

**MINUTES OF WORK SESSION
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE 10TH FLOOR CONFERENCE ROOM
2400 WASHINGTON AVENUE**

April 26, 2016

1:45 p.m.

PRESENT: Herbert H. Bateman, Jr.; Sandra N. Cherry, D. Min.; Robert S. Coleman; McKinley L. Price, DDS; Sharon P. Scott; Tina L. Vick (arrived at 2:00 p.m.); Patricia P. Woodbury (arrived at 2:11 p.m.) -----7

ABSENT: None-----0

OTHERS PRESENT: James M. Bourey; Collins L. Owens; Mabel Washington Jenkins; Cynthia Rohlf; Alan Archer; Wanda Pierre; Darlene Bradberry; Lynn Spratley; Telly Whitfield; Lisa Cipriano; Sherry Crocker; Scott Dewhirst; Florence Kingston; Karen Wilds; Sheila McAllister; Claudia Cotton; Britta Ayers; Everett Skipper; Attorney Tim Trant; Scott Dewhirst; Ken Spirito; Chris Henderson; Jim Leach; Dan Aken; Dexter Williams; Jerri Wilson; Kim Lee; Cleder Jones; Jennifer Walker; and Teresa Clift

I. Change to the Comprehensive Plan and Rezoning for Property Bounded by Jefferson Avenue and Brick Kiln Boulevard Briefing

City Manager Bourey, City Manager, introduced Ms. Britta Ayers, to offer a briefing on the proposed changes to the Comprehensive Plan and Rezoning for property located at 900 Bland Boulevard, “The Plaza at Jefferson”, which is bounded by Jefferson Avenue and Brick Kiln Boulevard (a copy of the presentation, “Applications PLN-16-14 and CZ-16-379 for a 33.37-acre portion of 900 Bland Boulevard) is attached and made a part of these minutes. He stated Ms. Ayers would be followed by Mr. Everett Skipper, Director, Department of Engineering, to describe the transportation updates to the area and what it meant for the project and the surrounding area, to be followed by Mr. Chris Henderson, Principal, Frontier Development; Mr. Ken Spirito, Executive Director, Newport News/Williamsburg International Airport; and Mr. Dan Aken, Director of Real Estate, Wegmans Food Market.

Ms. Ayers reported the proposed plan amendment was for a 33.37-acre portion of 900 Bland Boulevard, located at Jefferson Avenue and the I-64 interchange, in the airport’s self-identified southern quadrant.

Ms. Ayers advised that two applications were heard and approved by the Planning Commission on April 6, 2016:

1. Plan Amendment PLN-16-14 – a request to amend the *Framework for the Future 2030* Comprehensive Plan Land Use and Transportation Map from Natural Area/Open Space, Parks and Recreation, and Transportation to Community Commercial
2. Application CZ-16-379 to change the zoning of the 33-acre airport property from M1 Light Industrial to C1 Retail Commercial with proffers to allow for the development of a grocery-store anchored shopping center.

Ms. Ayers stated the regulatory review for Plan Amendment PLN-16-14 included the Code of Virginia, which stated that any amendments to an adopted comprehensive plan must be referred to the local planning commission for a public hearing, and approved and adopted by the local governing body. The amendment was heard and approved by the Planning Commission and was scheduled for consideration by City Council at the May 10, 2016 Regular Meeting of City Council.

Ms. Ayers stated that the Code of Virginia also required that any amendments to the adopted comprehensive plan that potentially affected transportation on state-controlled highways, be submitted to the Virginia Department of Transportation (VDOT) for review and comment. The plan amendment was submitted to VDOT, and they had no comments.

Ms. Ayers advised that the review for the rezoning request was more extensive. She stated the applicant had voluntarily provided seven proffers that would, in conjunction with the zoning ordinance, guide the design of the development. The proffers dealt with design, the master site plan, landscaping, lighting, signage, and transportation. The zoning ordinance required a 20-foot transitional buffer area between commercial and multiple-family uses which occurred along the southern property line adjacent to Kiln Creek Lake. The site regulations would require a landscape strip along the perimeter of associated streets. The Zoning Ordinance identified minimum and maximum parking space requirements, based on use, and the conceptual site plan for the rezoning provided 1,362 parking spaces which were within the limits allowed by the ordinance. The site was located in the airport overlay district, which limited the height and location of any buildings and trees within the property located in the district. Any building or development must consider the restrictions, and final designs would be reviewed and approved by the Federal Aviation Administration (FAA).

Ms. Ayers stated the Department of Engineering reviewed the Traffic Impact Analysis (TIA) and did not object to the request as long as all the Category 1 and 2 improvements identified in the report were included in the site plan application and implemented. The Department of Engineering recommended that a Utility Study be completed to address the most economical approach to providing services to the plan development. The study should also include the relocation of the existing Hampton Roads Sanitation District facility which crossed through the area. The Code of Virginia required that any proposed rezoning that affected transportation on state controlled highways be submitted along with the TIA to VDOT for review and comment. Because of the sites' proximity to the interstate (I-64), the TIA was submitted to VDOT and they have completed their review and provided comments.

Ms. Ayers advised, as shown on the Framework for the Future Land Use Map, the area under consideration was surrounded by land designated as Transportation, Natural Area/Open Space, Regional Commercial, Community Commercial and Medium Density Residential. She noted surrounding land uses that included a mix of commercial, industrial and residential uses:

- Patrick Henry Mall and Patrick Henry Place to the south
- HRSD, Ferguson's and vacant property to the north
- I-64 to the south
- Uncle Bob's Self Storage, Masters Crossing, and Villages of Kiln Creek to the east
- Jefferson Avenue, Walmart and Sam's Club to the west

Ms. Ayers noted that uses permitted by right in an M1 Light Industrial District included most transportation uses (airports, heliports, off-site parking, lots/garages, transit terminals), wholesale and warehouse uses (distribution centers, mini-storage facilities), and Police and Fire Stations, post offices, dry cleaners, and micro-distilleries and breweries.

Ms. Ayers reported in the City's original general plan (1980) the land use designation at 900 Bland Boulevard was Industrial to reflect existing airport use and surrounding vacant land. However, the designation changed in 1993 with the first *Framework for the Future*, to Transportation for most of the property with several pockets of Natural Area/Open Space and Parks and Recreation. The "great" designations were added to the property on the south side of Brick Kiln Boulevard to facilitate the implementation of parks and recreational goals in the comprehensive plan, which included developing a system of greenways and recreational trails, and beautifying major thoroughfares.

Ms. Ayers advised, in 2014, the Peninsula Airport Commission released its Airport Master Plan update. The plan assessed existing conditions, established facility requirements, evaluated development alternatives, and identified improvements to achieve long-term aviation goals. Non-aviation development was identified for areas considered compatible with airport operations and surrounding uses. The 33.37-acre portion of 900 Bland Boulevard was identified for commercial development in the Airport's Master Plan. The Airport Master Plan included the Airport Layout Plan (ALP), which depicted existing, and planned development. The ALP was approved by the FAA in July 2014. Per the Federal Code of Regulations, the FAA was responsible for national airport planning. The FAA's approval of the ALP represented acceptance of the general location of future facilities.

Councilwoman Cherry inquired whether the proposed build-out of Brick Kiln Boulevard was included in the ALP. Ms. Ayers replied the ALP included the concept of the future extension of Brick Kiln Boulevard as well as the fact that there could be non-aviation development in the southern quadrant, based on a revised approach zone which was shortened.

Mr. Ken Spirito, Executive Director, Newport News/Williamsburg International Airport, in response to Councilwoman Cherry's remarks, stated the road that was actually proposed had not been approved by the FAA. The road was included in the ALP for planning purposes. The airport had to go through the process to gain approval of the road from the FAA. The Runway Protection Zone (RPZ) had been in existence for a very long time and had not been shortened. Runway 220 was proposed to be shortened; however, the airport had yet to gain approval from the FAA.

Councilwoman Scott inquired whether shortening the RPZ would cause an impediment, and stagnant growth, or limit the parameters of the airport. Mr. Spirito replied the Airport Commission had been going through the process with the FAA for some time. There was a division of the FAA that analyzed runways and the safety of movement in and around runways. He stated that reducing the size of the smaller runway (6500 feet) and shifting the RPZ would not impede the airport's commercial or general aviation business. He reiterated that neither had gone through the FAA process for approval. Technically, the FAA had acknowledged the entire shifting of the runway in the ALP, which could cost tens of millions of dollars. The other option was to reduce the size of the runway. Both options would move the RPZ away from Brick Kiln Boulevard.

Councilwoman Cherry inquired whether shortening the RPZ would impact future commercial aircraft coming into the airport. Mr. Spirito replied the airport's major runway 727 (approximately 8,000 feet and could be expanded to 9,250 feet) would accommodate larger commercial aircraft. Runway 220 (6,500 feet long) would accommodate single engine aircraft.

Councilwoman Cherry inquired whether the airport only had one major runway for commercial aircraft. Mr. Spirito replied that commercial aircraft could use both runways, but most preferred to use Runway 727. He advised that there were many commercial airports that operated on a single runway, such as San Diego International Airport, Asheville Regional Airport, Myrtle Beach International Airport, etc., which did not limit commercial opportunities.

Ms. Ayers asked for clarification from Mr. Spirito that the FAA conceptually approved the ALP, but still needed to go through another round of previews. Mr. Spirito replied yes.

Ms. Ayers, in continuing with the land use analysis, stated that Jefferson Avenue was the City's major commercial corridor. She advised that some of the densest commercial development was located along the corridor between Oyster Point Road and Denbigh Boulevard. The majority of the properties included in Jefferson Avenue commercial corridor were designated Mixed Use, Regional Commercial, Community Commercial and Office.

Ms. Ayers stated the 33.37-acre portion of 900 Bland Boulevard was not located in the Chesapeake Bay Preservation Area. She advised that Kiln Creek Lake 1 was adjacent to the area to the southeast, providing a buffer between future development and the Featherstone South neighborhood. Future development on the subject area must be designed to avoid impacting the storm water pond and associated wetlands. The Kiln Creek Homeowners Association's lake maintenance easement across the subject areas must be maintained. Future development would have to address both the City's drainage easements that ran through the subject area, and the drainage culvert that extended from the end of the airport runways towards Jefferson Avenue just north of Brick Kiln Boulevard.

Ms. Ayers advised that the Department of Planning's conclusion was that the amended and updated Airport Master Plan provided an opportunity for the City to re-evaluate future land use for the airport's property and re-examine the associated transportation network in the area for improvement opportunities. While the adopted comprehensive plan did not provide

for the non-aviation land uses recommended in the Airport Master Plan or the realignment of Brick Kiln Boulevard, it did recognize the airport as a major asset and directed the City to carryout recommendations from the Airport Master Plan. The comprehensive plan supported roadway projects that accommodated both existing and proposed traffic, especially projects that enhanced safety and improved traffic flow.

Ms. Ayers stated the proposed change in land use designation supported the ALP that was conceptually approved by the FAA. The proposed change would allow for future rezoning of the subject area for a variety of commercial uses that would be considered complimentary to surrounding uses and would not affect the airport's operations or its ability to expand in the future.

Ms. Ayers advised that the proposed change of zoning would allow for a wide variety of uses that were not possible under the current industrial zoning. C1 Retail Commercial uses included offices, retail sales, retail services, business services and similar uses; many of which were already present along Jefferson Avenue. When the original Villages of Kiln Creek development was planned, the area being contemplated for rezoning was directly under the airport's runway approaches, making the area not conducive for the type of development associated with the original development. By shortening one of the approaches, the area was open to development. The applicant provided seven (7) proffers that guided the development of the property and ensured that it was built in conformance with the conceptual site plan for "The Plaza at Jefferson", the recommendations of the TIA, the conceptual Landscape Plan, the Design Guidelines for the Plaza at Jefferson and any other required future studies such as the Utility Study recommended by the Department of Engineering.

Ms. Ayers stated the proffered Design Guidelines for The Plaza at Jefferson provided a general idea of the architectural character, shape, scale and materials to be utilized throughout the project. The guidelines described the style of the anchor store as "Old World European." Building heights would be determined by their location within the Airport Overlay District and FAA regulations. The design guidelines specified that there would be two monument-style entry signs, one at the corner of Jefferson and Brick Kiln Boulevard and the other at the proposed access of the Brick Kiln Boulevard roundabout. The proffers stipulated that the signs should be reviewed and approved by the Director of Planning for consistency with the Airport Master Plan. The proffers also specified that a landscape plan in conformance with that included in the Design Guidelines should be reviewed and approved by both the Director of Planning as well as the FAA.

Ms. Ayers advised that the proposed change of zoning was consistent with the *Framework for the Future 2030* Comprehensive Plan Land Use Map amendment recommended in PLN-16-14. The proposed zoning would enable the construction of a grocery anchored retail center. The applicant provided proffers that addressed concerns regarding building and property improvements to affected City infrastructure.

Councilwoman Scott inquired, in regards to a “grocery anchored retail center”, how many additional tenants were included in the center. Ms. Ayers replied, to her knowledge, Wegmans would be the large anchor with multiple buildings for other tenants. She believed the preliminary site plan noted six additional smaller buildings and, depending on how the space was divided, there could potentially be 6 to 12 tenants.

Councilwoman Cherry understood that the *Framework for the Future 2030* Comprehensive Plan was currently in effect. She inquired whether staff was working on the *Framework for the Future 2040* Comprehensive Plan. Ms. Ayers replied yes; the *Framework for the Future 2040* Comprehensive Plan was being reviewed and recommendations would be forthcoming. The ALP was incorporated in the *Framework for the Future 2040* Comprehensive Plan.

City Manager Bourey introduced Mr. Skipper to continue the presentation and report on the Traffic Impact Analysis for The Plaza at Jefferson.

Mr. Skipper stated the Department of Engineering reviewed documentation for zoning and land use changes as related to traffic by looking at a number of issues which related to potential congestion and level of service (LOS) at intersections. He advised that Engineers utilized the LOS measure to assign roads a letter grade ranging from A to F, with A being the best and F being the worst. The LOS measure determined the quality of travel on roadways. The Department of Engineering shared their Traffic Study information with the VDOT who performed a Chapter 527 Traffic Impact Analysis (copy of presentation, “Traffic Impact Analysis – Plaza at Jefferson”, and Chapter 527 Traffic Impact Analysis, are attached and made a part of these minutes). The Chapter 527 Traffic Impact Analysis for the Plaza at Jefferson noted the following comments:

1. No review was completed for City maintained street impacts or mitigation strategies to the surface streets.

2. VDOT reviewed the traffic study to ensure compliance with the regulations.
3. VDOT made no decision of approval/disapproval or improvements by this review and only provided comments to assist the locality.

Mr. Skipper pointed out that the proposed project was rather unusual as it provided for improvements to the overall traffic function, which he had never witnessed since being employed with the City.

4. Traffic on Ramp B traveling from westbound I-64 to northbound Jefferson Avenue was interrupted by drivers stopping at the merge point on northbound Jefferson Avenue. This stoppage, during peak periods, caused backups and an LOS measure of F. This was an existing condition and no mitigation was provided for the backup.

Mr. Skipper stated the City agreed with VDOT's concern; however, he pointed out that VDOT did not see any mitigation because they did not look at the City streets. The mitigation would provide for a faster flow of north/south traffic on Jefferson Avenue.

5. Additional congestion was likely, within the weave/merge area on Jefferson Avenue from Ramp B due to additional traffic generated.
6. VDOT was conducting an operational analysis to determine the feasibility of the addition of a ramp (Ramp C) from I-64 westbound, west of Jefferson Avenue leading to the intersection of Boykin Lane and Chatham Drive. The study was anticipated to be completed in April 2016. The addition of a ramp would require an Interchange Justification Report to be submitted and reviewed for approval, which could take 12 to 18 months.

Mr. Skipper pointed out that Ramp C was not considered in any of the information he would be providing to City Council, although it was a significant improvement. Engineering staff had asked for the improvement approximately three years ago. The improvement was identified because the City was looking at improving opportunities to move traffic throughout the Jefferson Avenue corridor during the construction of I-64. The I-64 widening project began north of Jefferson and extended west towards Williamsburg. During the construction, staff recognized that there would be incidents and accidents that would cause traffic to be routed off of I-64. Jefferson Avenue provided the last alternative to do that until one

reached Fort Eustis. The VDOT reported in 2016, that they had studied the ramp and determined that it provided a significant improvement and they were now recommending the ramp to the Federal Highway Administration (FHA) for approval, which could take up to 18 months to process. Staff of the Department of Engineering was uncertain how to proceed and asked the developers not to include any analysis of the ramp, although it would serve to include both existing and future conditions.

Councilwoman Scott stated she did not see how Ramp C would assist with traffic congestion.

Councilwoman Cherry inquired about the reason that the City was not doing a report on how the internal street structure would be affected by the new development if VDOT was only concerned about interstate congestion. Mr. Skipper replied that City staff was looking at the internal street structure as well as the interstate. VDOT did not consider internal street structure because the Chapter 527 Traffic Impact Analysis was only concerned about interstate traffic. The staff of Engineering felt traffic would substantially improve.

Councilwoman Cherry inquired how staff believed that there would be less traffic because of the extra road being built. Mr. Skipper stated it was important to note that it was not less traffic, but it was traffic that performed differently. The changes that were proposed would allow the City to manage the traffic much more efficiently.

Councilwoman Cherry felt that adding the extra road would only bring the LOS measure to a C. Mr. Skipper replied that a LOS measure of C was a substantial change from a D. The difference from an A to a B was relatively small, the difference from a B to a C was larger, and the difference from a C to a D was even larger.

Councilwoman Cherry indicated that she needed to know numbers. By telling her that it was traffic conditions were going from a D to a C, without noting volume or number of cars, was irrelevant and not helping her.

Mr. Skipper noted the changes proposed by the developer for the project, such as extending Habersham Drive to Brick Kiln Boulevard (see changes depicted in the presentation attached to these minutes).

Mr. Skipper stated Traffic Engineers would be ecstatic should the traffic function at a LOS of C along the primary corridors. A LOS of A and B was what Traffic Engineers dreamed of, but Cs was what they hoped to achieve on a daily basis. They did not prefer Ds and Fs. The traffic numbers ranged from 400 to 600 vehicles in Kiln Creek during peak times. The improvements and increased development added approximately 100 cars, and represented an additional 15 to 20% increase in vehicles, but did not alter the functionality. Traffic Engineers would consider 1,500 vehicles per lane, as being the concern level for congestion. Currently, they were operating at about one-third of that. With the proposed change, a little more than one-third, they did not see a substantial change in the functionality of the intersections in Kiln Creek, other than at peak periods.

Councilwoman Cherry inquired about the projected timeframe for construction of I-64 Ramp C. Mr. Skipper replied that VDOT advised that it would take approximately 18 months to get through the FHA's approval processes. It was a relatively quick construction time period at a cost of approximately \$2 to \$3 million.

Councilwoman Scott inquired whether the cost would be borne 100% by the City or whether VDOT responsible for the cost. Mr. Skipper replied that VDOT was asked to include I-64 Ramp C as part of the I-64 expansion project because the intent was to provide emergency access off of the interstate. City Manager Bourey replied that an HB2 application, which was VDOT's funding source that was used for the construction of Atkinson Boulevard and other projects, would be another potential funding source.

Mr. Skipper advised that the City's Traffic Engineers believed that the proposed changes would alleviate traffic back-ups that were noted in VDOT's Chapter 527 Traffic Impact Analysis because traffic would be moving along Jefferson Avenue much more effectively.

Councilwoman Vick inquired whether there was a chart that defined LOS measures A, B, and C, regarding traffic congestion. Mr. Skipper replied that he would send the actual definitions to the members of City Council. He stated that the LOS A, B, and C related to seconds of delay. He did not recall the numbers, but he would send the information to City Council.

City Manager Bourey advised that one could not look at it strictly by the number of cars, because there was actually going to be more cars going through the intersections, but there would be more green time, meaning there would be less of a delay. The Chapter 527 Traffic Impact Analysis related to the delay.

Vice Mayor Coleman understood there would be less of a delay because of the elimination of a number of vehicles at intersections. Mr. Skipper stated there would be fewer vehicles exiting the first ramp off of I-64, all of which led to more room to merge, weave, and get in and out of traffic.

Vice Mayor Coleman indicated this discussion was similar to the discussion held regarding the Tech Center development. He inquired whether the traffic improvements that were done on Oyster Point Road and Jefferson Avenue had an impact on congestion at those intersections. Mr. Skipper responded that the amount of traffic delays had improved along the Jefferson Avenue and Oyster Point Road corridor.

Councilwoman Scott inquired whether Oyster Point Road and Jefferson Avenue LOS measure was a C or F. Mr. Skipper replied it was a C.

Councilwoman Scott inquired how the proposed road changes would impact the residents of Kiln Creek who travelled eastbound on Jefferson Avenue. Mr. Skipper replied that there were two extended left-turn lanes at the intersection of Brick Kiln Boulevard. In addition, to the extended left-turn lanes, there would be another set of left-turn lanes at Habersham Drive. There would be two options to enter the neighborhood. With that additional time, and the increased spacing in cars to move in and out, it would be easier to get on and off of Jefferson because of the gaps.

Councilwoman Scott indicated that she had received many e-mail messages about increased traffic congestion in the area, which she believed was one of the most pressing factors for people who lived in Kiln Creek. The residents were concerned about how they were going to get in and out of the area. She advised that the improvements be done in the best interests of the residents of Kiln Creek so that they may be able to get in and out of their neighborhood. Mr. Skipper replied that he was hired to ensure that traffic ran smoothly and appropriately for the benefit of the citizens of Newport News.

Councilwoman Scott inquired whether the Chapter 527 Traffic Impact Analysis and the City's Traffic Analysis were shared with the residents of Kiln Creek during their neighborhood meetings. Mr. Skipper replied that the developer's traffic engineer presented a presentation at the neighborhood meetings held with the residents of Kiln Creek. He believed the same information was shared, but they would have to speak to that. City Manager Bourey replied there were three meetings with the residents of Kiln Creek. He believed the first meeting was less affective due to the amount of confusion. The second and third meetings ran much smoother due to a better understanding of traffic conditions.

Councilwoman Scott advised that she needed to know whether the traffic analysis and information was shared, as some people were now stating that they understood. She inquired whether there were other avenues being used to disseminate the information, such as social media (e-mail, Facebook, etc.), other than people getting information from the daily paper. Mr. Skipper replied that the City used a number of avenues to share information. He stated that one concern expressed was that the City did not use the heaviest volume of traffic to complete their traffic studies. It was true that the City did not use the times when accidents backed-up traffic or blocked-up the roadways as such information could not be analyzed. Traffic engineers used the highest hour throughout the seven day week on an annual basis. The peak hour was when the highest level of traffic was normally on the road, with the exception of incidents and accidents that back-up traffic or block-off the roadway.

City Manager Bourey agreed with Councilwoman Scott that information should be shared through a number of means. He would have staff look into other ways of getting the information out to the public regarding the traffic issues related to the Plaza at Jefferson.

Councilwoman Scott indicated that traffic was the greatest point of contention, other than the fact that the citizens did not believe that another grocery store was needed.

Vice Mayor Coleman agreed that traffic was the greatest point of contention.

Councilwoman Vick felt the greatest point of contention was not the traffic, but was small businesses in the community who felt that they would be taken over by the Wegmans project. There were citizens who felt that the Tech Center had just been done and there was no need for another project so close in proximity. There were many issues; not just one.

Councilwoman Cherry inquired whether the funding for Habersham Drive was still in the Capital Improvements Plan. (CIP). City Manager Bourey stated there was some money in the CIP for the relocation. City staff was in conversations with the developers as well as the Airport Commission about cost sharing for the project. The developer had made a proposal for what they believed the costs were and City staff was looking at what the costs were.

Councilwoman Cherry inquired about the amount of funding in the CIP for Habersham Drive. City Manager Bourey advised there was revenue sharing funding in the CIP, which came from the State, and the City.

Councilwoman Cherry inquired whether a commitment was received from the developer or the airport noting the amount of funding that they would provide for the project. City Manager Bourey replied that the amount of funding to be provided by the developer or the airport had not been finalized.

Councilwoman Woodbury inquired whether the City had quantitative data that noted that traffic delays were less since the Tech Center development. She inquired whether traffic had been measured or timed. Mr. Skipper replied yes; he would send the report to Councilwoman Woodbury.

Councilwoman Woodbury inquired about the reason that the City asked VDOT if they were not going to mitigate or make suggestions to improve traffic conditions.

Councilwoman Cherry agreed with Councilwoman Woodbury about the reason the City asked VDOT for their opinion since they had nothing to do with regional roads. She believed the amount of traffic would increase and the LOS would not decrease from a D to a C. She questioned the reason for the traffic improvements along Jefferson Avenue at Oyster Point Road, near the Tech Center, if it did not improve the LOS from a D to a C. Mr. Skipper replied that the City's traffic engineers had done exceedingly well if they could prevent traffic from getting worse. The LOS was a D and remained a D, which was the best that they could have hoped for.

City Manager Bourey introduced Mr. Spirito to continue with the presentation by providing information as it pertained to the airport's Runway Protection Zone as related to the Plaza at Jefferson project.

Mr. Spirito advised that the project (The Plaza at Jefferson) would be constructed outside of the Runway Protection Zone (RPZ). He stated that Runway 220 (6,500 feet long) was planned to be shifted or reduced in length. Runway 727 was approximately 8,003 feet long.

Mr. Spirito stated, in regards to comments made about BRAC, that the development had no effect on BRAC, Fort Eustis, Langley Air Force Base, or any other military governmental installation on the Peninsula. He wanted City Council to understand that the comments that were made about BRAC were not associated with the Newport News/Williamsburg International Airport. The airport managed its own runways. The safety, the airspace, and the RPZs were coordinated with the FAA. Everything done at the airport had been approved by the FAA. He reiterated that the development would be outside of the RPZ, and posed no safety issues to aircraft or people.

Mr. Spirito reported that not only did the airport have RPZ, but they had approach surfaces, transitional surfaces (the scale above a building), and other imaginary surfaces around the runway system. The transitional surface was an imaginary surface that was essentially parallel with Runway 727. The proposed Wegmans would be in an area that had nothing to do with an approach surface or the RPZ, and was well below the transitional surface. The most critical highest point of the development had an 18 foot clearance below the transitional surface. Other points of the development had an 8 foot clearance. The project was outside the RPZ, not in the approach or imaginary surfaces and would not cause an obstruction or concern for pilots entering or exiting the airport.

Councilwoman Cherry inquired about the reason that the FAA had not approved the project. Mr. Spirito replied that it was not appropriate yet for the FAA to give their approval.

Councilwoman Cherry stated that Mr. Spirito talked about the building, but not the road. Mr. Spirito replied that the building and the road were two different things.

Councilwoman Cherry stated that the road and the Wegmans were both a part of the project. Mr. Spirito replied no, they were two separate things. The airport did not need the road; the City needed the road from a traffic standpoint. The City needed the road to improve the level of service of traffic conditions and reduce delay when the project was built. The only improvement that the airport needed was to fit the development and realign Brick Kiln Boulevard. The Habersham Drive extension was not necessarily needed for the project. It was needed to improve traffic.

Councilwoman Cherry stated she was not talking about Habersham Drive, but was talking about Brick Kiln Boulevard that would have to be redirected. Mr. Spirito replied the realignment of Brick Kiln Boulevard was needed to fit the Wegmans project.

Councilwoman Cherry stated the Wegmans would be located in the RPZ if Brick Kiln Boulevard was realigned. Mr. Spirito replied that Brick Kiln Boulevard, as well as Jefferson Avenue, Walmart Way, and Sam's Club, were already located in the RPZ. There were several moving parts to what had to be done to get approval from the FAA: 1) Realignment of Brick Kiln Boulevard; 2) the Extension of Habersham Drive; and 3) Submission of the Height and Hazard Review.

Councilwoman Cherry questioned who would pay for the realignment of Brick Kiln Boulevard. City Manager Bourey replied that the City was working on sharing the cost with the Peninsula Airport Commission. He stated the developer had some potential interest in it as well. Mr. Spirito advised that the realignment of Brick Kiln Boulevard and the extension of Habersham Drive would be grouped together and the cost would be shared.

Councilwoman Cherry inquired about the reason that the City had to carry the cost if the developer wanted to come to the City. City Manager Bourey replied that was an overall improvement to traffic and the City stood to gain a tremendous amount of revenue that would probably exceed more than \$1 million annually. There was much incentive for the City to help build the project, which would be paid off quickly.

Councilwoman Scott inquired whether the Airport Commission had planned to do a project and courted Wegmans or whether Wegmans contacted the City. Mr. Spirito replied the genesis to build the project began from the Airport's Master Plan. As part of the Master Plan, the Airport Commission wanted to maximize the value of their property and look at the opportunity to develop their property for non-aeronautical revenue purposes. The Airport Commission decided to sell the property and received a call from Frontier Development to market the property and they presented the Wegmans proposal. Mr. Spirito stated there were several stipulations that the Airport Commission charged the developer with: 1) The development had to make an impact in area; 2) they were not going to approve businesses relocating from other parts of Newport News; and 3) the only wanted new market development. The Airport Commission did not go after Wegmans; Wegmans and the developer partnered together to present the opportunity to the Airport Commission.

Councilwoman Cherry inquired whether the developer looked at other locations within the City. City Manager Bourey replied that the developer and Wegmans would address the issue of whether they had looked at other locations within the City. He introduced Mr. Chris Henderson, Principal, Frontier Development, to continue with the presentation and offer information about Wegmans and the nature of the project.

Mr. Henderson stated the Wegmans project was begun approximately two and one-half years ago and they had been actively involved with City staff and the Airport Commission. He introduced his project team (Mr. Jim Leach, Principal, Frontier Development, Miami, FL; Mr. Dan Aken, Director of Real Estate for Wegmans; Mr. Dexter Williams, Traffic Consultant, Frontier Development; and Mr. Tim Trant, Attorney, Kaufman & Canoles).

Mr. Henderson noted the key project objectives for creation of the Plaza at Jefferson (copy of presentation, "The Plaza at Jefferson," is attached and made a part of these minutes):

- Creation of Signature Project consistent with Gateway location
- Attract new-to-market retail and service businesses with emphasis on job creation and high level of capital investment
- High quality architecture and attention to detail in design
- Preservation of Parkway Setting on Brick Kiln Boulevard (landscaping, way finding, etc.)
- Transportation improvements that not only mitigate project impacts but reduce overall congestion and delay, particularly in RPZ
- Use the generates new revenues to the Airport and the City

Mr. Henderson stated the project team had accomplished all of the above objectives. He introduced Mr. Aken to provide an overview of Wegmans and the reason they believed this was the right location, which would serve Newport News and the broader Peninsula market.

Councilwoman Scott inquired about the reason that Wegmans chose the City of Newport News. Mr. Aken replied that Wegmans did a comprehensive overview of the six states that they were located in. He stated they were looking to grow their company by approximately four stores per year. In order to do that they were targeting areas with demographics that met their needs. They were areas that had high education levels, high family household incomes, and

populations that had a density within a five mile range. Wegmans was located in Northern Virginia and was reaching out to the Cities of Richmond, Virginia Beach, Norfolk, and Newport News. It made a lot of sense for Wegmans to grow into the area. They started looking in the area two to three years ago and were fortunate to find a few locations that they wanted to pursue. It was a combination of the right demographics, and a critical mass of people with those demographics in a certain area.

Councilwoman Scott inquired whether Wegmans was looking to move into the seven Cities all at once, or whether they were moving into the City of Newport News because they wanted Hampton Roads. Mr. Aken replied that was correct, and they were also looking at potentially other opportunities in Virginia Beach and other areas. Multiple locations would not come online at one time as they were only building four stores per year. They were a chain of 88 stores and had been in business for 100 years. This year would mark their 100th Anniversary.

Councilwoman Cherry inquired whether Mr. Aken was saying that the area selected in Newport News was the only area in the City that had high education levels, high family household incomes, and populations that had a density within a five mile range. Mr. Aken replied that was the only area in the City that had the key markers for Wegmans and the available land. They were presented the site on Bland Boulevard, along with two other locations when they looked at the area. One site was now a Whole Foods and the other piece of property directly across the street from the Whole Foods was not feasible. The airport property had all the markers and indicators, and was readily available.

Mr. Aken reported that Wegmans Food Markets, Inc. was headquartered in Rochester, New York. He stated Wegmans was a privately-held and family owned business and started as the Rochester Fruit and Vegetable Company in 1916. By 1921, brothers John and Walter Wegman had purchased a grocery store that offered general merchandise, bakery items and fruits and vegetables (a copy of the presentation, Wegmans Food Markets, Inc.", is attached and made a part of these minutes).

Mr. Aken noted statistics of Wegmans:

- Operated 88 stores in six states
- Employed over 44,000 people
- Annual sales in excess of \$8 billion

- On Fortune's 100 Best Companies to Work For each of the past 19 years; Ranking #4 in 2016
- Consumer Reports ranked #1 Super Market in America, in 2015
- Hired between 500 – 600 employees with each new store
- Full Time Employees = 200/Part Time Employees = 300
- Equivalent Full Time Employees = 350 (pay range of \$12 - \$20 per hour)
- Salaried positions included
 - 1 Store Manager - \$150,000 - \$250,000
 - 5 Area Manager - \$80,000 – 120,000
 - 20 – 25 Department Managers, HR, Sous Chefs - \$60,000 - \$80,000
 - 3 Pharmacists - \$120,000+

Mr. Aken advised that Wegmans operated in six different states (New York; New Jersey; Pennsylvania; Virginia; Maryland; and Massachusetts). He stated they just started to look into expanding into North Carolina, which would be their seventh state. Wegmans had seven stores located in Northern Virginia. They were actively working on another handful of locations, primarily in Northern Virginia. They had two additional locations in the Richmond area that would open during the late summer and fall of 2016. That was natural progression for them as they started to work further south. Wegmans recognized that they were significantly larger than most of their competitors that were in the 60,000 to 70,000 square foot range. They were 120,000 square feet and required a decent amount of parking. It was hard for them to find enough acreage that was zoned appropriately or readily available that was in a transportation corridor that made sense for them.

Councilwoman Scott inquired whether the reason that they required 120,000 square feet was to accommodate the extra components. She inquired what percentage of that was actually grocery store operation. Mr. Aken replied the 120,000 square feet was needed in order for Wegmans to offer as many services as they could to their customers to alleviate their need to go elsewhere.

Councilwoman Cherry inquired whether the store could be less than 120,000 square feet. Mr. Aken replied it could be less than 120,000 square feet.

Councilwoman Scott inquired whether Wegmans had their own store brand, such as Trader Joes. Mr. Aken replied yes, Wegmans worked tirelessly to provide a very top notch product.

Mr. Aken advised that Wegmans would hire approximately 500 to 600 new employees, and 90% of those would be local jobs. Wegmans would take a core group of employees from other locations that were looking to relocate, who had been with Wegmans for a significant number of years, to come to the Peninsula to initially run the new store. They did this so that matters were handled in the Wegmans way and tradition. Customer service was the key difference between them and other companies. They wanted to ensure that outstanding customer service was instilled in new hires.

Mr. Aken stated Wegmans had a very strong “promoting from within” philosophy. Usually, those who relocated to start a new store would eventually retire, or move on to run other stores. Wegmans would not bring in someone else and would try to promote from within. The area managers moved up to department managers, department managers moved up to area managers, and area managers moved up to store managers. Wegmans had a firm belief that that was the way to grow a business and culture. It was also one of the reasons they looked to expand, thereby giving employees opportunities to grow.

Mr. Aken stated Wegmans was a major corporate contributor in communities where their stores were located. In addition to corporate giving, every store had a budget for community support. Wegmans provided approximately \$200,000 per year in cash or contributions and another \$200,000 per year in food donations. Giving was focused in the following areas:

- Food for the needy
- Strengthening Neighborhoods
- Helping young people succeed
- Healthy eating and activity
- Support for the United Way as an effective way to fund programs that made a difference.

Mr. Aken advised that since 1984, Wegmans had provided over \$100 million in scholarships to deserving students who worked in their stores, as long as they worked a minimum amount of hours per year. He believed such students received approximately \$2,200 per year. Wegmans has provided approximately 30,000 scholarships to deserving students. Students could apply for a scholarship for four consecutive years, which amounted to approximately \$8,800. The requirements to receive a scholarship were minimal.

Mr. Aken stated Wegmans offered price matching, which noted how much \$100 would buy one in Wegmans as opposed to their competitors. They had a pricing department that would go out and look at local pricing when they entered into a market. Wegmans target was to make sure that they were pricing at or below Walmart levels for almost all products. They focused on quality and providing a good value for their customers.

Mr. Aken advised that Wegmans turn-over rate was very low at about 20%. The industry average was 38%. It was even lower for full-time employees at 7.7%. He indicated he had been with Wegmans for approximately ten years and was still considered a newbie. Eventually, he would get to the point of having 20 to 25 years of employment.

Mr. Aken noted what to expect at Wegmans:

- Fresh Produce
- Great Customer Service
- Restaurant-quality prepared foods for dine in or take out
- European and artisan breads and rolls, bagels, decorated cakes, muffins, cookies, and other desserts
- Over 90 Mediterranean bar items including imported olives, hummus, marinated mushrooms, artichokes, roasted peppers and fresh mozzarella
- 300 specialty and artisan cheeses produced domestically or imported from around the world
- Seafood delivered daily from ports across the country and around the world. Fresh or frozen; there were never any chemicals added to Wegmans seafood
- An incredible selection of cold and cured specialty meats and dry sausage products
- Club Pack Savings
- Market Cafe

Councilwoman Scott inquired whether Wegmans priced-matched, such as Walmart. Mr. Aken replied that they did price match. He stated they had a team that went out on a quarterly basis to check prices of local competitors to ensure that customers were paying the same prices. Wegmans did not do mailers or flyers beyond a certain point in time after opening a new store. Wegmans did not do weekly sales as they offered low prices continuously.

Mr. Henderson asked Mr. Aken to address the concern about what happened to competition when Wegmans entered a market.

Mr. Aken replied that when Wegmans entered a market, their competitors seemed to raise their standards. They typically saw competitors that were already doing well raise their standards to ensure they remained competitive with Wegmans. Competitor's prices had a tendency to come down as well. He believed a consumer was receiving a benefit from Wegmans being in their area whether they were shopping there or not.

Councilwoman Scott inquired whether Wegmans had received complaints from other proprietors, such as Trader Joes or Whole Foods, saying that their profit margins have died and they were having difficulty remaining sustainable in other states. Mr. Aken replied, no they had not received such complaints and the volumes that they saw such retailers doing did not indicate they were hurting by a Wegmans being in their area.

Councilwoman Cherry inquired about the square footage for the proposed Wegmans at the airport. Mr. Aken replied Wegmans proposed to build a 120,000 square foot store.

Councilwoman Cherry inquired whether the 120,000 square foot store would encompass the additional retail that Wegmans was proposing. Mr. Aken replied the 120,000 would encompass just the store.

Councilwoman Cherry inquired whether the additional retail was needed. Mr. Henderson replied that the developer had an additional 30,000 square feet of retail space in six buildings which was part of the master plan.

Councilwoman Cherry inquired about the other businesses that would go into the Plaza at Jefferson. Mr. Henderson replied there would be retail, service and restaurant venues, in addition to the Wegmans.

Councilwoman Cherry inquired whether the parcels were included in the site plan that was noted previously by Mr. Spirito. Mr. Henderson replied yes.

City Attorney Collie Owens reminded that due to the free market system in Virginia, the competition issue was not something that City Council could consider in denying the approval of a Zoning application.

Councilwoman Scott appreciated City Attorney Owens bringing the matter to her attention; however, she was only asking out of curiosity in order to have some comparisons and to see what happened when a Wegmans opened in a particular area. Most residents in Newport News and the surrounding region were not familiar with Wegmans. It never occurred to her that their prices would be considerably lower and they would match Walmart instead of Whole Foods. More people were thinking that Wegmans would be more on the upper price scale. She just needed to compare “apples and oranges”.

Councilwoman Cherry inquired whether a lease had been signed between the developer and Wegmans. Mr. Aken replied that they were working on the matter, but a lease had not been signed. They were close to signing a lease, as they were fully committed to the location.

Councilwoman Cherry inquired whether Wegmans would consider another location in Newport News. Mr. Aken replied they did not believe that there was another location in the Newport News market that worked for them.

Councilwoman Cherry inquired should the FAA not approve the location, would Wegmans chose another location. Mr. Aken replied if the FAA did not approve the location, Wegmans would not be popping up across the street or someplace in close proximity. They would have to look for another location in Virginia Beach or another community. They had exhausted the areas in Newport News that worked for them.

Councilwoman Cherry inquired whether Mr. Aken understood that the south and north districts of Newport News were considered to be “food deserts” and the central district was a “food ocean”. Mr. Aken understood that the south and north districts were considered “food deserts”, and the Central district was considered a “food ocean”, and he had no problem with the matter.

Councilwoman Scott inquired whether Wegmans would consider opening a smaller scale store in the Southeast community if they gained approval to open their 120,000 square foot store at the airport, because it did have interstate access. Mr. Aken replied Wegmans was working on concepts to fit into smaller markets.

Councilwoman Cherry inquired about the smallest square footage of a Wegmans store. Mr. Aken replied they had a store outside of Boston that was 70,000 square feet.

City Manager Bourey inquired whether Wegmans would consider doing a smaller store in the area if they were in the market. Mr. Aken replied yes, as they preferred to put smaller markets in areas where they already existed.

City Manager Bourey inquired whether if Wegmans did open a model store would 10 – 12 miles be too far or something appropriate. Mr. Aken replied 10 to 12 miles would be fine. They were positioning their big stores approximately 10 to 12 miles apart.

Councilwoman Cherry indicated in regards to the criteria for a Wegmans, there may be some areas in the south and north district that qualified for a Wegmans if they considered coming into such areas. Mr. Aken replied that they had not researched the areas, but felt it could be possible.

Mr. Henderson advised that they had a Memorandum of Agreement that was in final form with the Kiln Creek HOA. They received the final comments from the Kiln Creek HOA Attorney. A meeting with the HOA was planned for April 27, 2016, to resolve any final language issues. They planned to reach a final agreement with the Kiln Creek Homeowners Association with regard to the maintenance of Brick Kiln Parkway in regards to their rights, landscaping, lighting, signage and so forth. They had taken the position of “do no harm” and do all they could to help to protect the rights of the HOA. They currently had a 20 foot easement, along either side of Brick Kiln Boulevard and they maintained the landscaping, the site lighting and the signage. They had fully restored the rights for the new alignment of Brick Kiln Boulevard. They were absorbing some of the maintenance cost and putting in more than \$100,000 of additional landscaping. As the developer, they had reached a positive agreement with the HOA that resolved the issues that they had with regards to their current privileges.

Councilwoman Scott inquired about the businesses that the developer was trying to attract to the Wegmans project. She voiced concern and agreed with Councilwoman Vick about poaching businesses from other locations within the City. She inquired whether the developer was looking for businesses that would fit the HOA needs. She inquired whether the businesses would serve the community and whether they would be cross-pollinated from other areas of the City. Mr. Henderson replied it would be a combination of both – those that were geared towards the immediate local area, and those that were more regional. When the Wegmans

announcement was made they received more interest from tenants that they could accommodate on the site. They would have their “pick of the litter” of the tenants who want to join Wegmans, because this would be the only Wegmans on the Peninsula. Retailers were excited about having Wegmans as an anchor, because they knew Wegmans brought a steady stream of high quality traffic to their front door.

Councilwoman Scott inquired what would be the largest space available for one business out of the 30,000 square footage allotted for the project. Mr. Henderson replied approximately 5,000 to 8,000 square feet, at the most.

II. Virginia Department of Transportation (VDOT) Briefing on Interstate Highway 64

City Manager Bourey introduced Mr. Scott Smizik, Location Studies Project Manager, Virginia Department of Transportation, to provide the presentation (a copy of the presentation, “Hampton Roads Crossing Study (HRCS) Supplemental Environmental Impact Statement (SEIS),” is attached and made a part of these minutes).

Mr. Smizik noted the Study Milestones of the Virginia Department of Transportation (VDOT) Hampton Roads Crossing Study Supplemental Environmental Impact Statement:

- June 2015 – Study Initiation
- July 2015 – Citizen Information Meetings/Agency Meetings (Scoping)
- October 2015 – Concurrence on Purpose and Need
- December 2015 – Citizen Information Meetings/Agency Meetings
(Alternatives)
- January 2016 – Concurrence on alternatives to be retained for analysis
- February 2016 – Agency Meeting (Alternatives/Status Update)

Mr. Smizik stated the Draft Analysis was done and were under review by VDOT’s regulatory partners. He stated the results that occurred in the Environmental Impact

Statement were based on planning-level engineering. When VDOT engineered a corridor, they used a planning level footprint that was consistent along every corridor or study area.

Mr. Smizik noted the Hampton Roads Crossing study had been a part of the region for over 15 years. He noted a number of terms that were common to the study (the terms are noted in the presentation attached to these minutes).

Mr. Smizik noted the four Alternatives for the Hampton Roads Crossing Study Supplemental Environmental Impact Statement (SEIS) [see specifics for each in the presentation attached to these minutes]:

- Alternative A
 - Included improvements to I-64 between I-664 and I-564
 - Would result in a consistent six-lane facility
 - Improvements to HRBT would be largely confined to existing right-of-way
- Alternative B
 - Included
 - I-64/HRBT
 - I-564
 - I-564 Connector
 - Route 164 Connector
 - Route 164
- Alternative C
 - Included
 - I-664
 - I-664/I-564 Connectors
 - I-564
 - Route 164 Connector
- Alternative D
 - Included all components of Alternatives B and C
 - Applied a more narrow footprint than Alternative C
 - The different footprint allowed for more information and options to be available to the study

Mr. Smizik stated that alternatives could be implemented in an Operationally Independent Section (OIS) through individual Records of Decision from the Federal Highway Administration. He stated costs and impacts would be documented for each section in the Draft SEIS. The draft SEIS would propose an order in which the OIS that comprised each alternative could be implemented. Public comment and resolutions on the proposed order would be presented to the Commonwealth Transportation Board (CTB) for final approval.

Mr. Smizik noted the study milestone moving forward:

- May 5, 2016 – Agency meeting
- August 2016 – Public Draft SEIS
- September 2016 – Location Public Hearings
- October/November 2016 – CTB
- Spring 2017 – Publish Final SEIS
- Summer 2017 – Record of Decision on first OIS

Mr. Smizik advised to receive further information and/or future updates visit: www.HamptonRoadsCrossingStudy.org or email at: HRCSSSEIS@VDOT.Virginia.Gov.

III. FY 2017 Recommended Operating Budget

1. Community Support

City Manager Bourey introduced Ms. Lisa Cipriano, Director, Department of Budget and Evaluation, to report on the Community Support and Regional Organizations requests (a copy of the presentation, FY 2017 Recommended Budget – Community Support and Regional Organizations, is attached and made a part of these minutes).

Ms. Cipriano noted the history of Community Support and Regional Organizations for Fiscal Years 2013 to 2016 and stated funding was level with the following exceptions and changes:

- Community Support Organizations
 - Exceptions were in 2016:
 - New agency support of Eastern Virginia Medical School, Southeastern Virginia Health Systems (SEVHS), Center for Sexual Assault Survivors, Soundscapes, Inc.
 - Changes for 2016:
 - Increase for Denbigh House, eliminated RSVP, restored Virginia Arts Festival (FY2015)
- Regional Organizations
 - Exceptions:
 - Contractual Increases for HRPDC, TNCC Workforce Development Center & Capital
 - Increased contributions for HRT (FY 2013 to FY 2016) and Williamsburg Area Transportation Authority (WATA) for FY 2014, FY 2016
 - Changes:
 - Eliminated HR Sports Commission (FY 2013), HR Partnership (FY 2014)

Vice Mayor Coleman inquired whether the WATA did any routes to the Lackey Free Clinic. City Manager Bourey replied no.

Vice Mayor Coleman stated there were a substantial number of North District residents that went to the Lackey Free Clinic, but they did not have transportation as HRT did not provide service to the area of the clinic. City Manager Bourey stated he had asked for data to determine where they connected from the Peninsula. Ms. Cipriano replied that the primary WATA route connection was at Elmhurst, and Lee Hall north to the Williamsburg area.

Ms. Cipriano stated the FY 2017 Recommended Budget Community Support Request totaled \$8.3 million, which was \$5.9 million or 244% more than in FY 2016. Of the 35 existing funded agencies, 60% requested a higher level of funding.

Ms. Cipriano reported the FY 2017 Recommended Community Support Budget totaled \$2,401,089, which was a decrease of \$25,000 over FY 2016 (see information in presentation attached and made a part of these minutes). She stated all agencies were level funded with the following exceptions:

- New funding - \$50,000 for Community Free Clinic
- LINK funding moved to Community Support Contingency
- Eliminated the Virginia Living Museum (VLM) Challenge Grant

Ms. Cipriano noted the FY 2017 Recommended Community Support Agency

Adjustments:

- LINK of Hampton Roads - \$75,000 - LINK funding was moved to Community Support Contingency
- Community Free Clinic (New Funding) - \$50,000 - The Community Free Clinic provided medical and dental care for uninsured residents of the Virginia Peninsula. Operating funds provided by donations, grants and small fees/donations from patients. Eighty-percent (80%) of patients lived in Newport News, and 85% lived at or below the Federal Poverty Guidelines.

Councilman Bateman asked for City Council agreement to appropriate \$375,000 for the Virginia Living Museum to replace their chiller in the form of a challenge grant. The VLM provided a benefit to the community.

Councilman Bateman asked for the support of City Council to appropriate \$100,000 for the Mariners' Museum Monitor Center.

City Manager Bourey voiced concern with providing funding to the VLM because they were not sustainable. The City had stretched the budget as far as they could. Cash Capital funding was available if City Council chose to provide funding to the VLM.

City Manager Bourey stated the City had provided \$500,000 as well as Cultural Attractions funding to the Mariners' Museum for the Monitor Center. There was \$188,000 left in the City Council Contingency Fund if City Council chose to fund the Mariners' Museum Exhibit. That would be the best option, but he was not recommending the appropriation.

Councilwoman Woodbury suggested that City Council do a 50/50 challenge grant for each. City Manager Bourey stated that would work if City Council was in support of the matter.

Councilwoman Cherry stated she was okay about funding for VLM, but voiced concerns about the Mariners' Museum for several reasons. Funding in the amount of \$5,000 was provided to the Mariners' Museum for the repair of their road for the One City Marathon and the Museum did not want to share the cost with the City. She also recalled, when funding was provided from the City to the James A. Fields House, it was stated that it was a one-time donation. She was told that further funding requests would have to be requested through grant applications. The James A. Fields house applied for a Façade Improvement Grant, which they were awarded; however, they were required to pay for part of the improvement. The James A. Fields House then applied for Cultural Attractions funding and received funding, but had to pay part of that. She had "heartburn" about giving to the Mariners' Museum. She loved both museums, but voiced concern that there were no African-American Exhibits housed at the Mariners' Museum. Councilwoman Cherry stated that the Mariners' Museum totally acted as if African-Americans had nothing to do with naval history. Other than one African-American sailor depicted at the museum, there was no other history concerning African-Americans. The Reenactment Group that she was a part of had mentioned that fact to the Mariners' Museum, and African-Americans still were not a part of such a major museum. She noted that the City also supported the Monitor Center and she had spoken to Mr. John Quarstein, when he was providing tours of the Monitor Center, about Ms. Mary Touvestre, who was a former slave that worked for a Confederate engineer who took a copy of the plan for the monitor to the Union Secretary of the Navy, in Washington, D.C., during the Civil War. African-Americans were totally left out of the history of the Mariners' Museum. Personally, it was a problem for her to continue to support a museum that did not include African-Americans in their history.

Councilwoman Cherry inquired about the Mariners' Museum sustainability plan. When the James Fields House came to the City for funding in 2011, they were told to not come back anymore unless they applied for a grant, which was what they had done. There was much work to be done at the James A. Fields House. They have been able to sustain the House through capital campaigns and donations from the public. The James A. Fields House tried to sustain on \$10,000 per year. She inquired what the Mariners' Museum was doing with the funding they had received from the City, and whether they were strategically putting the funding aside for a rainy day. The James A. Fields House was required to provide a report to the City on what the \$25,000 in funding they received would be used for.

Councilwoman Vick asked for the support of City Council to appropriate \$25,000 to the James Fields House, \$25,000 to the Newsome House and \$25,000 to the Harwood House.

Councilman Bateman advised that the Mariners' Museum was designated as a marine sanctuary for naval archeological artifacts and restoration, so they housed restored items from the Monitor. He believed it was not the intent of the Mariners' Museum to exclude African-Americans from the Museum; however, he understood Dr. Cherry's concerns and frustration. He offered to help discuss her concerns with the Museum.

Councilwoman Scott believed that the City did a great job of supplementing museums and all of the things that were considered a part of the City of Newport News; however, at some point it seemed that the City was an enabler to various organizations. She loved and visited all of the museums, but would like them to become better stewards of their funding. She was in support of supplementing the organizations by providing 50% of their requests.

After ongoing conversations, suggestions and recommendations, there was consensus reached among City Council to provide the following appropriations:

- 50/50 match (\$187,500) for the cost of the chiller for the Virginia Living Museum
- 50/50 match (\$50,000) for the Mariners' Museum

Ms. Cipriano reported the FY 2017 Recommended Regional Organizations Budget totaled \$8,746,781, which was an increase of \$629,141 over FY 2016 (see information in presentation attached and made a part of these minutes). She stated all agencies were level funded with the following exceptions:

- Increased contractual agreements for TNCC and HRPDC
- Increased funding for HRT for general operations, route enhancements, one time increase for Advanced Capital Contribution
- Increased funding for WATA for general operations

Ms. Cipriano noted the FY 2017 Recommended Regional Organizations Adjustments:

Contractual Adjustments

- Thomas Nelson Community College - \$9,660 or 3.2% increase
- HR Planning District Commission - \$31 or 0.02% increase

Other Adjustments

- Increase for HRT base operation - \$315,254
- Increase HRT service frequency on Routes 108 and 116 to 60 minutes daily to improve time connections - \$495,499

- One time increase to Advanced Capital Contribution to leverage federal and state equipment grants - \$88,687
- Total HRT Increase - \$889,450 or 13.4%
- Increase for WATA general operations - \$5,000 or 12.5% (from \$40,000 to \$45,000)

Councilwoman Vick reiterated her recommendation to allocate \$25,000 for the Newsome House, \$25,000 for the Harwood House, and \$25,000 for the James A. Fields House.

Mayor Price questioned the available amount of City Council Contingency Funding. Ms. Cipriano replied for FY 2016, the available amount of City Council Contingency Funding started off at \$188,000, and with the 50/50 (\$50,000) Challenge Grant for the Mariners' Museum, the balance remaining totaled \$138,000.

Vice Mayor Coleman recommended \$25,000 for the Lee Hall Depot. Ms. Cipriano advised there was funding in the FY 2017 CIP for the Lee Hall Depot.

Councilman Bateman recommended \$10,000 for the Lackey Free Clinic.

Councilwoman Scott stated there was a STAR program in Denbigh that offered a homework tutorial to youth who were suspended or expelled from school over a period of time. The head of the program was partnering with another group in the Southeast Community and had not been paid any money since September of 2015. She was continuing to do the tutorial project at her own expense. It was a non-profit program and had been in operation for six to eight years. She suggested \$10,000 for the STAR program. She indicated that she would get all of the nonprofit information and submit it for consideration. She rarely asked for anything for her district and believed this funding was for a good cause. The program had previously received CDBG funding through another non-profit.

Councilwoman Woodbury agreed with Councilwoman Cherry that City Council should have complete reports from organizations that received funding from the City noting their sustainability and plan to move forward. She recalled when she asked for funding for the "Original B.R.O.T.H.A.S" she was told that they needed to provide a sustainability report. She felt that was a valid point.

Ms. Cipriano advised that in order to receive their fourth-quarter payment all Community Support agencies and Cultural Attraction recipients had to provide a financial report that included what they did with their funding.

City Manager Bourey stated that the City Council Contingency funding would be around for another couple of meetings. He suggested that City Council schedule significant items to talk about over the next two weeks. This would provide City Council with an opportunity to determine what they truly wanted to use their Contingency funding for.

Councilwoman Vick reiterated her request to provide \$25,000 to the Newsome House, \$25,000 to the James A. Fields House, and \$25,000 to the Harwood House.

Mayor Price inquired about City Council Table Funding, and whether City Council was in support of moving the funding into the City Council Contingency account.

Councilwoman Scott was not in support of transferring City Council Table funding to the City Council Contingency account. She felt if it was not used by the end of the fiscal year it could be transferred to City Council Contingency fund.

Councilwoman Cherry suggested that the City Council Table funding remain in the budget and be transferred to the City Council Contingency Account if it was not spent by May of each year.

Mayor Price stated that the City Council had additional meetings to discuss their Table Funding, which was his suggestion. He stated other suggestions could be entertained at a later date.

Councilwoman Vick asked for City Council support to provide \$25,000 to the James A. Fields House and \$25,000 to the Newsome House from the FY 2016 City Council Contingency. The funding for the Harwood House would be decided at a future meeting. There was consensus among City Council to provide \$25,000 of City Council Contingency Funding to the James A. Fields House and \$25,000 of City Council Contingency Funding to the Newsome House. Councilwoman Cherry abstained from the vote that \$25,000 be given to the James A. Fields House from City Council Contingency.

IV. Comments/Ideas and Suggestions

Councilwoman Cherry thanked Assistant City Manager Rohlf for her assistance in seeing that the house on Madison Avenue about which she voiced concern about was demolished.

Councilwoman Cherry thanked Mr. Miller for his assistance with the Community Garden at Marshall Early Childhood Center.

City Manager Bourey reminded about the CIP discussion regarding the appropriation of \$1 million from Community Development funding to the FY 2016 - 2017 CIP for the Schools. He stated a resolution would be available for City Council approval at the evening meeting under New Business.

THERE BEING NO FURTHER BUSINESS
ON MOTION, COUNCIL ADJOURNED AT 5:40 P.M.


Jennifer D. Walker, MMC
Chief Deputy City Clerk


McKinley L. Price
Mayor
Presiding Officer

A true copy, teste:

City Clerk