MINUTES OF WORK SESSION
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE DOWNING-GROSS CULTURAL ARTS CENTER – BANQUET ROOM
2410 WICKHAM AVENUE
September 10, 2019
3:00 p.m.

PRESENT:  David H. Jenkins; McKinley L. Price, DDS; Sharon P. Scott, MPA; Tina L. Vick; Patricia P. Woodbury; Saundra N. Cherry, D. Min; and Marcellus L. Harris III

ABSENT:  None

OTHERS PRESENT:  Cynthia Rohlf; Collins L. Owens; Mabel Washington Jenkins; Darlene Bradberry; Shelia McAllister; Flora Chioros; Bryan Pierce; Angela Hopkins; Lisa Cipriano; Cory Cloud; Constantinos Velissarios; Susan Goodwin; Florence Kingston; Tommy Kellum; James Heyman; Kevin Heyman; Cody Metcalf; Travis Fisher; Derek Perry; Matthew Johnson; Venneria Thomas; Everett Skipper; Louis Martinez; Frank James; Sonia Alcantara-Antoine; Police Chief Steve Drew; Fire Chief Jeffrey Johnson; Janie Bazemore; Pam Hall; Adrian Whitcomb; Alan Archer; David Freeman; Ralph Clayton; Kim Lee; Cleder Jones; Eoghan Miller; Jerri Wilson; Joyce Thompkins; Lora Graham; Zina Middleton; and Josh Reyes

I.  Closed Meeting

(3:00 p.m. – 3:56 p.m.)

II.  Menchville Marina

City Manager Rohlf introduced Ms. Florence Kingston, Director, Department of Development, to provide the Menchville Marina briefing (a copy of the presentation, “Menchville Marina Briefing – September 10, 2019”, is attached and made a part of these minutes).

Ms. Kingston advised that Menchville Marina was a City-owned marina leased to a private owner that managed and operated the marina. Menchville Marina was located at the end of Menchville Road on Deep Creek. The marina was a working waterfront that served watermen working the James River. Many of the boats at the marina and facilities were used to off-load catches from the boats, with oysters being the primary product. An aerial map showed the properties leased to private operators (in yellow). The property shown (in red) was leased to Christopher Newport University (CNU) for their sailing center. The area (in purple) was City property not covered under the lease. The property highlighted (in blue) was 200 feet of public waterfrontage that was not included in any leases and open to the public in accordance with rules
outlined in the City Code (a copy of the “Menchville Marina Aerial Maps – Pages One and Two”, is attached and made a part of these minutes).

Ms. Kingston reminded, of the Menchville Marina – Leases and Management were as follows:

➢ Parcels 1 and 2 were leased to a private tenant.
  • Through the lease, services were provided to the watermen and boaters utilizing the marina. The lease provides for the maintenance of the marina and surrounding area.
  • The current lease was set to expire September 30, 2019.

Ms. Kingston advised in anticipation of the lease expiration, the City issued a Request for Proposal (RFP) for the lease and management of Menchville Marina. She shared, following evaluation, a Notice of Intent to Award was issued to James River Holdings, LLC.

Ms. Kingston indicated that James River Holdings, LLC proposed a robust schedule of rent and capital improvements that included:

• Parking area improvements, electrical upgrades, new dock decking, security fencing and cameras, and sanitation facilities
• Shell recycling center, oyster restoration reef, and remote oyster setting facility
• Partnerships with CNU and the Mariners’ Museum

Ms. Kingston advised that James River Holdings, LLC was joint venture between the three largest oyster companies in the State of Virginia and a new oyster company founded in Newport News which included:

• W. Ellery Kellum, Inc. (Weems, Virginia)
• Ballard Fish & Oyster Company (Eastern Shore)
• Heyman Oyster Company (Newport News, Virginia)
• Bevans Oyster Company (Kinsale, Virginia)

Ms. Kingston indicated James River Holdings, LLC represented over 200 years of generational experience with diverse and long-standing experience with the operation of marinas/working waterfronts.

Ms. Kingston shared that the firm’s proposal would fulfill the City’s requirements, enhance the level of service at Menchville Marina and support and grow its role as a working
waterfront. She introduced Mr. Tommy Kellum, W. Ellery Kellum, Inc., Mr. Cody Metcalf, Ballard Fish and Oyster Company, Mr. James Heyman and Mr. Kevin Heyman, Heyman Oyster Company, to provide additional information and answer any questions.

Councilwoman Cherry indicated that she was aware of the use for CNU students, but inquired about the role/use of the Mariners' Museum. Ms. Kingston replied that the Mariners' Museum would be working on an Eco-Education System.

Councilwoman Cherry questioned whether a decision had been made on the RFP. Ms. Kingston replied that the RFP response was received based on the procurement process. A Notice of Intent to Award had been issued to James River Holdings, LLC. This presentation gave City Council the opportunity for introductions and to ask questions. The authorization to execute the lease would be on the City Council agenda of September 24, 2019 for consideration.

Councilwoman Cherry questioned whether the Menchville Marina presentation was to address the issues presented by Mr. Randy Abbitt, Owner, Deep Creek Landing Marina at the August 24, 2019 City Council Regular meeting. Ms. Kingston replied Mr. Abbitt's concerns were about the other side of Deep Creek and maintenance and opportunities. City Manager Rohlf indicated that it was timely with the RFP discussion. Ms. Kingston advised that the two issues were separate, as there were other functions on the other side of Deep Creek.

Mr. James Heyman introduced his brother, Mr. Kevin Heyman and shared that they were the owners of Heyman Oyster Company and lived in Newport News. He also owned the Heyman Investment Group located at 11820 Fountain Way, Suite 100, Newport News and Coastal Seafood located in the Seafood Industrial Park, which was an oyster processing business. He shared, in the oyster world, basically it was to buy oysters and distribute oysters. For him and his brother, it was two locations, but for the primary of the oyster world was Menchville Marina. He indicated that Heyman Oyster Company was a small buyer in the oyster business at the marina, but only so much comes through the Seafood Industrial Park. Mr. Heyman stated when responded to the Menchville Marina RFP it was a great opportunity, but the reality was the ability to gain access and longevity of oysters that supported their business and other businesses. He reached out to W. Ellery Kellum, Inc., Ballard Fish & Oyster Company and Bevans Oyster Company, which were three of the largest oyster companies in the State of Virginia. The companies decided to collectively create an entity for the sole purpose to invest in a marina, capitalize it and make oysters more readily available and make the environment better for the boaters that came into the marina. Mr. Heyman noted that his company had been in business for three (3) years and located in Newport News; however, W. Ellery Kellum, Inc., Ballard Fish & Oyster Company and Bevans Oyster Company represented over 200 years of generational experience with diverse and long-standing experience with the operation of marinas. He advised that James River Holding, LLC
was excited about the Notice of Intent to Award as it was great for the watermen and the City, and envisioned an efficient and safe working waterfront.

Councilwoman Woodbury questioned whether there would be public access. Mr. Heyman replied yes there would be public access.

Mr. Kellum advised that W. Ellery Kellum, Inc. was a fourth generation oyster processor located in the Northern Neck, specifically on the Rappahannock River where it met the Chesapeake Bay. He indicated that his grandparents started the business in 1948, and for 59 of those years, had procured oysters out of Deep Creek. When the Heymans presented the RFP opportunity, it was front and center as so many of the resources came out of Deep Creek. He stated he was representing Bevans Oyster Company, a family oyster business that started in 1966 by Ronald and Shirley Bevans, who had been procuring oysters out of Menchville Marina for approximately 50 years. There was a great deal of interest in the Menchville Marina. By being awarding the RFP, it would allow them to bring a large percentage of boats and buying efforts to Menchville Marina from resources procured on the Isle of Wight side. Regarding the CNU component – the industry had been looking to partner with CNU on water quality issues and an educational component on the James River. By allowing CNU to be a part of the work at the Menchville Marina facility would afford students the opportunity to have a close area to work from. An oyster larvae setting had been proposed at the Menchville Marina facility for oyster harvesting. The Mariners’ Museum component – would bring in the heritage of Newport News and connect with people, because many people do not realize a large portion of the oysters that are consumed in the United States come through Menchville Marina, either in the form of sea oysters that were transferred to other areas of the Bay, or market oysters.

Councilwoman Woodbury questioned whether James River Holdings, LLC would be re-seeding the oyster beds. Mr. Kellum replied yes; they purchased seed oysters from the James River which would come through Menchville Marina, and the oyster seeds would be moved to the company beds in the Rappahannock River or in other areas. Bevans Oyster Company would put their oyster seed in the Potomac River, but the City had a small oyster lease outside of Deep Creek and the James River. The area would be seeded for the City and would be a sanctuary reef that no one could harvest; for ecologic purposes. The bigger part would be engaging the CNU students to do water quality monitoring and to have a classroom out on the water.

Vice Mayor Vick indicated the program would be enhanced with the Chesapeake Bay Foundation oyster harvesting. Mr. Kellum replied that Newport News had something to be proud of with the amount of activity and jobs that were provided all over the State. He shared that there was a trucking company out of Hampton that lived off the oyster industry. This was a bipartisan issue because everyone wanted clean water and healthy food.
Ms. Kingston advised that City Council would be asked to authorize a five (5) year lease with James River Holdings, LLC for the operation and management of Menchville Marina at the September 24, 2019 Regular Meeting of City Council. In its RFP response, James River Holdings, LLC proposed a base rent of $24,000 per year, which was 55% higher than the rent currently received by the City. Additionally, James River Holdings, LLC committed to make approximately $139,000 in facility improvements, as well as to contribute an additional $20,000 annually that could be reinvested in the facility or provided as additional rent. Ms. Kingston also shared information about the Port Host Communities Revitalization Fund, a new grant program which the City intended to take advantage of in order to make additional facility improvements at Menchville Marina that would support the watermen, buyers and other users of the facility.

Councilwoman Woodbury questioned whether maintenance was included. Ms. Kingston replied yes, maintenance was included.

Councilwoman Cherry questioned whether the classes for CNU students and Mariners’ Museum would be held outdoors. Mr. Kellum replied that CNU had an easement through the property to the waterfront; which would be an outdoor classroom. An access area would be added for the students to work from in order for Ballard Fish & Oyster Company (Eastern Shore) to provide oyster larvae and work in a facility, but it would be all outdoors. Mr. Kellum noted they had engaged with the Dean of Biology at CNU and met with the CNU Science Department. He hoped that students would graduate from the program and work in the industry.

Councilwoman Cherry questioned whether the classes for CNU students were seasonal. Mr. Kellum replied the classes were seasonal; however, the monitoring of water quality would be throughout the winter and oyster larvae were farmed in the early spring, the reef work would take place from March – end of the school year, again with water monitoring occurring throughout the year. The facility was utilized with the public oyster fishery from October – May, and private industry that owned oyster reefs from May – October.

Councilwoman Woodbury questioned whether there was a CNU building at the facility. Mr. Kellum replied yes, the CNU Sailing Center. He advised that CNU was excited and engaged about the possibilities. There were two (2) small buildings with one being located on the waterfront.

Councilwoman Scott inquired about the length of time it would take to transform the marina from its current state. She advised at a recent visit, there was trash, old boats, etc. it was deplorable. She inquired about the plans for clean-up at the marina and how long it would take. Mr. Kellum replied January – March 2020 clean up with the parking lot and from March on electrical upgrades; basically in one year everything should be done. He would like to begin the
work immediately; however, had to work around oyster season and activities which began October 1st.

Councilwoman Scott inquired whether citizens would have an opportunity to purchase fresh produce from the watermen. Mr. Kellum replied there was a process to harvest oysters prior to selling; however, crabs would be available to purchase.

City Manager Rohlf reminded City Council that the authorization to execute the Menchville Marina lease would be on the City Council agenda of September 24, 2019 for consideration.

III. Comments / Ideas / Suggestions

Councilwoman Cherry questioned when the Avenue of Arts became an Honorary Street (Brown Sign). City Manager Rohlf replied approximately ten (10) years ago.

THERE BEING NO FURTHER BUSINESS
ON MOTION, COUNCIL ADJOURNED 4:27 P.M.

[Signature]
Zippa F. Middleton, MMC
Chief Deputy City Clerk

[Signature]
McKinley L. Price
Mayor
Presiding Officer

A true copy, test:  

City Clerk