

**Minutes**  
**Rural Virginia Action Committee Meeting**  
**Board of Directors of the Virginia Economic Development Partnership**  
**March 17, 2021**  
**2:30 p.m. – 4:00 p.m.**  
**[Zoom Meeting]**

**Welcome and Call to Order**

The meeting was called to order at 2:32 p.m. by Chair Rick Harrell, who noted that a quorum was present.

Members present: Chair Rick Harrell, Secretary Brian Ball, Carrie Chenery, Stephen Edwards, Deborah Flippo, Secretary Aubrey Layne, and Ned Masee, *ex officio*

Members absent: Dan Pleasant

Other Board Members: Dan Clemente, Bill Hayter, and Marianne Radcliff

VEDP staff present: Lindsay Barker, Vince Barnett, Christine Bell, Jamie Canup, Melissa Cox, David Devan, Jason El Koubi, Stephanie Florie, Sharon Grant, Bob Grennell, Sandi McNinch, Lori Melancon, Debbie Melvin, Stephen Moret, Christy Morton, Jordan Snelling, Carrie Vuori, and Adam Watkins

Guests present: Tracy Eppard, Liz Povar, Kristie Proctor, and Deputy Secretary Cass Rasnick

**Opening Remarks**

Chair Harrell welcomed guests to the electronic meeting of VEDP's Rural Virginia Action Committee. Chair Harrell shared these remarks: "As you well know, the Governor declared a state of emergency in March 2020, due to the potential spread of COVID-19. Because an in-person meeting is unsafe and we wish to discharge our lawful purposes, duties, and responsibilities, we are permitted by the Virginia Freedom of Information Act, as amended by the State Budget, to meet by electronic means without a quorum of our members being physically assembled at one location.

We are gathered now in a Zoom environment that is open to the public. Should anyone from the public get disconnected from the public Zoom environment and be unable to re-engage, he or she should call (804) 278-7702 and speak to Jennifer Garrett. We will do our best to re-engage and will halt the public portion of the meeting until the connection can be re-established.

Here are reminders of a few things that will be different than our in-person meetings:

- Everything on the public Zoom environment will be recorded, and the recording will be posted on VEDP's website.
- All votes will be taken by roll call.

- Please use the mute function unless you are speaking—and remember to unmute at the appropriate time.
- During the public comment period, any member of the public wishing to make a comment may simply unmute and speak at that time or use the Chat function and ask to be given an opportunity to speak.
- Likewise, during the meeting, Committee members may simply unmute themselves to speak or use the Chat function."

**Public Comment Period**

Chair Harrell solicited public comments. There were none.

**Approval of Minutes for January 27, 2021 Meeting**

Chair Harrell asked for approval of the minutes from the January 27, 2021, meeting. A motion was made by Secretary Ball and seconded by Ms. Chenery, and the minutes were approved as presented by roll call vote:

Upon the vote:	Secretary Ball	Aye
	Ms. Chenery	Aye
	Mr. Edwards	Abstain
	Ms. Flippo	Absent for vote
	Mr. Harrell	Aye
	Secretary Layne	Absent for vote
	Mr. Pleasant	Absent for vote

**Updates on the Rural Leadership Initiative** – Kristie Proctor

Chair Harrell welcomed and introduced our speaker, Ms. Kristie Proctor, Executive Director of the Center for Rural Virginia.

Ms. Proctor thanked the committee for inviting her to provide an update on the Rural Leadership Initiative. She mentioned that before the pandemic, she had presented to the committee the Center's plan to create the new leadership program, and they worked throughout the last year to launch the program.

Ms. Proctor explained that Virginia's Rural Leadership Institute (VRLI) is the Commonwealth's first-ever and premier leadership development organization focused entirely on cultivating rural leaders.

Ms. Proctor mentioned that resources available to an emerging leader in Virginia's urban and metro areas are not always readily available in some of our rural corners of the state. In rural areas, a single individual can significantly impact transforming a community. Ms. Proctor said because of these reasons, the Virginia Rural Center felt it was time to launch the Virginia Rural Leadership Institute.

Ms. Proctor shared the focus areas of VRLI. She mentioned the list is a starting point but not yet finalized.

- Leadership Development

- Economic Development
- Food and Agriculture
- Workforce Development
- Infrastructure
- Rural Health
- Education
- Community and Capacity Building
- Small Business Development

Ms. Proctor explained that the goal was to raise \$100,000 before they would launch the program. She was happy to share that they exceeded their goal. Through grants and private sector dollars, the Rural Center raised \$109,755 in the past year and is working to secure additional funds.

Ms. Proctor said the continuing theme they heard when asking for funding was, “A program like this is needed now more than ever.” She mentioned they believe they need to raise at least this amount of money every year for the program to continue.

Ms. Proctor said an online survey was sent out in January and February of 2020. The two research questions posed were: (1) What skills are requirements for effective government and community organization leaders; and (2) What are the skill requirement differences within these groups between rural and urban areas?

Ms. Proctor shared that the survey was sent to their Board of Directors, General Assembly members, individuals, and organizations, including local government officials, private businesses, community colleges, and universities, local, state, and regional organizations, etc. They were able to compare rural and urban respondents. The responses were more of a rural input as expected. Two-thirds of the respondents are from a government background, and about one-third are involved in community organizations.

Ms. Proctor mentioned respondents ranked the importance of 15 skills in the context of their roles. Two skills were ranked significantly more important by rural respondents; (1) knowledge of community and group organizations; and (2) project and program planning.

Ms. Proctor explained the timeline and next steps prior to the launch are: (1) hiring a Program Director, (2) creation of an Advisory Committee, and (3) marketing and development.

Ms. Proctor shared the logistics for the original (pre-COVID 19) plans. The plan included 30 participants and four in-person multi-day sessions in four different regions or rural Virginia. To adjust for pandemic concerns, they will consider launching in the fall/winter of 2021 if at least half of the sessions can be held safely, in person. She mentioned if they wait until 2022 to launch, they will plan a virtual open house.

Ms. Proctor reviewed the following VRLI program budget and tuition costs.

- Program Budget
  - The pre-pandemic budget equated to approximately \$100,000 annually.
  - Hybrid (two sessions virtually, two in-person) institute costs roughly \$87,500.
- Tuition Costs for Participants
  - Four in-person multi-day sessions would cost each participant around \$2,500.

- Hybrid ((two sessions virtually, two in-person) would cost each participant around \$1,500.

Ms. Chenery thanked Ms. Proctor for following through on this program and said it is wonderful to see it coming to fruition. Ms. Chenery asked if there are opportunities to coordinate with Sorensen and LEAD Virginia? Ms. Proctor said they had leaned heavily on content information that the North Carolina Rural Center has provided them. They are viewed as the leader in the country for their rural leadership program.

Ms. Chenery commented that the tuition is fair but not insignificant. She also posed the question, how the board, this committee, and VEDP could be a supporting partner.

Chair Harrell shared that it might be suitable for people who want to participate in the program to raise some of the money themselves.

Mr. Moret shared that the Rural Think Tank group that has met since 2017 specifically identified rural leadership development as one of the top priorities to help position rural regions for growth. He mentioned that VEDP is thrilled the Rural Center has taken this on, and he appreciates Kristie's leadership. Mr. Moret said he is interested in looking at different ways to support this program and help make this a success for the Commonwealth.

### **Review of the Virginia Economic Bridge Initiative** – Lindsay Barker

Ms. Barker conducted a historical analysis of the Virginia Economic Bridge Initiative. The program was started in the early 1980s by a group of leaders who wanted to create a network to facilitate resource sharing between Northern Virginia and Southwest Virginia. This network began as the Virginia Initiative.

Ms. Barker mentioned the initiative received funding from the Center for Innovative Technology (CIT) and the Appalachian Regional Commission (ARC) to form the Virginia Economic Bridge (VEB) in the early 1990s. Next, they registered as a nonstock corporation with the SCC and were later granted tax-exempt status from the IRS as a nonprofit in 1996.

Ms. Barker mentioned she reviewed the Commonwealth's budget, and they received some funding from FY05 to about FY08. Funds are no longer allowed to be given from the Commonwealth to non-State entities, eliminating state funding for the program.

Ms. Baker said the VEB filed its last 990 for the taxable year 2010 with a negative ending balance. In 2013, the SCC auto terminated the corporation, and their status remains inactive.

Ms. Barker shared that VEB's website listed the following accomplishments. (1) New River/Mount Rogers Community Audit in 2002, (2) Virginia's Business Pipeline in 2007; and (3) the Virginia Driver Improvement Course.

Ms. Barker reviewed the strengths and weaknesses of the programs. Strengths outlined included: (1) It laid the groundwork for the concept of connecting Northern Virginia to Southwest and rural Virginia, and (2) it brought together a variety of stakeholders. Weaknesses were: (1) The mission was not clearly defined, (2) dedicated revenue stream not identified, (3) overlapped with already existing PDC's, (4) lack of outcomes, and (5) lack of Northern Virginia representation.

Ms. Barker shared that outside of the VEB, the Commonwealth has seen examples of successes with the idea of connecting Northern Virginia companies to rural regions, including the expansions of CGI and Northrop Grumman in Southwest Virginia.

Ms. Barker explained that elements of the VEB vision had been undertaken in various initiatives at VEDP. One example was connecting Northern Virginia with rural Virginia through the Distributed Services Initiative, which occurred in the mid-2000s.

Ms. Barker mentioned the most recent example VEDP has undertaken is the Rural and Small Metro Technology Center initiative. The initial phase of this initiative focuses on rural Virginia's growth in three communities: Wise, Radford, and Harrisonburg. There are three phases of this initiative. Phase one is focused on centers of excellence and co-location around those public universities within those communities. Phase two is focused on Software as a Service (SaaS) companies locating with a high concentration of software developers. Phase three is an ideation and will be focused on remote workers.

Mr. Moret added we had an early test on this in 2017. He said there are roughly a half dozen companies interested in phase one. Mr. Moret anticipates we will stay focused on this initiative for the next few years because there seems to be the vast majority of tech jobs that tend to be attracted to the mid-size to larger metros. Still, there is a significant minority (small percentage) that do look at smaller regions. We want to make sure that we are among the top two or three states they think about for those opportunities.

Ms. Chenery wondered if it would be helpful to hear from Liz Povar to get her perspective on this program and how it evolved.

Ms. Povar shared her perspective from her time when she served in the leadership role at VEDP with the Business Investment division. She expressed that the VEB's mission was spot on, but there seemed to be a lack of communication and coordination between VEDP and VEB. She sensed that impacted the program of work and outcomes of the VEB. Ms. Povar gave kudos to the VEDP for what they are doing now and to this committee for all the good work they are doing for Virginia.

Mr. Moret mentioned that we could devote perhaps 10 or 15 minutes at the next Rural Action committee to present an update on the Rural and Small Metro Technology Center initiative, its phases, and the criteria for each of those. He said we have a set of filters we use to identify communities that would be a good fit for those opportunities, and we could give examples of companies and project types that VEDP is pursuing.

Chair Harrell mentioned our Business Retention and Expansion (BRE) program. He mentioned Northern Virginia and asked if there is a way to integrate with the BRE program, questions about possible ways that other areas of Virginia can support those in Northern Virginia in terms of lower-cost options, and what they might be?

Mr. Moret shared that when you think about the BRE program, there are two pieces we have not fully developed but aspire to develop more fully. One is supply chain opportunities and thinking about different aspects of a company's operations or contractor operations that could make sense in Virginia. The second piece is doing more with corporate headquarters visits.

**Funding Programs Available in Virginia's Tobacco Region** – David Devan

At the last board meeting, there was discussion about the impact of the Tobacco Commission's transition from a grant-driven model to a loan-driven model and what alternative funding sources exist for grants in the region?

Mr. Devan shared the following information.

There are numerous state and federal grants available to Tobacco region localities.

- There are 15 major state and federal grant programs that fund economic development and related projects in the Tobacco Region, providing \$50-70M in funding each year.
- These grant programs cover all areas prioritized by TRRC, including education, infrastructure, economic development, healthcare, and community assets.

Tobacco Region Revitalization Commission (TRRC) loan-dominated model will reduce but not eliminate TRRC grant impact in the region.

- In their FY20-22 strategic plan, TRRC outlined a new loan-dominated model to ensure the fund's sustainability.
- Moving forward, TRRC will award grants from earnings only, which averaged \$20M over the last four years.

Mr. Devan reviewed other potential sources of funding, including state and federal programs. He shared that in FY18, Tobacco Commission funding amounted to approximately 45% of state and federal grants to Southern and Southwest Virginia. Mr. Devan explained that depending on the year, TRRC grants make up to 40-60% of state and federal funding for TRRC priorities in this region. The loan-dominated model will reduce total grant funding in the region by \$20-40M per year.

**Closed Session**

Chair Harrell stated that we will now move into a Closed Session to discuss the strategic rural funding opportunities. A motion was made by Ms. Chenery and seconded by Ms. Flippo and approved by roll call vote, and the Committee moved into a closed meeting.

I MOVE THAT THE RURAL VIRGINIA ACTION COMMITTEE OF THE BOARD OF DIRECTORS OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY CONVENE A CLOSED MEETING PURSUANT TO 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.

Upon the vote:	Secretary Ball Ms. Chenery	Absent for vote Aye
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Mr. Edwards	Aye
Ms. Flippo	Aye
Mr. Harrell	Aye
Secretary Layne	Aye
Mr. Pleasant	Absent for vote

**Back in Open Meeting, Certification of Closed Meeting – Followed by a Roll Call vote:**  
WHEREAS, THE RURAL VIRGINIA ACTION COMMITTEE OF THE BOARD OF DIRECTORS OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY HAS CONVENED 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 ACT REQUIRES A CERTIFICATION BY THIS COMMITTEE THAT SUCH CLOSED MEETING WAS CONDUCTED IN CONFORMITY WITH THE ACT;

NOW, THEREFORE, BE IT RESOLVED, THAT THE COMMITTEE 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 CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING BY THE COMMITTEE.

Upon the vote:	Secretary Ball	Aye
	Ms. Chenery	Aye
	Mr. Edwards	Aye
	Ms. Flippo	Aye
	Mr. Harrell	Aye
	Secretary Layne	Aye
	Mr. Pleasant	Absent for vote

**Adjournment**

There being no further business, Chair Harrell adjourned the meeting at 3:59 p.m.

Respectfully submitted,

Christine Bell  
Acting Recording Secretary