

**Minutes
Board of Directors of the Virginia Economic Development Partnership Authority
June 23, 2022
9:00 a.m.**

**901 East Cary Street
One James Center, Katherine Johnson Room
Richmond, VA 23219**

Welcome and Call to Order

The meeting was called to order at 9:05 a.m. by Chair, Dan Pleasant, who noted that a quorum was present.

Board Members present: Carrie Chenery, Secretary Stephen Cummings, Greg Fairchild, Rick Harrell, April Kees, Ned Masee, Vince Mastracco, Secretary Caren Merrick, Anne Oman, Dan Pleasant, Marianne Radcliff, Xavier Richardson, and Steven Stone

Board Members absent: Nancy Howell Agee, Dan Clemente, Stephen Edwards, Deborah Flippo

VEDP Staff Members: Stephanie Agee, Vince Barnett, Nicole David, David Devan, Michael Dreiling, Jason El Koubi, Stephanie Florie, Jennifer Garrett, Katherine Goodwin, Stephen Hartka, Sandi McNinch, Lori Melancon, Debbie Melvin, Richard Miller, Christy Morton, and Valenda Seaford

Guests: Whitney Czelusniak, Don Ferguson, Jason Powell, Randy Sherrod (virtual), and Lisa Wallmeyer

Welcome and Announcements

Chair Pleasant welcomed guests to the meeting and noted that a quorum of members was present.

Public Comment Period

Chair Pleasant solicited public comments. There were none.

Approval of Minutes

Chair Pleasant asked for approval of the minutes from the March 17, 2022 meeting. A motion was made by Mr. Stone and seconded by Mr. Richardson and the minutes were unanimously approved as presented.

Chairman's Report

Chair Pleasant began his report by stating that the state budget has finally been approved. He said that Ms. Radcliff would provide a recap on where VEDP landed at the close of budget negotiations.

Chair Pleasant thanked the Administration, General Assembly (GA), legislative staff, and others for their support of VEDP and so many economic development priorities during this year's GA session. Chair Pleasant also thanked Mr. El Koubi, Ms. Morton, Ms. Barker, and Ms. Cranston for their extraordinary work during this extended session. He said their efforts are evident in the great outcomes VEDP received this year. The Board gave the team a round of applause.

Chair Pleasant also thanked the Board members who reached out to legislators in support of VEDP's priorities.

Chair Pleasant invited Ms. Chenery to provide an update on the Advisory Committee on Business Development and Marketing on behalf of Ms. Flippo, who was not present.

Ms. Chenery shared that the Advisory Committee on Business Development and Marketing met on May 12 to discuss several important and timely topics, including lead generation activities, site selection cultivation activities, and Virginia's incentives and regulatory processes and policies. She said that VEDP staff also shared their excitement about the high level of engagement by Governor Younkin and the Administration on economic development related activities.

Chair Pleasant reviewed the meeting agenda.

Chair Pleasant ended his remarks by recognizing Mr. Masee who notified Chair Pleasant of his plan to resign from the Board at the end of the meeting. He stated that Mr. Masee has relocated to Florida to be closer to family. Chair Pleasant thanked Mr. Masee for his impactful service to the Board and the region. The Board gave Mr. Masee a round of applause.

President and CEO's Report

Mr. El Koubi reviewed VEDP's FY22 Business Investment and International Trade goals and progress that has been made toward them. He stated that both teams have exceeded, and in some cases significantly exceeded, their goals for the fiscal year. He said he is proud of the entire VEDP team and the bigger team, which includes all of VEDP's partners and stakeholders.

Mr. El Koubi spoke about the recent Lego announcement and the positive response, good energy, and recognition surrounding the project. He shared that VEDP has worked to leverage this opportunity to create some unique marketing around the win. He introduced Ms. Melancon to tell more of the story.

Ms. Melancon shared a sample of a Lego themed gift that was sent to 110 of the top site consultants who are doing the most business with Virginia and are the most influential. She shared an example of the gift which included Lego project highlights, Lego catch phrases, and a Lego mini figure that resembled the consultant to which it was sent. Ms. Melancon and Mr. El Koubi said there has been great feedback on the gift with some recipients saying it is the best and coolest direct mail they have ever received.

Mr. El Koubi reviewed VEDP's FY2022 Major Initiatives and explained that the external-related major initiatives are finishing strong. He spoke about a few major initiatives that have been impacted by capacity restraints, staff changes that led to lost momentum, and some that were paused mid-year to consider a new strategy.

Mr. El Koubi shared notable development since the last Board meeting. He highlighted increased business development activity; the Secretary's State Tour; the strong launch to Team Virginia with recent successful site selection consultant symposiums; completion of drafts of the FY23 Operational Plan, Marketing Plan, and budget; and the announcement of VEDP's new organizational structure.

Mr. El Koubi introduced Lisa Wallmeyer and explained that Ms. Wallmeyer would be taking over for Sandi McNinch, VEDP's long-serving General Counsel, who will be retiring soon. Mr. El Koubi spoke about Ms. Wallmeyer's strong background and unique qualifications.

Mr. El Koubi shared farewell remarks for Ms. McNinch. He expressed his gratitude for everything Ms. McNinch has brought to the team. He said that Ms. McNinch has been a great advisor and has set VEDP up for success in the future. The Board offered their thanks and a round of applause for Ms. McNinch.

Mr. El Koubi spoke about his top priorities for the next few months. He highlighted cultivation of several high-impact economic development project opportunities; finalizing VEDP's new leadership structure; filling staff vacancies; overseeing strong execution of new activities and initiatives, as well as existing functions which received additional funding in the General Assembly session; annual performance evaluations for the VEDP team; completing the next issue of Virginia Economic Review, which will focus on partnerships between higher education and the private sector; and beginning work on VEDP's Annual Report.

Mr. El Koubi thanked the Board for their great partnership. He also spoke about VEDP's terrific relationship with the General Assembly and their staffs. Mr. El Koubi mentioned his gratitude for Secretary Merrick, Secretary Cummings, Anne Oman, and April Kees, adding that he greatly appreciates their support during this important time. Mr. El Koubi said that economic development is a team sport and that we are all in it together for Virginia and all of its regions.

Chair Pleasant thanked Mr. El Koubi for his report.

Presentations from Partners

Whitney Czelusniak, Manager of Economic and Business Development, Appalachian Power

Ms. Czelusniak shared a little about her background and then provided an overview of Appalachian Power (AP).

Ms. Czelusniak spoke about the company's service area, which includes mostly rural areas. She said AP provides service to over one million customers in Virginia.

Ms. Czelusniak reviewed her organization's team structure, their areas of focus, and the core activities of each.

Ms. Czelusniak spoke about her team's engagement with VEDP. She spoke about the VEDP team's professionalism and how it has been great to work closely with VEDP to share information and support on many occasions. She also noted that AP is pleased to be a member of Team Virginia.

Ms. Czelusniak said that VEDP is leading on site readiness and really standing out in this area.

Ms. Czelusniak offered kudos to Mr. El Koubi, Mr. Barnett, and the rest of the VEDP team for their efforts in making the rural regions feel seen, heard, and engaged.

Ms. Czelusniak ended her presentation by sharing ideas for where AP and VEDP can continue to partner in the future and her organization's commitment to doing so.

The Board engaged in a discussion about the energy sector's involvement in site readiness and information sharing between VEDP and AEP.

Youngkin Administration Update

Secretary Caren Merrick and Secretary Stephen Cummings

Secretary Merrick began her remarks by speaking about her frequent engagement with the VEDP team. She said that the Administration has been asking a lot of VEDP and that the team has been consistently delivering.

Secretary Merrick spoke about the work going on across her Secretariat and how there is a new level of collaboration. She specifically highlighted a pilot project where every single Cabinet Secretary is working to revitalize Petersburg, as just one example of how the Administration is aligning and integrating on projects.

Secretary Merrick emphasized the importance of prioritizing sites to develop the Commonwealth's best products.

Secretary Merrick introduced Secretary Cummings to speak more about an idea they are working on to evaluate various regions to determine where Virginia is already teed up to recruit companies from certain industries.

Secretary Cummings said there is alignment with the Cabinet Secretaries in making Virginia the best state to live, work, and raise a family.

Secretary Cummings spoke about the importance of taking a strategic approach to recruiting companies. He specifically mentioned efforts around recruiting firms in the financial services industry. He shared his experience working on a similar project recruiting financial services companies from CA to Tempe, AZ that he was involved in executing and the success of the initiative.

Secretary Cummings spoke about the opportunities in the financial services industry and the firms that already have a presence in Richmond. He said Richmond could be what Charlotte has become. He explained that the Administration is currently making contacts in the financial services industry to pitch the idea and said he is very optimistic about the approach.

Secretary Merrick and Secretary Cummings concluded their remarks by committing to reporting back to the Board at upcoming meetings on the Administration's progress with these initiatives.

VEDP Staff Spotlights

Valenda Seaford, Salesforce Lead, Research

Ms. Seaford spoke about her position on the Research team. She shared details on her background and her love for Virginia. She expressed her enthusiasm for Salesforce and what it can do and her affinity for the VEDP team and helping the organization succeed. She also spoke about her teammate Andrew Salisbury and their partnership in serving over 100 Salesforce users at VEDP.

Ms. Seaford highlighted some of the projects she has been working on recently, including creating a data entry guide for new employees, a data quality dashboard, and a client experience portal for the International Trade division.

Richard Miller, VALET Program Manager, International Trade

Mr. Miller shared information on his background and the common theme of international trade in most all of his previous positions. He said he has been with VEDP for two years and that he is really enjoying the work and being part of the team.

Mr. Miller spoke about his unique perspective having been a client of VEDP International Trade's Valet program in 2017. He said he was grateful to have had the opportunity to leverage

the resources of VEDP to expand and diversify his previous company's risks to expand their sales.

The Board offered a round of applause for Ms. Seaford and Mr. Miller.

Review of Virginia Economic Performance

Mr. El Koubi introduced the topic and reminded the Board that this was something that was reviewed in detail at their last meeting. He explained that at that time the Board was interested in doing a deeper dive on the information. He said that the complete updated information, called the Economic Data Book, for today's meeting was provided to the Board electronically, to review at their own pace.

Mr. El Koubi introduced Mr. Hartka to share a few of the most important insights that VEDP has gleaned from the updated information.

Mr. Hartka shared an Executive Summary of the information. He highlighted an increase in labor force participation and details of Virginia regional employment pre-pandemic to present day, including how it breaks down by supersector.

Chair Pleasant thanked Mr. Hartka for his presentation.

Finance and Audit Committee Report

Mr. Fairchild provided an update on the topics that were discussed during the Finance and Audit Committee (FAC) meeting on June 22, 2022.

Mr. Fairchild reviewed the following consent agenda items, which were brought to the Board for a vote.

- VEDP FY22 Quarterly Financial Results (thru 03/31/2022)
- Proposed FY23 VEDP Operating Budget
- Internal Audit Reports for the Fiscal and Talent Accelerator divisions
- Internal Audit Risk Assessment and Audit Plan
- DHG/Forvis internal audit contract renewal
- Extension Requests (total of 2)
 - **Smyth County Machine and Fabrication – Smyth County** has requested a first extension of 15 months to provide more time for the company to reach its employment target.

- **Castle Hill Gaming/Ironworks Development – Albemarle County** has requested a first extension of 15 months to provide more time for the company to reach its employment target.

Mr. Fairchild stated that the Committee recommends approval of both extension requests.

- Clawback Update which showed no new items have been referred to the Office of Attorney General. One clawback is past due for Blue Wolf in Tazewell County.

Mr. Masee made a motion to approve the consent agenda. Mr. Stone seconded the motion, and the motion was unanimously approved.

Legislation and Policy Committee Report

Ms. Radcliff presented an update on the Legislation and Policy Committee meeting on June 22, 2022.

Ms. Radcliff shared that Ms. Morton provided an update regarding the outcomes of the 2022 General Assembly Sessions. This included additional funding for VEDP operations. \$1.1 million to administer the Virginia Business Ready Sites Program (VBRSP), an additional \$2 million for the Virginia Talent Accelerator Program in addition to the supplemental funds for the Blue Star Project, \$3.5 million for International Trade programs, and an additional \$700,000 to fund the internal audit function and Incentives division, which has been unfunded since the JLARC recommendations. The Governor also included an additional \$1.5 million for "new and expanding programs." There was also additional funding to launch a new grant program for the offshore wind industry, complete a study on attracting talent to fill the jobs available in Hampton Roads for the maritime and offshore wind industry, and an impact study on extending a natural gas line on the Eastern Shore.

Ms. Radcliff said there was also funding for incentives to include a large increase for VBRSP (\$54.5 million) and for numerous previously announced MEI projects (CoStar, Rocket Lab, Blue Star CMA CGM, and Amazon).

Ms. Radcliff stated that Ms. Morton also covered several additional budget items impacting VEDP and VOEE. These include Talent Pathways through GO Virginia, a study on the impact of the forest economy with Department of Forestry, and launching the Advanced Manufacturing Talent Investment Program and Fund pilot at VEDP, modeled after the Tech Talent Investment Program.

Ms. Radcliff said that in closed session, the committee discussed potential budget and legislative proposals for the 2023 regular session. She explained that Ms. Morton and team will work to submit proposals to the Administration this summer. Ms. Radcliff added that legislation is typically due in August, and budget requests in September. She said the Committee will

review the final proposals at the September meeting as well as an election update for the November election for the U.S. House of Representatives.

Chair Pleasant thanked Ms. Radcliff for her report and the External Affairs team for all of their work during this year's session and budget negotiations.

Rural Virginia Action Committee Report

Rural Virginia Action Committee Chair Rick Harrell gave an update on the topics that were discussed during the Committee meeting on June 22, 2022.

Mr. Harrell explained that the Committee received two presentations during their meeting. He said the first was from Stephen Hartka in VEDP's Research division on "Defining Rural Virginia and Economic Trends" and the other was provided during closed session by Adam Watkins from VEDP's Economic Competitiveness team on "Opportunities for Rural Virginia."

Mr. Harrell shared his biggest takeaways from both presentations. Mr. Harrell and members of the Board discussed possible next steps for the Committee and Board in utilizing this information in their work. Mr. Harrell encouraged the Board members to review the presentations in detail, which were made available in the Board's meeting materials.

Chair Pleasant thanked Mr. Harrell for his report.

Closed Meeting

FY23 Operational Plan and Metrics; FY23 Marketing Plan; Team Virginia; Business Outreach; Site Development; Quarterly Marketing/Lead Generation Effectiveness Report; Personnel

A motion was made by Mr. Richardson and seconded by Mr. Masee to move into a closed meeting. The motion shown below was unanimously approved by the members.
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)(1) TO ENGAGE IN A DISCUSSION OR CONSIDERATION REGARDING THE ASSIGNMENT, APPOINTMENT, PROMOTION, PERFORMANCE, DEMOTION, SALARIES, DISCIPLINING, OR RESIGNATION OF VEDP'S EMPLOYEES, INCLUDING PERFORMANCE METRICS AND SUCCESSION PLANNING FOR EXECUTIVE LEADERSHIP; AND 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.

Mr. El Koubi asked that VEDP staff be allowed to stay for the closed meeting for all matters, with the exception of personnel matters, and Chair Pleasant agreed.

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 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 BOARD THAT SUCH CLOSED MEETING WAS CONDUCTED IN CONFORMITY WITH THE ACT; NOW, THEREFORE, BE IT RESOLVED, THAT THE BOARD 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 BOARD.

Upon the vote:	Mr. Pleasant	Aye
	Ms. Chenery	Aye
	Secretary Cummings	Aye
	Mr. Fairchild	Absent for the vote
	Mr. Harrell	Aye
	Ms. Kees	Aye
	Mr. Massee	Aye
	Mr. Mastracco	Absent for the vote
	Secretary Merrick	Aye
	Ms. Oman	Aye
	Ms. Radcliff	Absent for the vote
	Mr. Richardson	Aye
	Mr. Stone	Aye

Votes Regarding Closed Session Items

Chair Pleasant made a motion for approval of the Operational Plan for Fiscal Year 2023, including Business Investment and International Trade performance metrics, substantially in accordance with the discussion by the Board. The motion was seconded by Mr. Massee and was unanimously approved.

Mr. Richardson made a motion for approval of the Marketing Plan for Fiscal Year 2023, substantially in accordance with the discussion by the Board. The motion was seconded by Mr. Masee and was unanimously approved.

Mr. Masee made a motion that the Chair be authorized to complete the President & CEO's performance evaluation, to finalize metrics for the President and CEO for FY23, and to make any necessary related compensation adjustments for Fiscal Years 2022 or 2023, in accordance with discussions by the Board. The motion was seconded by Mr. Harrell and was unanimously approved.

Anticipated topics for the September 2022 Board meeting

Chair Pleasant shared anticipated topics for the next Board meeting

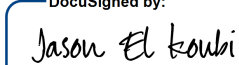
Chair Pleasant suggested adding more time to the agenda to discuss more detailed succession planning.

Mr. El Koubi committed that Ms. David would work with the Board members to reconsider the September meeting date in order to maximize participation.

Adjournment

There being no further business, Chair Pleasant adjourned the meeting at 12:56 p.m.

Respectfully submitted,

DocuSigned by:

Jason El Koubi
Secretary