

Minutes
Board of Directors of the Virginia Economic Development Partnership Authority
March 7, 2019
VEDP Office – 901 East Cary Street, 9th Floor
Richmond, Virginia

Call to Order/Approval of Minutes

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

Members present: Secretary Brian Ball, Carrie Chenery, Dan Clemente, Heather Engel, Rick Harrell, Bill Hayter, *April Kees, Aubrey Layne, Ned Masee, Vincent Mastracco, Dan Pleasant, *Jason Powell, John Reinhart, Xavier Richardson, and Robert Vaughn

Members absent: Greg Fairchild, Deborah Flippo, and Dubby Wynne

(*) Ms. Kees and Mr. Powell share a seat on the board

VEDP staff present: Lindsay Barker, Vince Barnett, Christine Bell, Lindsey Bertozzi, Melissa Cox, Nicole David, David Devan, Jason El Koubi, Stephanie Florie, Jennifer Garrett, Adam Gregory, Paul Grossman, Sandi McNinch, John Mehfoud, Lori Melancon, Nathalie Molliet-Ribet, Stephen Moret, Christy Morton, Jack Nelson, Jaime Preusche, Johan Salén, Tim Stuller, and Chris Ulrich

Guests present: Robert Drewry, Barry DuVal, Don Ferguson, Joe Hines, Chris Kalafatis, Charles Kennington, Samantha Martin, Skip Maupai, Kim McKay, Liz Povar, Kristie Proctor, Terry Ramsey, Cassidy Rasnick, Randy Sherrod, Jeff Spink, Rebekah Stefanski, Johnathan Sweet, and Mike Woods

Public Comment Period

Chair Mastracco solicited public comments. There were none.

Approval of Minutes

Chair Mastracco asked for approval of the minutes from the January 24, 2019 meeting. A motion was made by Mr. Reinhart and seconded by Mr. Layne and the minutes were unanimously approved as presented.

Chairman's Report

Chair Mastracco stated that VEDP had a very successful legislative session. He shared that he is pleased to see the great progress being made in Virginia.

Chair Mastracco expressed his gratitude to Christy Morton and her team for all their hard work during the legislative session. He also extended thanks to Robert Vaughn, Jason Powell, April Kees, and Aubrey Layne for their support and leadership.

Chair Mastracco mentioned a few special guests who would be presenting later in the meeting. He acknowledged Liz Povar from the Middle Peninsula Alliance and Jonathan Sweet from Pulaski County. Chair Mastracco also stated that Barry DuVal from the Virginia Chamber of Commerce would be speaking to the group.

Chair Mastracco explained that the Executive Committee tested a new board portal at their meeting on March 6 called BoardEffect. BoardEffect is a web-based application that will allow VEDP to simplify the distribution of meeting materials. Chair Mastracco noted that the cost savings of using BoardEffect versus printing materials was significant. The consensus among the Executive Committee members is that the BoardEffect application is very user friendly and the members are pleased it is being considered.

President's Report

Mr. Moret reviewed the FY19 performance metrics. He stated that the Business Development team has had a solid year.

Mr. Moret discussed the FY19 Operational Plan Progress Tracker. He spoke about the turnkey workforce program. Mr. Moret shared that he has narrowed the national search for the Senior Vice President of Workforce Solutions down to two high-caliber finalists. Mr. Moret stated that he will announce the new workforce leader by the end of next week.

Mr. Moret shared notable developments since the last Board meeting.

Mr. Moret reviewed some of the positive outcomes from the General Assembly session. He shared that more than \$265 million was secured for the tech talent pipeline initiative. \$2.0 million was given to characterize all Virginia Scan sites of 25 acres or larger. \$2.7 million was provided to nearly fully restore VJIP funding for FY20. \$15 million in new funding was designated for rural broadband, a more than 300% increase. Mr. Moret stated that it was a very productive session.

Mr. Moret discussed the successful "speed dating" pilot event that took place in Dallas with 16 top site consultants. The event was well received with ample opportunity to build relationships. VEDP's Marketing & Communications team did a great job implementing this event. The next "speed dating" events are expected to take place in Chicago and New York.

Mr. Moret stated that VEDP has launched the rural and small metros technology centers initiative, with enthusiastic interest from the phase one regions (New River Valley, Shenandoah Valley, Virginia's e-Region).

Mr. Moret shared VEDP's top priorities through the summer, highlighting putting the leadership team in place for the new custom workforce program, distributing the first inaugural issue of Virginia Economic Review, and co-hosting two conferences in Richmond that are geared toward the site-selection consultant community.

BoardEffect Introduction

Mr. El Koubi gave a brief overview of the BoardEffect platform. He explained that VEDP is hoping to implement this board portal in an effort to move toward providing electronic documents for Committee and Board meetings.

Mr. Reinhart said that this solution is great progress and it's really nice to see that VEDP and the Board are taking this step to simplify the management of meeting materials.

Mr. Vaughn offered kudos to the VEDP team for bringing this solution to the Board. He said as far as he is concerned this application is all he needs. No more notebooks!

Updates from Select Local and Regional EDO Partners

Middle Peninsula Alliance

Mr. Moret introduced Liz Povar, Executive Director of the Middle Peninsula Alliance.

Ms. Povar gave an overview of her organization and region. She shared the Alliance's goals, metrics, and examples of how they partner with VEDP.

Ms. Povar shared that the Middle Peninsula Alliance is the newest, youngest, and least funded of all of the regional partners.

Ms. Povar mentioned how grateful she is that her area has received many leads from the VEDP team, but explained that most of the time her region does not have the sites to support those leads. She said her region has received greater visibility as a result of FAM tours coordinated in conjunction with VEDP. She said that VEDP is reaching out to her region and they appreciate being included.

Secretary Layne suggested that the Middle Peninsula Alliance consider whether it could get more money for the area from the local Pamunkey tribe.

Mr. Reinhart reminded Ms. Povar that Port funding for the local area may be available.

Pulaski County

Mr. Moret introduced Jonathan Sweet, County Administrator for Pulaski County.

Mr. Sweet showed a promotional video, "Pulaski County is...," which showcased some of the beautiful landscape, employment sectors, and quality of life amenities that the area is known for.

Mr. Sweet gave an overview of his organization and region. He explained that they transitioned from an Industrial Development Authority (IDA) to an Economic Development Authority (EDA) in 2018. He stated that Pulaski County has a small, but impactful, three-member economic development team.

Mr. Sweet shared what Pulaski loves about VEDP. He highlighted project leads, helping to improve the state's reputation in the marketplace, incentive assistance, branding and marketing, VEDP's professional team, and the rural tech initiative.

Mr. Sweet said his region would like to see more continuity of funding for incentives, a greater understanding of rural Virginia, and more project leads.

Mr. Sweet shared some of the innovative approaches to workforce gaps, including the creation of a workforce czar position and programs like their Trustee Referral Program.

Mr. Vaughn applauded Mr. Sweet's and the region's efforts in preparing their workforce for the needs of area employers.

Update of Virginia Chamber-VEDP Partnership

Mr. Moret introduced Barry DuVal, President and CEO of the Virginia Chamber of Commerce, stating that VEDP's partnership with the Virginia Chamber has been one of the most important since he joined VEDP. Mr. Moret said that he is pleased with the work the two organizations are doing toward important shared initiatives.

Mr. DuVal gave an overview of the Virginia Chamber's mission, stating that they are the largest membership organization in Virginia, with 27,000 members. The Virginia Chamber is the voice for Virginia business. He stated that the Chamber is a non-partisan group that endorses ideas, not candidates.

Mr. Duval introduced Kim McKay on his team. Ms. McKay is the Director of Public Policy and Deputy Director of the Virginia Chamber Foundation.

Mr. DuVal said that he can't remember a time when there was more collaboration, with GO Virginia, the Virginia Port Authority, the Virginia Chamber, and VEDP. This unified front of the economic development-related agencies is so important.

Mr. DuVal suggested two things VEDP can do to improve the business climate in Virginia. He suggested investing in marketing to promote the state and tackling tax reform to align Virginia competitively with other states.

Secretary Layne mentioned two issues with tax reform. He said that local taxes need to be readjusted and that navigating the political environment will take discipline and strategy on how to approach tax reform.

Mr. DuVal offered to help by creating a workgroup to partner with Virginia Municipal League (VML) and Virginia Association of Counties (VACo) to identify possible solutions.

Mr. Duval spoke about VEDP and the Virginia Chamber's joint initiatives, including work with the Trade division and a new executive-to-executive business recruitment group.

Mr. DuVal concluded his remarks by thanking the VEDP Board for their service.

Discussion with VEDP International Trade Division Client Company

Mr. Grossman introduced Jeff Spink, President and CEO of Analytics Corporation in Ashland, VA.

Mr. Spink provided an overview of the services his company offers. He discussed the significant impact of VEDP's Trade services on his company's strategy and growth.

Mr. Spink explained that a few years ago Analytics Corporation realized they were getting a lot of business from outside of the United States. They needed help to expand that side of the business. He said that he began working with VEDP's Trade division and participated in some trade missions to see if his company's services were needed in other places. He specifically spoke about a successful trade mission to Colombia, South America. He learned that there is a huge market for his company there, but it was risky and they needed help. VEDP offered assistance.

Mr. Spink shared that Analytics Corporation now has an office in Brazil with 8 employees. It is the largest and best laboratory of its kind in Brazil. He said they will be opening an office in Argentina soon.

Mr. Reinhart offered his congratulations to Mr. Spink on his success expanding into international markets. He asked if their international business is growing faster than their domestic side. Mr. Spink answered yes. Mr. Spinks said that plants that they used to work with are moving to Mexico, South America, and China, which has greatly impacted his business. He is happy to be uncovering new markets to help the company grow.

Update from Board Liaison to Advisory Committee on International Trade

Mr. Masee reported that the International Trade Plan (ITP) Steering Committee, co-chaired by Secretary Brian Ball and Secretary Bettina Ring, had its first meeting on February 21, 2019. Mr. Masee said that at the meeting, the group heard from two companies about their work with VEDP to expand their opportunities in international markets. Mr. Masee stated that the Committee is in the process of clarifying the roles of its members.

Mr. Masee said that the next meeting of the Advisory Committee on International Trade will be on April 25, 2019 in Norfolk, VA.

Instruction on Supervisory Board Responsibilities and Obligations

Ms. McNinch introduced Don Ferguson with the Office of Attorney General.

Mr. Ferguson provided an overview of the role of a supervisory board and the associated responsibilities of its members.

Legislation and Policy Committee Report

Ms. Engel introduced Ms. Morton who provided an update on VEDP's Budget and Legislative Priorities for FY20.

Ms. Engel discussed the VEDP Board's outreach strategy, including talking points, which the Legislative Committee and VEDP staff have developed. She spoke about the booklet that was distributed, which contains helpful information to assist Board members with their outreach efforts. She encouraged the Board members to begin connecting with the key contacts in their area.

Conflict of Interest Training

Ms. Rebekah Stefanski with the Virginia Conflict of Interest and Ethics Advisory Council, conducted the required training with the Board that must be done every two years. A handout was given to each member of the Board which explains the rules and guidelines in order to be in compliance. She encouraged Board members and staff to reach out to her office for guidance whenever it is needed.

Closed Meeting: International Trade Plan; Site Development; FY20 Operational Plan; Personnel; Legal Matters

A motion was made by Mr. Vaughn and seconded by Mr. Masee to move into a closed meeting. Mr. Moret asked VEDP staff and legislative guests to leave during the personnel portion of 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)(1) TO ENGAGE IN A DISCUSSION REGARDING THE ASSIGNMENT, APPOINTMENT, PROMOTION, PERFORMANCE, DEMOTION, SALARIES, DISCIPLINING, OR RESIGNATION OF VEDP'S EMPLOYEES, INCLUDING FUTURE ASSIGNMENTS AND APPOINTMENTS; VIRGINIA CODE SECTION 2.2-3711(A)(8) TO ENGAGE IN A CONSULTATION WITH LEGAL COUNSEL EMPLOYED OR RETAINED BY VEDP REGARDING SPECIFIC LEGAL MATTERS REQUIRING THE PROVISION OF LEGAL ADVICE BY SUCH COUNSEL, INCLUDING RESPONSES TO THIRD PARTY INQUIRIES ; AND 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.

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:	Secretary Ball	Aye
	Ms. Chenery	Aye
	Mr. Clemente	Absent for the vote
	Ms. Engel	Aye
	Mr. Harrell	Aye
	Mr. Hayter	Aye
	Ms. April Kees	Aye
	Secretary Layne	Aye
	Mr. Masee	Aye
	Mr. Mastracco	Aye
	Mr. Pleasant	Absent for the vote
	Mr. Powell	Aye
	Mr. Reinhart	Aye
	Mr. Richardson	Aye
	Mr. Vaughn	Aye

Finance and Audit Committee Report

Mr. Hayter gave an update on the items that were discussed during the Finance and Audit Committee meeting on March 6, 2019.

New Company Incentive Program (i.e., HB222) – Policies/Procedures and Analysis/Materials

Mr. Salén reviewed a presentation of the new incentive program, including eligibility criteria, benefits, and marketing tools.

Extension requests

No extension request were brought before the Committee for consideration.

Clawback update (and OAG referrals)

Mr. Salén reviewed the COF Clawback schedules, noting that there were 3 new companies for which VEDP requested clawbacks. The Committee discussed the clawbacks with performance dates past 90 days. It was decided that Mr. El Koubi and Mr. Salén will confirm the status of those companies and review the previous communication to the localities regarding companies that are past their performance date.

JLARC Maintenance Plan

Mr. El Koubi provided the semi-annual review of JLARC Maintenance Plan.

The Committee discussed how DHG, VEDP’s internal auditor, might conduct a review of the progress that VEDP has made on completing, to the extent that some recommendations can be completed, the entire list of JLARC recommendations. This step would provide VEDP and the Board with some sense of “closure” on the recommendations.

Internal Audit update

Chris Kalafatis from DHG provided an update on the status of the audits underway this fiscal year, i.e., International Trade and Economic Competitiveness; and that a Risk Assessment update will be conducted in the following months. The Trade and EC audit reports will be presented at the May Committee meeting.

Rural Virginia Action Committee

Mr. Masee said the meeting of the Rural Virginia Action Committee on March 6, 2019 was very well attended and was filled with a lot of great discussion and enthusiasm.

He shared that Kristie Proctor, Executive Director of the Virginia Rural Center, gave an overview of the organization and the great work they are doing.

Mr. Masee said the Committee members received a handout of talking points on the Amazon HQ2 project to assist with communicating information on the project and its benefits during their outreach efforts. Ms. Chenery suggested that this handout be made available to all VEDP Board members.

Anticipated Topics for 5/2/19 Board Meeting

Chair Mastracco reviewed anticipated topics for the next VEDP Board meeting.

Open Discussion (Board roundtable)

Mr. Reinhart mentioned that the Port of Virginia's rail expansion will be completed in May. It was a mild winter, which helped them make a lot of progress on their growth plans.

Mr. Richardson shared his enthusiasm with the new BoardEffect application. He is very pleased with the staff and the momentum that VEDP is showing.

Ms. Chenery shared her delight in a great session. She reiterated her concern for I-81 and VEDP's role in its improvement. She offered a suggestion that VEDP and The Port give a presentation on how they work together when the Board is in Norfolk for the May 2019 meeting. Ms. Chenery asked if the VEDP staff could also provide an update on the return on investment of recent marketing efforts and an update on the Business Investment division's progress to date, specifically a high-level overview of how resources are being spent.

Mr. Hayter said that he is excited to see enthusiasm in the staff at VEDP.

Mr. Harrell stated that he is impressed with the VEDP staff and Board members.

Mr. Powell offered his congratulations to all for a great session. He also said he appreciates the collaborative relationship between VEDP and others.

Adjournment and Next Meeting

Mr. Moret distributed the VEDP and VCCS shared vision for the workforce initiative.

The next Board meeting is scheduled for May 2, 2019 and will be held in Norfolk. More details will follow.

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

Respectfully submitted,



Stephen Moret

Secretary