) EPA (Environmental Protection Agency) – the coal company, with Kinder Morgan; (4) Newport News Shipyard, remembering the ancestors who died from asbestos. The union needed to have a conversation with the citizens; the interstate highway system, with Chestnut Avenue being the first entrance into Newport News. There would be no Hilton Village without the East End of Newport News; and the C & O Railroad, recalling that Collis P. Huntington brought his coal to Newport News from West Virginia. The railroad car rested at the Virginia War Museum. She suggested saluting all ancestors.

Ms. Della Robbins, 14209 Penrith Lane, Newport News, advocated for fellow citizens in the Warwick Lawns community. She shared that the sidewalks and ditches looked good. She addressed the high grass on Campbell Road, which could grow as tall as three to four inches tall prior to being cut, as well as the man-made creek (which resembled a swamp) in the neighborhood. Ms. Robbins extended thanks to Vice Mayor Bethany who immediately took control when told of the situation. She advised that Public Works had informed the residents that they were on a regular schedule for grass to be cut. Water stood in the swamp due to a high pipe that was installed which did not allow the water to properly filter through. Ms. Robbins proposed that the grass be cut on a regular basis and the area beautified, with large rocks to improve the aesthetics on Campbell Road.

Vice Mayor Bethany shared that he met with Mr. Frank James, Director, Department of Public Works, regarding the matter and hoped the issue would be resolved soon. He requested an update. Acting City Manager Archer replied that he would work with the City administration and would provide an update to City Council.

Mr. James Stamps, 4001 Campbell Road, Newport News, also a resident of the Warwick Lawns neighborhood, shared that he lived beside the retention pond which resembled a swamp. The mosquito level was very high as a result. He reported the problem to the Vice Mayor as well as the Department of Engineering. The area was an eyesore with high grass and vegetation, an abundance of trash, and the pond with the pipe too high preventing the water to drain. He also asked that the grass cutting be added to a schedule soon.

Mr. Julius Green, Jr., 25 Crutchfield Drive, Newport News, also a resident of the Warwick Lawns neighborhood, extended thanks to the City for the road work and sidewalks done on Campbell Road. Regarding the retention pond which resembled a swamp, Mr. Green advised that he passed by it daily. He felt as though the retention pond was unfinished which led to the numerous problems the residents were experiencing. The pipe should have been lowered and raised with the addition of sand.

Ms. Yodagent Uwa, 1216 Hampton Avenue, Newport News, shared that there were new Judges assigned to the Juvenile and Domestic Relations District Court that operated without background information regarding certain cases that came before them. She indicated Judges without the proper information could not make fair and informed decisions, particularly pertaining to her. She filed a lawsuit against the Newport News Department of Human Services for falsifying documents and taking four of her children from her, along with Judge Timothy Fisher who denied her children into her care. Two years following, her newborn was taken from her, the agency fraudulently obtained a birth certificate, an arrest with no warrant due

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to retaliation in January 2020; after which she put an attorney in the City Attorney's office on notice, leading to the removal of her newborn child while being breastfed. She went to local, state and federal courts, with the case eventually being thrown out due to a technicality. Although four of her children were returned to her care, a fifth child was not. Ms. Uwa indicated that justice had not been served where she was concerned. She advised that she would file an appeal, and requested that a member of City Council intervene on her behalf. She further advised that she had been banned from the Newport News Office of Human Services for sharing her concerns.

J. Old Business, New Business and Councilmember Comments

City Attorney reminded there was a resolution before City Council pertaining to Tropical Storm Ophelia.

A RESOLUTION OF THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, CONFIRMING, RATIFYING AND TERMINATING THE DECLARATION OF A LOCAL EMERGENCY ISSUED BY THE NEWPORT NEWS DIRECTOR OF EMERGENCY MANAGEMENT ON SEPTEMBER 22, 2023, MADE NECESSARY BY TROPICAL STORM OPHELIA.

Councilwoman Vick moved adoption of the resolution, as shown above; seconded by Councilman Long.

(No registered speakers)

Carried by the following votes:

Ayes: Councilman Marcellus L. Harris III, D. Div., Mayor Phillip D. Jones, Councilman Cleon M. Long, P.E., Councilwoman Tina L. Vick, Vice Mayor Curtis D. Bethany, III, and Councilman John R. Eley, III

Councilman Eley acknowledged and welcomed Ms. Lisa Surles-Law, Chair of the Newport News School Board. He extended thanks for all she did for the Newport News Public Schools.

Councilman Harris extended thanks to everyone for their attendance and participation, and sharing their concerns as well as those citizens watching online. He encouraged citizens to continue sharing feedback with the City Council.

Councilman Long echoed the sentiments shared by Councilman Harris.

Vice Mayor Bethany extended thanks to everyone for their attendance and participation, and sharing their concerns as well as reiterating that members of City Council ultimately worked for all of the citizens.

Vice Mayor Bethany shared that the 2023 Annual Denbigh Day Parade and Festival held on Saturday, September 16, 2023, was a huge success. He extended thanks to the City staff, the

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Denbigh Lions Club and everyone involved in the preparation for the Denbigh Day event. The community was appreciative.

Vice Mayor Bethany extended thanks and appreciation to the organization, All the Way Up Jeeperz, LLC, who provided all of the jeeps used by City Council for the Denbigh Day Parade and Festival.

Mayor Jones extended thanks and appreciation to Acting City Manager Alan Archer for his role as Emergency Manager during Tropical Storm Ophelia, the first active storm impacting the City in 2023. He was very pleased that City was able to care for its citizens and unhoused populations.

Mayor Jones shared as he listened to the numerous citizens addressing City Council, he was reminded that local government was where "the rubber meets the road" when individuals come, have their voices heard, and City Council did the best to provide help and assistance to the citizens in the City of Newport News – where government actually occurs.

Mayor Jones shared that in-person early voting began on Friday, September 22, 2023. He encouraged citizens to exercise their right to vote at City Hall and at City Center. Voting locations and times included: (1) Voter Registrar's Office at City Hall, 2400 Washington Avenue, 6th floor, 8:00 a.m. – 5:00 p .m. Monday through Friday; (2) Voter Registrar's Office at City Center, 700 Town Center Drive, 2nd Floor, Tuesday and Thursday, 8:00 a.m. – 5:00 p.m.; beginning October 23, 2023, Monday through Friday, 8:00 a.m. – 5:00 p.m.; (3) both locations would be open on Saturday, October 28, 2023 and Saturday, November 4, 2023, 9:00 a.m. – 4:00 p.m.; and (4) 2023 Souls to the Polls event, an effort to get everyone to go to the poll to vote, scheduled the week prior to Election Day - Sunday, October 22, 2023, 11:00 a.m. – 4:00 p.m.

Mayor Jones extended thanks to everyone for their attendance and participation, and sharing their concerns.

K. Adjourn

THERE BEING NO FURTHER BUSINESS
ON MOTION, COUNCIL ADJOURNED AT 7:40 P.M.

Mabel Washington Jenkins, MMC
City Clerk

Phillip D. Jones
Mayor
Presiding Officer

A true copy, teste:

City Clerk

Shown Live On
Newport News Television
Cox Channel 48, Verizon Channel 19
www.nnva.gov/nntv

Agenda Item Summary

City Council Regular Meeting
October 10, 2023

SECTION: Consent Agenda

ITEM: Special Resolution Changing the Location of the Regular City Council Meeting of December 12, 2023

DEPARTMENT: City Manager

STRATEGIC PRIORITIES ALIGNMENT:

- ☐ Health, Safety & Well-being
- ☐ Education & Learning
- ☐ Opportunity & Economic Prosperity
- ☐ Fun, Entertainment & Culture
- ☐ Welcoming Communities & Connected Neighborhoods
- ☒ Quality Government & Innovation
- ☐ Environmental Stewardship & Sustainability

ACTION:

A Request to Approve a Special Resolution Changing the Location of the Regular Council Meeting of December 12, 2023, to the Denbigh Community Center Located at 15198 Warwick Boulevard.

BACKGROUND INFORMATION:

Section 4.06 of the Newport News City Charter provides that the City Council is to provide for the time and place of regular meetings which shall not be less frequently than once per month.

Section 2-21 of the City Code establishes the time and place of regular Council meetings, but provides that changes to the schedule may be made by the Council pursuant to special resolutions of the Council.

City Council wishes to hold its December 12, 2023 regular meeting at the Denbigh Community Center located at 15198 Warwick Boulevard.

CITY MANAGER RECOMMENDATION:

The City Manager recommends approval.

ATTACHMENTS:

Changing the Location of the Regular Council Meeting of December 12, 2023 - 10-10-2023 -

Resolution

rag5096

RESOLUTION NO. _____

A SPECIAL RESOLUTION CHANGING THE LOCATION OF THE REGULAR COUNCIL MEETING OF DECEMBER 12, 2023.

WHEREAS, Sec. 4.06 of the Newport News City Charter provides that the City Council is to provide for the time and place of regular meetings which shall not be less frequently than once per month; and

WHEREAS, Sec. 2-21 of the City Code establishes the time and place of regular council meetings, but provides that changes to the schedule may be made by the council pursuant to special resolutions of council; and

WHERAS, the City Council wishes to hold its December 12, 2023 regular meeting at the Denbigh Community Center; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Newport News, Virginia:

1. That it desires to, and hereby does, change the location of its regular meeting of December 12, 2023 from City Council Chambers to the Denbigh Community Center located at 15198 Warwick Boulevard.

2. That the City Clerk shall immediately cause a notice of this change in location to be published as required for meetings under the Virginia Freedom of Information Act (Virginia Code § 2.2-3707.C.) in order to inform the public of the Council's action.

Agenda Item Summary

City Council Regular Meeting
October 10, 2023

SECTION: Other City Council Actions

ITEM: Resolution Authorizing the City Manager to Execute an Agreement for Cost Sharing By and Between the Hampton Roads Sanitation District (HRSD) and the City of Newport News, Virginia, for City Improvements Related to HRSD Trail Construction at Riverview Farm Park

DEPARTMENT: Parks & Recreation

STRATEGIC PRIORITIES ALIGNMENT:

- ☒ Health, Safety & Well-being
- ☐ Education & Learning
- ☐ Opportunity & Economic Prosperity
- ☒ Fun, Entertainment & Culture
- ☐ Welcoming Communities & Connected Neighborhoods
- ☐ Quality Government & Innovation
- ☒ Environmental Stewardship & Sustainability

ACTION:

A Request to Approve a Resolution Authorizing the City Manager to Execute an Agreement for Cost Sharing By and Between the Hampton Roads Sanitation District (HRSD) and the City of Newport News, Virginia, for City Improvements Related to HRSD Trail Construction at Riverview Farm Park.

BACKGROUND INFORMATION:

The Hampton Roads Sanitation District (HRSD) is in the process of constructing the first phase of trail development at Riverview Farm Park, as agreed to in the "Option Agreement and Agreement of Purchase of Sale" entered into between the City and HRSD on March 23, 2021, to enable the construction of the SWIFT project.

During the planning and initial construction phase of the project, the City identified several value-added opportunities that are outside of the scope of the HRSD project and would benefit future trail users, park visitors, and neighbors.

Projects include the additional fencing between the trail and neighboring properties, the removal of a large septic system, the clearing of brush and small trees on City Farm property, the potential reconstruction of the pier on the James River, and additional value-added projects determined by site conditions.

HRSD, in accordance with the Virginia Public Procurement Act, competitively procured the services of Howard Brothers Contractor, Inc. for the construction of the trail and can effectively and quickly assign projects requested by the City through a change order, for which the City will reimburse HRSD. The benefit of using this process is that the City would pursue the same opportunities for project changes. By using the existing contractor under the cost sharing agreement, the City would not need to reestablish the work as a new construction project.

The total cost of all anticipated change orders, inclusive of contingency funding, is not expected to exceed $600,000.

FISCAL IMPACT SUMMARY:

Any approved work would be paid from existing capital appropriated funds for this project.

CITY MANAGER RECOMMENDATION:

The City Manager recommends approval.

ATTACHMENTS:

HRSD Cost Sharing Agreement (James River Land & Trail Improvements) - 10-10-2023 - Resolution

rag5074

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AND THE CITY CLERK TO ATTEST, ON BEHALF OF THE CITY OF NEWPORT NEWS, VIRGINIA, THAT CERTAIN AGREEMENT FOR COST SHARING BY AND BETWEEN HAMPTON ROADS SANITATION DISTRICT AND THE CITY OF NEWPORT NEWS, VIRGINIA, FOR THE JAMES RIVER LAND IMPROVEMENTS – PHASE I (GN016344) AND ADDITIONAL TRAIL IMPROVEMENTS.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Newport News, Virginia:

1. That it hereby authorizes and directs the City Manager to execute and the City Clerk to attest, on behalf of the City of Newport News, Virginia, that certain Agreement for Cost Sharing by and between Hampton Roads Sanitation District and the City of Newport News, Virginia for the James River Land Improvements – Phase I (GN016344) and Additional Trail Improvements.

2. That a copy of the said Agreement is attached hereto and made a part hereof.

AGREEMENT FOR COST SHARING
OF THE

HAMPTON ROADS SANITATION DISTRICT
JAMES RIVER LAND IMPROVEMENTS – PHASE I (GN016344)

AND

CITY OF NEWPORT NEWS
ADDITIONAL TRAIL IMPROVEMENTS

THIS COST SHARING AGREEMENT ("Agreement"), between the CITY OF NEWPORT NEWS, VIRGINIA, a political subdivision of the Commonwealth of Virginia ("CITY") and the HAMPTON ROADS SANITATION DISTRICT, a political subdivision of the Commonwealth of Virginia ("HRSD") (hereinafter referred to individually as a "Party" or collectively "Parties" is entered into this _____ day of_____, 2023 ("Effective Date").

RECITALS

R:1. HRSD and the CITY fully executed an Option Agreement and Agreement of Purchase of Sale (Land Purchase Agreement) dated the 23rd of March, 2021; and

R:2. HRSD and the CITY agree that HRSD has fulfilled the Land Purchase Agreement requirements for design of the Phase I Recreation Trails (the "Trails"), and that design of the recreation trails was developed in coordination with City staff and received City approval; and

R:3. HRSD, in accordance with the Virginia Public Procurement Act, competitively procured the services of Howard Brothers Contractor, Inc. (the "CONTRACTOR") to construct the Trails and entered into a construction contract with the CONTRACTOR (the "CONTRACT"); and

R.4 HRSD is constructing the Trails project as shown on **Exhibit 1** under the **James River Land Improvements – Phase I** (GN016344) capital improvement project; and

R:5. The CITY has now requested additional improvements (the "CITY Improvements") as part of the Trails; and

R.6 The CITY Improvements include, but are not limited to, fencing, tree removal, disposal and demolition of miscellaneous items, and may include reconstruction of a pier. The CITY agrees that the Land Purchase Agreement Warranty requirements do not apply to the CITY Improvements; and

R:7. HRSD and the CITY agree that it is in the best interest of the parties to have the Trails and the CITY Improvements constructed as one project (the "Project") and

therefore the Parties agree that the CITY shall use CONTRACTOR for the construction of the CITY Improvements; and

R:8. HRSD agrees to include the construction of the CITY Improvements as an approved change order to the CONTRACT which change order shall include the plans and specifications necessary for the CITY Improvements ("CHANGE ORDER"); and

R:9. CITY agrees to reimburse HRSD for that portion of the costs of the construction attributable to CITY Improvements contained in the CHANGE ORDER under the terms and conditions set forth herein; and

R:10. HRSD and the CITY agree that the CITY will take ownership of the Trails in accordance with the Land Purchase Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the above provisions and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

I. DESIGN

A. Plans and Specifications

1. HRSD has employed Vanasse Hangen Brustlin Inc. ("ENGINEER"), to prepare plans and specifications for the design of the Trails. A location map is shown on Exhibit 1.

2. The CITY has contracted directly with the ENGINEER to design any plans and specifications necessary for the CITY Improvements to be included in the CHANGE ORDER.

3. HRSD and the CITY, in coordination with the ENGINEER, will meet to coordinate, review, and approve the CHANGE ORDER. Any changes to the Final Plans and Specifications for the CONTRACT and associated CHANGE ORDER shall be approved by HRSD and the CITY.

B. Payment of the Design Costs

The CITY shall be fully responsible for all costs and expenses incurred pursuant to its agreement with the ENGINEER for the design of plans and specifications necessary for the CITY Improvements.

II. CONSTRUCTION

A. Cost of Construction

1. The total cost of the CITY Improvements (the "Improvement Costs"), as more particularly defined by the CHANGE ORDER shall include, if applicable:

   a. Cost of construction of the CITY Improvements;

   b. Cost of approvals and permits required for the construction of the CITY Improvements;

   c. Costs of services rendered by ENGINEER for the CITY Improvements other than Design Costs;

   d. Costs for all temporary or permanent easements and fee simple land acquisitions; and

   e. Any related miscellaneous essential expenses.

2. The current estimated Improvement Costs of the construction of the CITY Improvements is $600,000.

B. Approval of Construction Contract Documents; Contractors; Change Orders

1. Except as otherwise provided in this Agreement, HRSD shall be responsible for preparing, finalizing, and executing any and all front end documents, construction contracts, architectural contracts, engineering contracts, drawings, surveys, bidding documents, bonds, insurance documents, and all amendments, revisions and modifications thereto, relating to the construction of the project (collectively, the "Project Documents").

2. HRSD and the CITY will jointly review and approve the CHANGE ORDER in writing. If the CITY does not approve the CHANGE ORDER, the CITY Improvements shall not be included in the Project.

3. ENGINEER, in coordination with HRSD and CITY, will review and approve shop drawings related to the CITY Improvements.

C. Payment of Cost of Construction

1. The Costs shall be apportioned among the parties as follows:

a. HRSD will administer and be responsible for bearing one hundred percent (100%) of the cost of the CONTRACT except for the CHANGE ORDER.

b. The CITY will be responsible for bearing one hundred percent (100%) of the cost of the CITY Improvements included in the CHANGE ORDER.

c. Costs associated with any change to the construction cost ("Change Order") of the CONTRACT including the CHANGE ORDER shall be as follows:

(1) HRSD shall be solely responsible for costs due to a Change Order requested by HRSD; and

(2) The CITY shall be solely responsible for costs due to a Change Order requested by the CITY.

(3) Change Orders related to design errors, omissions or changed field conditions shall be the responsibility of the entity impacted by the change. If the Change Order impacts the work of both HRSD and the CITY, the responsibility shall be proportionally shared.

2. During the course of construction, HRSD shall compensate the CONTRACTOR and other individuals and entities providing materials and/or services related to the CITY Improvements for all Improvement Costs, including those for which the CITY is responsible. The CITY shall reimburse HRSD for all such payments made on its behalf. The CITY shall pay its share of the Improvement Costs to HRSD in one lump sum payment upon completion of construction (as determined by HRSD). HRSD shall provide the CITY with an invoice detailing the CITY's share of the Improvement Costs. Within thirty (30) days of its receipt of such invoice, the CITY shall reimburse HRSD for the CITY's share of the Improvement Costs as detailed in the invoice.

III. OBLIGATIONS OF HRSD AND THE CITY

A. Public Hearings or Meetings

HRSD and the CITY will each be responsible for noticing and holding any public hearings or other open meetings required under applicable law. The parties agree to reasonably cooperate and assist each other in the conduct of

such meetings.

B. Progress Meetings

ENGINEER shall arrange and conduct monthly progress meetings. HRSD and CITY shall attend and participate in these meetings.

C. Correction of Construction Defects

Pursuant to the CONTRACT, HRSD has required the CONTRACTOR to provide a performance and payment bond for the full amount of the construction of the CONTRACT. The CONTRACT provides for a warranty of the CONTRACTOR's work against construction defects in the Project and shall require the CONTRACTOR to correct such defects that are reported by HRSD or the CITY within one (1) year of the final acceptance of the Project.

D. Construction Record Drawings

ENGINEER shall provide HRSD and the CITY approved construction record drawings in accordance with HRSD's Design and Construction Standards, latest edition, and Hampton Roads Planning District Commission Regional Construction Standards, latest edition, and CITY's Utility Policy and Design and Construction Standards, latest edition.

IV. GOVERNING LAW

This Agreement shall be governed as to all matters whether of validity, interpretations, obligations, performance or otherwise exclusively by the laws of the Commonwealth of Virginia, and all questions arising with respect thereto shall be determined in accordance with such laws. Regardless of where actually delivered and accepted, this contract shall be deemed to have been delivered and accepted by the parties in the Commonwealth of Virginia.

V. TERMINATION

Termination. This Agreement may be terminated by the CITY or HRSD (i) without cause upon written notice to the other party; (ii) with cause in the event that the other party materially breaches this Agreement and such breach is not cured within sixty (60) days of the defaulting party's receipt of written notice of such breach from the non-defaulting party; or (iii) by mutual agreement of the CITY and HRSD. Anything herein or elsewhere to the contrary notwithstanding, any such termination of this Agreement shall not relieve the Parties of their obligation to pay all of the Improvement Costs incurred prior to termination, whether or not those amounts are due and payable as of the termination date. Furthermore, in the event of termination

without cause, the terminating Party shall reimburse the non-terminating Party for its reasonable, out-of-pocket costs incurred with regard to the CITY IMPROVEMENTS through the date of termination.

VI. NOTICE. Any notice, communication or request under this Agreement shall be provided in writing by either (a) a nationally recognized overnight delivery service (next business day service), (b) electronic mail with confirmation of receipt, or (c) hand-delivery, if the receipt of the same is evidenced by the signature of the addressee or authorized agent, to CITY and to HRSD at the respective addresses herein shown, unless this Agreement is modified in writing to reflect other addresses:

For: HRSD
General Manager
1434 Air Rail Avenue
Virginia Beach, VA 23455
Telephone: (757) 318-4335
Email: generalmanager@hrsd.com

With Copy to:
Robyn H. Hansen, Esquire
Sands Anderson PC
4801 Courthouse Street, Suite 203
Williamsburg, VA 23188
Telephone: (757) 276-8243
Email: rhansen@sandsanderson.com

For: City of Newport News
Alan Archer, Acting City Manager
City of Newport News, Virginia
2400 Washington Avenue
Newport News, VA 23607
Email: archerak@nnva.gov

With Copy to:
City Attorney
2400 Washington Avenue
Newport News, VA 23607
Email: cityatty@nnva.gov

VII. ASSIGNMENT

No party may assign its rights under this Agreement without the prior written consent of the other party.

VIII. AMENDMENT

This Agreement may be amended only by a written instrument duly executed by the parties.

IX. SEVERABILITY

If any provision of this Agreement or the application thereof to any circumstance shall be determined to be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall continue to be valid, in effect and enforceable to the fullest extent permitted by law.

X. INSURANCE

Pursuant to the CONTRACT, HRSD has reviewed and approved as necessary for the CONTRACT the insurance procured by the CONTRACTOR . Proof of insurance shall be provided at the request of HRSD or the CITY and the insurance coverage shall be maintained during the term of this Agreement.

XI. TERM OF AGREEMENT

The term of the Agreement will commence on the date the Agreement is entered into and be completed when each party has completely performed its obligations hereunder.

XII. FORCE MAJEURE

No Party shall be responsible for its failure to fulfill an obligation pursuant to this Agreement to the extent that such failure is due to acts of God; labor strikes; war or terrorism; epidemics/pandemics; fires; floods; the actions of a third party; lockouts; strikes, freight embargos, and unusually severe weather or delays of subcontractors due to such causes. A Party experiencing a force majeure event that prevents fulfillment of a material obligation hereunder shall (a) give the other Party prompt written notice describing the particulars of the event; (b) suspend performance only to the extent and for the duration that is reasonably required by the force majeure event; (c) use reasonable efforts to overcome or mitigate the effects of such occurrence; and (d) promptly resume performance of the affected obligation if and when such Party is able to do so.

XIII. INDEPENDENT CONTRACTOR

If the CONTRACTOR(s) hire subcontractors or independent contractors, HRSD and the CITY have the right to approve them by reviewing their requisite experience and knowledge to complete the work assigned.

XIV. MISCELLANEOUS

A. Authority. CITY and HRSD both warrant that they have permission and authority derived under their respective corporate Charters and Enabling Acts to execute and undertake this Agreement. This Agreement shall apply to, and be binding upon both Parties, their elected officials, officers, agents, employees, successors, and assigns, to the maximum extent permitted by law.

B. Compliance with Law. Each Party warrants that it has complied with all aspects of applicable federal, state, and local law in entering this Agreement and further warrants that it shall comply with all applicable federal, state, and local laws in the performance of this Agreement.

C. Binding Effect. This Agreement shall inure to the benefit of the Parties and shall, to the maximum extent permitted by law, be binding on the Parties and their successors and assigns.

D. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, and all of which shall together constitute one and the same instrument. A signature affixed or delivered electronically will be considered an original.

E. Recitals. The Recitals above are incorporated into this Agreement as if fully set forth therein.

XV. WAIVER

No waiver of breach of any term or provision of this Agreement shall be construed to be, or shall constitute, a waiver of any other breach of this Agreement. No waiver shall be binding unless in writing and signed by the parties waiving the breach.

The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

Signature pages follow

IN WITNESS WHEREOF, the Hampton Roads Sanitation District (HRSD) Commission has caused this Agreement to be signed on its behalf by its General Manager in accordance with authorization granted at its regular meeting held on September 26, 2023.

HAMPTON ROADS SANITATION DISTRICT

By_____
Jay A. Bernas, General Manager

COMMONWEALTH OF VIRGINIA,
CITY OF NEWPORT NEWS, to-wit:

The foregoing Agreement was acknowledged before me this_____ day of

_____, 2023, by Jay A. Bernas, HRSD General Manager.

_____
Notary Public

My commission expires:

Registration No.:

IN WITNESS WHEREOF, the City of Newport News, Virginia has caused this Agreement to be signed by the City Manager on its behalf pursuant to Resolution Number _____ adopted by the City Council on _____, 2023.

CITY OF NEWPORT NEWS, VIRGINIA

By_____
Alan Archer, Acting City Manager

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

STATE OF VIRGINIA
CITY OF NEWPORT NEWS, to-wit:

The foregoing Agreement was acknowledged before me this_____ day of

_____, 2023 by Alan Archer, Acting City Manager, City of Newport News, Virginia.

_____
Notary Public

My commission expires:

Registration No.:

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

Exhibit 1 - HRSD Trails

[Attached]

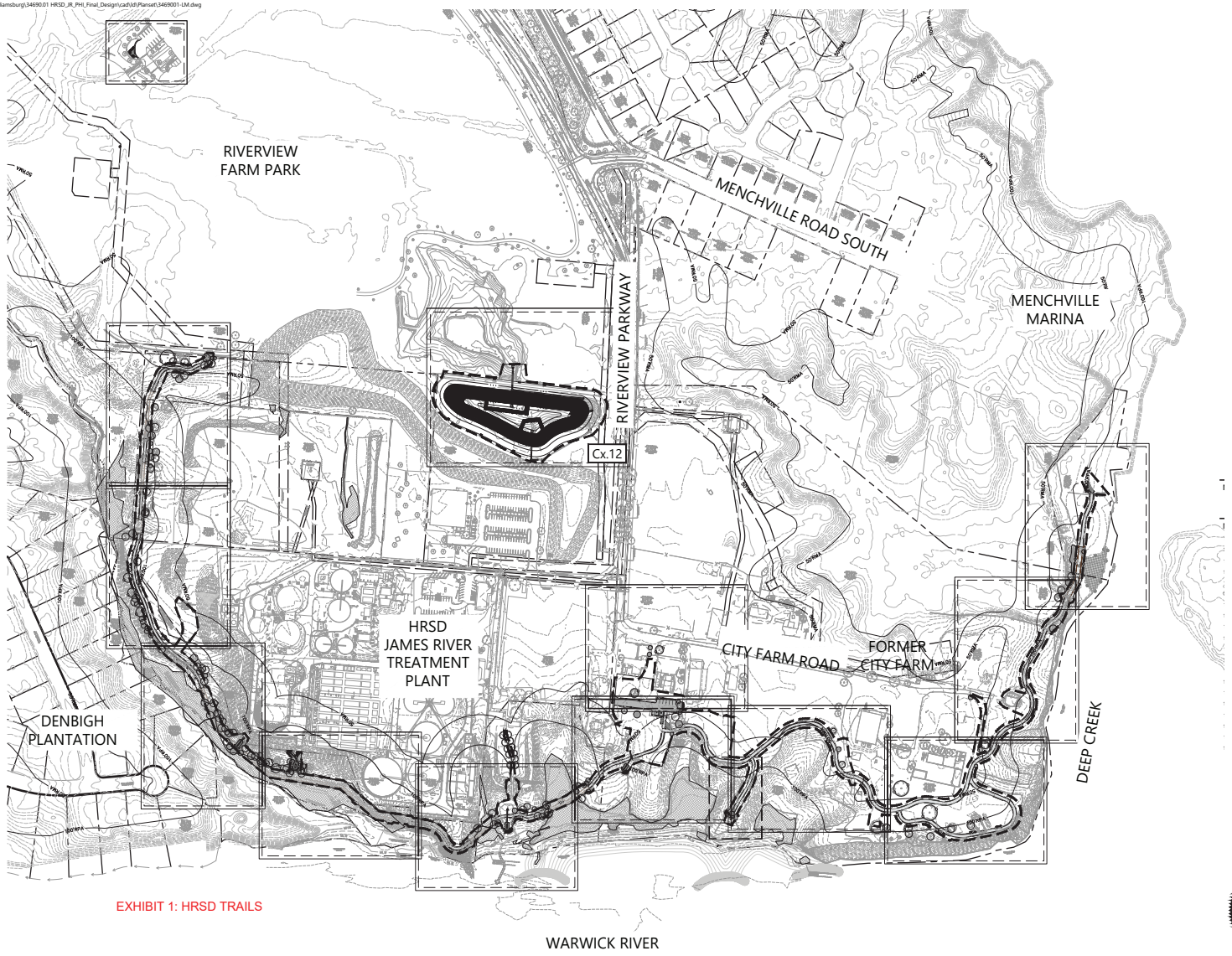

EXHIBIT 1: HRSD TRAILS

vhb.com
vhb
351 McLaws Circle
Suite 3
Williamsburg, VA 23185
757.220.0500

HRSD

0 75 150 300Feet
SCALE: 1"=150'-0"

GRAPHIC SCALE FOR USE WHEN PRINTED ON SHEET SIZE 22"x34" ANSI D FORMAT. THIS GRAPHIC SCALE WILL NOT MEASURE TO THE SCALE SHOWN WHEN PLANS ARE NOT PRINTED PROPERLY, TYPICAL ALL SHEETS.

James River Land Improvements - Phase I

101 City Farm Road
Newport News, VA

No.	Revision	Date	Appvd

Designed by — Checked by

Issued for: Conformed Drawings — Date: March 15, 2023
CU-2021-0002
CIP NO.: GN016344

Drawing Title: Layout & Materials

Drawing Number: C4.00

COMMONWEALTH OF VIRGINIA
JOHN D. HINES
Lic. No. 040808
11/2/2022
PROFESSIONAL ENGINEER

Sheet 35 of 103

Project Number: 34690.01

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Saved Tuesday, March 14, 2023 5:14:06 PM KMCHINCH Plotted Wednesday, March 15, 2023 9:27:01 AM Kathleen McMinch

Agenda Item Summary

City Council Regular Meeting
October 10, 2023

SECTION: Appropriations

ITEM: Newport News Sheriff's Office (NNSO) – State Criminal Alien Assistance Program (SCAAP) Funds – $30,000

DEPARTMENT: Budget

STRATEGIC PRIORITIES ALIGNMENT:

- ☒ Health, Safety & Well-being
- ☐ Education & Learning
- ☐ Opportunity & Economic Prosperity
- ☐ Fun, Entertainment & Culture
- ☐ Welcoming Communities & Connected Neighborhoods
- ☐ Quality Government & Innovation
- ☐ Environmental Stewardship & Sustainability

ACTION:

A Request to Approve a Resolution Appropriating $30,000 from the Newport News Sheriff's State Criminal Alien Assistance Program (SCAAP) Funds for Correctional Purposes.

BACKGROUND INFORMATION:

The City receives funds from the State Criminal Alien Assistance Program (SCAAP). SCAAP is administered by the Bureau of Justice Assistance, in conjunction with the Bureau of Immigration and Customs Enforcement, Bureau of Citizenship and Immigration Services, and Department of Homeland Security. The program provides federal payments to states and localities that have incurred correctional officer salary costs for incarcerating undocumented criminal aliens with at least one felony or two misdemeanor convictions for violations of state or local law, and who have been incarcerated for at least four consecutive days during the reporting period.

SCAAP funds may be used only for correctional purposes. The current balance of the SCAAP account is $101,563.95. It is requested that $30,000 of these funds be appropriated for the purpose of enhancing recruitment advertising efforts for correctional staff.

FISCAL IMPACT SUMMARY:

The appropriation of $30,000 will reduce the overall fund balance to $71,563.95.

CITY MANAGER RECOMMENDATION:

The City Manager recommends approval.

ATTACHMENTS:

NN Sheriff's Office - State Criminal Alien Assistance Program Funds Appropriation ($30,000) - 10-10-2023 - Resolution

rag5093

RESOLUTION NO. _____

A RESOLUTION APPROPRIATING FUNDS FROM THE NEWPORT NEWS SHERIFF'S OFFICE STATE CRIMINAL ALIEN ASSISTANCE PROGRAM (SCAAP) TO CONTRACTUAL SERVICES FOR CORRECTIONAL PURPOSES.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Newport News:

That it hereby appropriates funds from SCAAP Award – Federal Revenue to Contractual Services, as follows:

Appropriation From:

SCAAP – Federal Revenue 8660-900-00-0000-486601-000000- 0000-00000	$	30,000

Appropriation To:

Contractual Services 8660-900-00-0000-530100-000000- 0000-00000	$	30,000

Agenda Item Summary

City Council Regular Meeting
October 10, 2023

SECTION: Appropriations

ITEM: Department of Development – Virginia Department of Housing and Community Development Port Host Communities Revitalization Fund Grant for Modernization and Facility Upgrades at 2295 Harbor Road – $691,659

DEPARTMENT: Development

STRATEGIC PRIORITIES ALIGNMENT:

- ☒ Health, Safety & Well-being
- ☐ Education & Learning
- ☒ Opportunity & Economic Prosperity
- ☒ Fun, Entertainment & Culture
- ☒ Welcoming Communities & Connected Neighborhoods
- ☐ Quality Government & Innovation
- ☒ Environmental Stewardship & Sustainability

ACTION:

A Request to Approve a Resolution Appropriating $691,659 from the Virginia Department of Housing and Community Development (VDHCD) Port Host Communities Revitalization Fund Grant, and Required Local Match, for Modernization and Facility Upgrades to 2295 Harbor Road.

BACKGROUND INFORMATION:

In April 2023, the City was awarded a $300,000 grant from the Virginia Department of Housing and Community Development's (VDHCD's) FY 2023 Port Host Communities Revitalization Fund (PHCRF) program to support improvements at 2295 Harbor Road. This state grant requires a minimum 1:1 match. The requested City match is $391,659. The total grant funding of $691,659 will be used to support modernization improvements and upgrades at the waterfront restaurant facility on the property, ahead of securing a new operator for the space.

In addition to the authorization of the PHCRF Grant Contract, one of the requirements of the Port Host Communities Revitalization Fund Program is the execution of a deed covenant for a period of five years to ensure the facility will remain in use as the intended use, which in this case is a restaurant. Given the significance of the property on the 23rd Street corridor, the adjacent new investment and growth, and proximity to the James River Strand project, building improvements at 2295 Harbor Road are an ideal, appropriate and timely project.

An appropriation of $691,659 is being requested to assist with the City's award of funding from the Port Host Communities Revitalization Fund (PHCRF) Program. A grant in the amount of $300,000 was awarded from the State PHCRF Program to the City and requires a minimum 1:1 local match. The grant funding and local match in the amount of $391,659 will be used to support modernization improvements and upgrades for the restaurant facility at 2295 Harbor Road, ahead of securing a new operator for the space.

FISCAL IMPACT SUMMARY:

An appropriation of $691,659 is being requested, comprised of the $300,000 in State PHCRF grant funding, $300,000 in local grant match from the FY 2024 General Fund Operating Budget, and $91,659 in previously appropriated Downtown Initiatives funds.

CITY MANAGER RECOMMENDATION:

The City Manager recommends approval.

ATTACHMENTS:

2295 Harbor Road - Exhibit - 10-10-2023

Port Host Communities Rev Fund Grant (2295 Harbor Road) Appropriation ($691,659) -10-10-2023 - Resolution

Appropriation of Port Host Communities Revitalization Fund Grant For 2295 Harbor Road

rag5097

RESOLUTION NO. _____

A RESOLUTION APPROPRIATING FUNDS FROM THE VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PORT HOST COMMUNITIES REVITALIZATION FUND GRANT, AND REQUIRED LOCAL MATCH, FOR MODERNIZATION AND FACILITY UPGRADES TO 2295 HARBOR ROAD.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Newport News:

That it hereby appropriates funds from Port Host Communities Revitalization Fund, Local Revenue, State Revenue to Port Host Communities Revitalization Fund Facility Improvements, as follows:

Appropriate From:

Local Revenue 2650-000-39-3999-481000-000000- 0000-39D24-39D24	$	391,659
State Revenue 2650-000-39-3999-482000-000000- 0000-39D24-39D24	$	300,000

Appropriate To:

Port Host Communities Revitalization Fund Facility Improvements 2650-000-39-3999-579420-000000- 0000-39D24-39D24	$	691,659

Agenda Item Summary

City Council Regular Meeting
October 10, 2023

SECTION: Appropriations

ITEM: Newport News Public Schools – Fiscal Year 2023 State Revenue and City Revenue Carry-Forward Funds – $7,693,681

DEPARTMENT: Budget

STRATEGIC PRIORITIES ALIGNMENT:

- ☐ Health, Safety & Well-being
- ☒ Education & Learning
- ☐ Opportunity & Economic Prosperity
- ☐ Fun, Entertainment & Culture
- ☐ Welcoming Communities & Connected Neighborhoods
- ☒ Quality Government & Innovation
- ☐ Environmental Stewardship & Sustainability

ACTION:

A Request to Approve a Resolution Appropriating $7,693,681 of Fiscal Year (FY) 2022 State Revenue and Fiscal Year (FY) 2023 State Revenue and City Revenue for Various Schools Capital Projects.

BACKGROUND INFORMATION:

The State has, in the past, allowed the Schools Division to receive but not spend current revenues during a fiscal year. These revenues would be placed into reserves and be carried forward into the next fiscal year, for the Schools Division to be able to spend those funds. Beginning in FY 2003, the State requires that any of these carry-forward revenues be appropriated by the local governing body. Specifically at the end of FY 2023, the State School Superintendent allowed for the previously appropriated and unspent FY 2022 and FY 2023 Direct Aid to be carried forward in FY 2024.

For FY 2023, the recently completed fiscal year, Schools had an unspent expenditure balance of $6,922,197.33. Of this amount, $3,410,211 is FY 2022 unspent funds associated with the appropriation for secure front entrance renovation for Richneck and Newsome Park Elementary Schools. In addition, $771,494.05 was saved from Newport News Public Schools (NNPS) by cancelling prior year outstanding purchase orders at the end of FY 2023. The combined amount of $7,693,681.38 in FY 2023 School surplus funds is requested to be appropriated to the FY 2024 Newport News Public School (NNPS) Operating Budget.

After discussions between the City Manager and the Schools Superintendent, it was agreed

that these funds will be used to cover the costs associated with various capital projects associated with safety, renovation, maintenance, and project design costs. These projects include secure front entrances for Richneck and Newsome Park Elementary Schools, HVAC design, restroom restorations, non-bus fleet replacement, roof recovery, school furniture and window replacements.

If the funds are not re-appropriated by City Council, then they are required to be returned to the State and to the City, respectively.

FISCAL IMPACT SUMMARY:

No local funds are required for this resolution. Approval of this resolution will increase the FY 2024 School Fund Operating Budget by $7,693,681 from $381,396,025 to $389,089,706.

CITY MANAGER RECOMMENDATION:

The City Manager recommends approval.

ATTACHMENTS:

NNPS Unspent FY 2023 Expenditure Appropriations - 10-10-2023

State School Superintendents Memo to Division - 10-10-2023

NNPS - FY2023 Carry-forward Funds State & City Revenue Appropriation ($7,693,681) - 10-10-2023 - Resolution

NEWPORT NEWS PUBLIC SCHOOLS

Business Office

12465 Warwick Boulevard, Newport News, VA 23606 • phone: 757-591-4511• fax: 757-595-2461

September 18, 2023

Alan Archer, Acting City Manager

Dear Alan,

The Newport News City School Board is prepared to return to the City the unspent expenditure appropriations in the amount of $7,693,681.38. Per Superintendent's Memo #094-23 from Dr. Lisa Coons, Superintendent of Public Education, any locality that has met its required local effort for standards of quality accounts for FY23 may carry over into FY24 any remaining state Direct Aid to Public Educations fund balances. Of the $7,693,681.38, we estimate $5,154,766.53 was originally provided via Direct Aid funding and the remainder $2,538,914.85 is City funding.

Total unspent amounts originated as follows:

Unspent FY22 Reversion funds	$	3,410,211.00
Unspent FY23 Expenditures	$	3,511,976.33
Cancelled prior year purchase order	$	771,494.05
Total	$	7,693,681.38

The FY22 Reversion funding included appropriation for secure front entrance renovations for Richneck and Newsome Park Elementary schools. Due to the timing of the completion of the design work for these renovations, we were unable to complete the bid process to get this work completed prior to June 30th. This work is estimated to cost $3,158,643.

We have identified additional capital needs as follows:

- $1,000,000 for Restroom restorations
- $1,200,000 for HVAC design for Menchville High school
- $740,038.38 to replace white fleet vehicles.
- $450,000 for roof recovery at Kiln Creek Elementary School
- $400,000 for School furniture replacement
- $745,000 for window replacement at Deer Park

We would like to request these funds totaling $7,693,681.38 be reappropriated to the school division to allow us to the complete the secure front entrance renovations at Richneck and Newsome Park Elementary Schools, ensuring improved safety for our staff and students. We would like to also request funding for the additional capital needs listed above to ensure we maintain our schools and facilities so they can serve generations of students to come.

Sincerely,

Scarlett Minto
Chief Financial Officer

CC: Dr. Michele Mitchell
Donald Fairheart
Lisa Cipriano

Superintendent's Memo #094-23

COMMONWEALTH of VIRGINIA
DEPARTMENT OF EDUCATION

DATE: May 18, 2023

TO: Division Superintendents

FROM: Dr. Lisa Coons, Superintendent of Public Instruction

SUBJECT: State Direct Aid to Public Education Funds Permitted to be Carried Forward from Fiscal Year 2023 to Fiscal Year 2024

This memorandum provides information related to the authority of localities to carry-forward state funds from fiscal year (FY) 2023 to FY 2024, pursuant to Item 137 B.24.a of Chapter 2, 2022 Special Session I Acts of Assembly (i.e., 2022 Appropriation Act).

Section 22.1-100, *Code of Virginia*, requires school divisions to return unexpended state funds to the Commonwealth at the close of each fiscal year. Chapter 2 overrides this *Code* section and permits localities/school divisions that have met required local effort and required local match for fiscal year 2023 to carry forward to fiscal year 2024 any remaining state Direct Aid fund balances that are unexpended as of June 30, 2023. Specifically, the appropriation act language (Item 137 B.24.a.) for fiscal year 2023 reads as follows:

> *"Any locality that has met its required local effort for the Standards of Quality accounts for FY 2023 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2023 may carry over into FY 2024 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2024 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the funds to the school division for expenditure in FY 2024."*

This language permits school divisions to use carry forward funds to address any revenue shortfall related adjustments in state funding to the locality, regardless of the original purpose of

such funds. The adopted language requires the state carry forward funds to be reappropriated by the local governing body to the school division's budget for fiscal year 2024.

This provision does not alter the existing requirement that school divisions must spend the fiscal year 2023 required local effort and required local match amounts before the end of fiscal year 2023, which ends on June 30, 2023.

Chapter 2 also encourages certain local funds to be carried over into fiscal year 2024 pursuant to the following language (Item 137 B.25.):

> *"Localities are encouraged to allow school boards to carry over any unspent local allocations into the next fiscal year."*

To be eligible to carry forward any local fund balances from fiscal year 2023 to fiscal year 2024, school divisions must meet their required local effort and required local match expenditure obligations in fiscal year 2023.

Chapter 2 provides separate carry forward authority (Item 137 C.5.f.4) for the Textbooks account, which reads as follows:

> *"Any funds provided to school divisions for textbook costs that are unexpended as of June 30, 2023, or June 30, 2024, shall be carried on the books of the locality to be appropriated to the school division the following year to be used for same purpose. School divisions are permitted to carry forward any remaining balance of textbook funds until the funds are expensed for a qualifying purpose."*

A school division must first meet all required local effort and required local match obligations in the current fiscal year prior to carrying forward any portion of its state or local funds for Textbooks to the next fiscal year. If a division meets these requirements without spending all or a portion of its local matching funds for Textbooks (i.e., they meet their required local effort and required local match for all other required Direct Aid accounts), then the division is permitted to carry forward both the state and local shares of Textbooks funding.

Chapter 2 contains the same language for the same carry forward of funds from fiscal year 2024 to fiscal year 2025.

If you have any questions regarding this information, please contact the budget office staff at (804) 225-2025 or by email at DOEBUDGETOFFICE@doe.virginia.gov.

LC/eml

rag5094

RESOLUTION NO. _____

A RESOLUTION APPROPRIATING FUNDS FROM SCHOOLS DEFERRED REVENUE TO FY 2024 SCHOOL OPERATING FUND, FY 2024 SCHOOL REVENUE FROM THE COMMONWEALTH, AND FY 2024 SCHOOL CITY SUPPORT FROM THE GENERAL FUND, FOR USE BY NEWPORT NEWS PUBLIC SCHOOLS.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Newport News:

That it hereby appropriates funds from Schools Deferred Revenue to FY 2024 School Operating Fund, FY 2024 School Revenue from the Commonwealth, and FY 2024 School City Support from the General Fund, as follows:

Appropriate From:

Schools Deferred Revenue 2000-000-00-0000-132820-000000- 0000-00000-00000	$	7,693,681

Appropriate Expense To:

FY 2024 School Operating Fund 2000-000-52-5201-599998-000000- 0000-00000-00000	$	7,693,681

Appropriate Revenue To:

FY 2024 School Revenue from the Commonwealth 2000-000-52-5201-482000-000000- 0000-00000-00000	$	4,707,763
FY 2024 School City Support from the General Fund 2000-000-52-5201-451100-000000- 0000-00000-00000	$	2,985,918