

**Minutes**  
**Board of Directors of the Virginia Economic Development Partnership Authority**  
**January 17, 2018**  
**VEDP Office – 901 East Cary Street, 9<sup>th</sup> Floor**  
**Richmond, Virginia**

**Call to Order/Approval of Minutes**

The meeting was called to order at 9:01 a.m. by Chairman Vincent Mastracco, who noted that a quorum was present.

**Members present:** Carrie Chenery, Heather Engel, Greg Fairchild, Bill Hayter, Secretary Aubrey Layne, Secretary Esther Lee, Chris Lumsden, Ned Masee, Vincent Mastracco, Dan Pleasant, John Reinhart, Xavier Richardson, and Robert Vaughn – Carlos Tapias participated unofficially by phone

**Members absent:** Dan Clemente, April Kees, Jason Powell, and Dubby Wynne

**VEDP staff present:** Antje Abshoff, Vince Barnett, Christine Bell, Sean Brazier, Melissa Cox, Nicole David, Jason El Koubi, Stephanie Florie, Jennifer Garrett, Paul Grossman, Sandi McNinch, John Mehfoud, Lori Melancon, Stephen Moret, Christy Morton, Jack Nelson, Scott Parsons, Tim Stuller, and Chris Ulrich

**Guests present:** Peter Blake, Hampton Dowling, Don Ferguson, Mitch Horowitz, George Judd, Chris Kalafatis, RJ Nutter, Terry Ramsey, and Lesley Shinbaum

**Public Comment Period**

Chairman Mastracco solicited public comments. Mr. Terry Ramsey requested that if members of the public who are attending a VEDP Board or Committee meeting are asked to leave the room if the meeting goes into closed session then those members of the public should be notified when the meeting is back in open session.

**Approval of Minutes**

Chairman Mastracco asked for approval of the minutes from the November 17, 2017 meeting. A motion was made by Mr. Hayter and seconded by Mr. Masee, and the minutes were unanimously approved as presented.

**Chairman's Report**

Chairman Mastracco reviewed the agenda and gave an overview of the topics to be discussed.

He recognized Greg Fairchild for being named the MBA Professor of the Year and congratulated him on this achievement.

He introduced Hampton Dowling and George Judd who serve as Chair and Vice Chair for the VEDP Committee on International Trade and asked them to share any updates from the committee.

Mr. Dowling and Mr. Judd shared that during their last report to the Board, they took away a real thirst from the Board for understanding trade from the Board. The committee is in the process of reaching out to public and private firms to begin to collaborate with them and gather their input on setting priorities and goals for the committee.

They have reached out to Secretary Layne and will be connecting with Secretary Lee soon. They hope to bring private sector perspectives into trade. They expressed an interest in coordinating with Chairman Mastracco to finalize how the committee and Board will work together. The next meeting of the VEDP Committee on International Trade will take place on January 18, 2018 at VEDP.

Chairman Mastracco introduced Secretary Esther Lee. Secretary Lee offered a brief introduction and expressed her enthusiasm for her new appointment and working with VEDP and the Board of Directors.

Chairman Mastracco congratulated the VEDP team and the Board on the JLARC response.

### **President's Report**

Mr. Moret reviewed the FY18 performance metrics to date. He said that VEDP will exceed the leads converted goal. VEDP is behind on the lead generation goal, due to several open positions that need to be filled and the impact of having one person out on extended medical leave.

He noted that the VEDP Strategic Plan was published on December 1.

He complimented Jason El Koubi on his great work on the JLARC response. He stated that to date, 25 out of 27 JLARC recommendations are substantially complete.

He highlighted the partial inclusion of VEDP's top two budget priorities (custom workforce initiative and marketing) in Governor McAuliffe's budget proposal.

Mr. Moret discussed his top priorities for the next few months, including active engagement with the new Administration and General Assembly on VEDP's top budget priorities, planning a statewide tour with Secretary Lee, filling three important leadership positions, and several others.

Mr. Reinhart congratulated Mr. Moret and the team on a herculean effort this past year and for keeping the Board informed and engaged along the way.

At the Board's request, Mr. Moret reviewed the members of the VEDP Business Development and Marketing Committee and Mr. El Koubi reviewed the members of the VEDP Committee on International Trade. Mr. Vaughn asked if Leonard Sledge's position on the Business Development and Marketing Committee was a gubernatorial appointment. If so, he suggested that Secretary Lee work with the Governor on a replacement, since Mr. Sledge is moving out of the area and will be unable to serve.

### **Report on New VEDP Europe Office**

Mr. Moret introduced Antje Abshoff, Managing Director Europe, for VEDP.

Ms. Abshoff provided an overview of VEDP's new European office, based in Munich, Germany. She discussed the goals for the office, including increasing Virginia's visibility in Europe and generating leads successfully and effectively. She shared that she has received a very positive response from the European community that Virginia will have a European office.

Ms. Abshoff stated that VEDP plans to hire two additional staff people to support the European office, a Business Development Manager and a Corporate Research Manager. She hopes to have the team in place by April.

Mr. Masee asked what Ms. Abshoff sees as the major selling points for Virginia. She answered that she views the diversity of the regions of the state, the quality workforce, and extensive transportation network as advantages for Virginia.

Mr. Barnett highlighted that VEDP has had a presence in Europe via a consultant model, but this will be a dedicated team that will work exclusively for the Commonwealth.

Mr. Lumsden asked Ms. Abshoff if she will have the opportunity to visit other parts of the state. Ms. Abshoff stated that she plans to visit all regions of the state, except three, on this visit to Virginia. She will be conducting meetings by phone with those she cannot personally visit and plans to visit those areas in the future, hopefully in June.

### **Briefing on VRIC Assessment of Research Assets**

Mitch Horowitz shared an analysis of Virginia's research assets completed for the Virginia Research Investment Committee (VRIC).

He discussed the key findings, including opportunities and underlying challenges. The recommendations have been approved and there are four strategic priorities: 1) pursue strategic growth opportunity areas to catalyze stronger advanced industry growth; 2) strengthen university technology transfer and commercialization capacity; 3) bridge the disconnect between university research and Virginia-based company innovation; and 4) strengthen Virginia's regionally-based innovation capabilities.

Mr. Richardson asked if there could be opportunities for smaller colleges and universities to partner with larger universities on these initiatives. Mr. Horowitz thinks there are definite opportunities for this type of collaboration.

Ms. Engel requested a copy of the report be shared with the Board.

### **Closed Meeting: Strategic Planning and Litigation Discussion**

A motion was made by Ms. Chenery and seconded by Mr. Reinhart to move into a closed meeting. Mr. Moret asked that VEDP staff and legislative guests be allowed to stay for the closed meeting.

I MOVE THAT THE BOARD OF DIRECTORS OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY CONVENE A CLOSED MEETING PURSUANT TO:

VIRGINIA CODE §2.2-3711(A)(7) TO ENGAGE IN CONSULTATION WITH LEGAL COUNSEL AND BRIEFINGS BY STAFF MEMBERS PERTAINING TO ACTUAL OR PROBABLE LITIGATION, WHERE SUCH CONSULTATION OR BRIEFING IN OPEN MEETING WOULD ADVERSELY AFFECT THE NEGOTIATING OR LITIGATING POSTURE OF VEDP, INCLUDING CONSULTATION AND BRIEFINGS PERTAINING TO THE LITIGATION INVOLVING THE REPAYMENT OF A GRANT FOR THE LINDENBURG PROJECT IN APPOMATTOX COUNTY;

VIRGINIA CODE §2.2-3711(A)(50) TO ENGAGE IN A DISCUSSION OR CONSIDERATION OF THOSE PORTIONS OF VEDP'S STRATEGIC PLAN, MARKETING PLAN OR OPERATIONAL PLAN, THAT MAY RELATE TO TARGET COMPANIES, SPECIFIC ALLOCATION OF RESOURCES AND STAFF FOR MARKETING ACTIVITIES, AND SPECIFIC MARKETING ACTIVITIES THAT WOULD REVEAL TO THE COMMONWEALTH'S COMPETITORS FOR ECONOMIC DEVELOPMENT PROJECTS THE STRATEGIES INTENDED TO BE DEPLOYED BY THE COMMONWEALTH, THEREBY ADVERSELY AFFECTING THE FINANCIAL INTEREST OF THE COMMONWEALTH, INCLUDING A DISCUSSION OF STRATEGIES FOR USING DISCRETIONARY INCENTIVES FOR TARGETING COMPANIES; and

VIRGINIA CODE §2.2-3711(A)(40) TO ENGAGE IN A DISCUSSION CONCERNING PROPRIETARY INFORMATION SUBMITTED BY A COMPANY TO VEDP FOR BUSINESS DEVELOPMENT OR RETENTION PURPOSES PURSUANT TO A PROMISE OF CONFIDENTIALITY FROM VEDP, USED BY VEDP FOR BUSINESS, TRADE, AND TOURISM DEVELOPMENT OR RETENTION, INCLUDING PROPRIETARY INFORMATION REGARDING AN EXTENSION OF A PERFORMANCE PERIOD FOR A DISCRETIONARY GRANT.

In closed meeting, the Board had a discussion about VEDP's incentives strategy/philosophy and updates/action on the Lindenburg litigation.

**Back in Open Meeting, Certification of Closed Meeting – Followed by a Roll Call vote:**

WHEREAS, THE BOARD OF DIRECTORS OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY HAS CONVENEED A CLOSED MEETING ON THIS DATE PURSUANT TO AN AFFIRMATIVE RECORDED VOTE AND IN ACCORDANCE WITH THE PROVISIONS OF THE VIRGINIA FREEDOM OF INFORMATION ACT; AND

WHEREAS, THE VIRGINIA FREEDOM OF INFORMATION ACT REQUIRES A CERTIFICATION BY THIS BOARD OF DIRECTORS THAT SUCH CLOSED MEETING WAS CONDUCTED IN CONFORMITY WITH THE ACT;

NOW, THEREFORE, BE IT RESOLVED, THAT THE BOARD OF DIRECTORS CERTIFIES THAT, TO THE BEST OF EACH MEMBER'S KNOWLEDGE, (I) ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER THE ACT WERE DISCUSSED IN THE CLOSED MEETING TO WHICH THIS CERTIFICATION RESOLUTION APPLIES, AND (II) ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED MEETING WAS CONVENEED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING BY THE BOARD OF DIRECTORS.

Upon the vote:	Ms. Chenery	Aye
	Ms. Engel	Absent for the vote
	Mr. Fairchild	Aye
	Mr. Hayter	Aye
	Secretary Layne	Aye
	Secretary Lee	Aye
	Mr. Lumsden	Aye
	Mr. Masee	Aye
	Mr. Mastracco	Aye
	Mr. Pleasant	Aye
	Mr. Reinhart	Aye
	Mr. Richardson	Aye
	Mr. Vaughn	Aye

Mr. Hayter made a motion to approve the request from Pete’s Coffee for a fifteen month extension on their COF performance agreement. The motion was seconded by Mr. Reinhart and was unanimously approved.

Chairman Mastracco informed Mr. Nutter, counsel for Pete’s Coffee, that the extension was approved.

**Finance and Audit Committee Report**

Mr. Lumsden invited Mr. Parsons to give an update on the six companies where VEDP is pursuing clawbacks. VEDP needs help with the collection effort on four of them. Reform legislation states that VEDP can request help from the Office of the Attorney General (OAG), which VEDP would like to institute.

Chairman Mastracco explained that the OAG is questioning whether they should be engaged in collections efforts for past projects (retroactive).

Mr. Vaughn suggested adding language to the reform legislation to clarify. He feels the offer of help on collections was not intended to be limited to only prospective companies.

Chairman Mastracco introduced Don Ferguson who shared the OAG’s perspective on the matter. The OAG’s concern is that they will have a problem enforcing these contracts. Commonwealth Opportunity Fund (COF) grants are made to the locality. The state is not a party to the contracts, so the state does not have standing to sue. Mr. Ferguson suggests asking the localities to sign over their rights to VEDP or an appropriate state agency. He feels this can be resolved by amendments. He feels a statutory amendment is needed to proceed and agrees that past projects should be included.

A motion was made by Mr. Hayter and seconded by Mr. Masee to forward all four COF projects to the OAG, subject to clean-up changes in the reform legislation. The motion was unanimously approved.

Mr. Lumsden shared that Mr. Kalafatis and the Dixon Hughes Goodman team are working on the internal audit through the end of the fiscal year. Their contract expires June 30, 2018. VEDP will need to renew with them soon to continue the contract effective July 1, 2018.

### **Rural Virginia Action Committee Report**

Mr. Masee reported that the Rural Virginia Action Committee did not meet on January 16, 2018 as originally planned, due to lack of a quorum. VEDP and the committee continue to focus on pursuing the eight initiatives that came out of meetings of the Think Tank on Rural Economic Development in Virginia that was assembled by VEDP last year.

Mr. Masee highlighted that Mr. Moret will be speaking to the first meeting of the Rural Caucus during the 2018 GA session happening later today, January 17, 2018. Mr. Moret will speak briefly about VEDP's work over the past year and VEDP's legislative/budgetary priorities, focusing on the session.

### **Legislation and Policy Committee Report**

Mr. Chenery provided an update on the work of the Legislation and Policy Committee. She mentioned that VEDP staff have already had several meetings with the Transition Team. One of the key takeaways is that Governor Northam wants to be an engaged partner and champion for economic development. He is focused on rural economic development in particular. The committee is looking forward to supporting Secretary Lee, Secretary Layne, and the new Administration.

Ms. Chenery emphasized the need for the Board to be champions for VEDP and its priorities. She asked Board members to be available during session, so the committee and staff can call on them for their expertise and access through their relationships with legislators.

Ms. Chenery offered that Ms. Morton and team will be providing a one-pager that outlines VEDP's priorities that Board members can use when connecting with legislators in their regions. Board members can also use these talking points when speaking with local and regional economic development partners.

### **Adjournment and Next Meeting**

The next Board meeting is scheduled for March 1, 2018 and will be held at VEDP in Richmond. More details will follow.

There being no further business, Chairman Mastracco adjourned the meeting at 12:35 p.m.

Respectfully submitted,



Stephen Moret  
Secretary