

Minutes
Board of Directors of the Virginia Economic Development Partnership Authority
June 20, 2019
VEDP Board Room
Richmond, Virginia

Call to Order/Approval of Minutes

The meeting was called to order at 9:02 a.m. by Chair, Vincent Mastracco, who noted that a quorum was present.

Members present: Dan Clemente, Deborah Flippo, Rick Harrell, Bill Hayter, April Kees, Aubrey Layne, Vincent Mastracco, Dan Pleasant, Jason Powell, John Reinhart, Xavier Richardson, and Robert Vaughn

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

Members absent: Brian Ball, Carrie Chenery, Heather Engel, Gregory Fairchild, Ned Masee, and Dubby Wynne.

VEDP staff present: Lindsay Barker, Lindsey Bertozzi, Christine Bell, Sean Brazier, David Devan, Jason El Koubi, Stephanie Florie, Jennifer Garrett, Katherine Goodwin, Mike Grundmann, Stephen Hartka, Sandi McNinch, John Mehfoud, Lori Melancon, Nathalie Molliet-Ribet, Stephen Moret, Johan Salén, and Tim Stuller.

Guests present: Maddie Berghuis, Robby Demeria, Mike Dewberry, Don Ferguson, Chris Kalafatis, Charles Kennington, Samantha Martin, Skip Maupai, Ken McFadyen, Jim Noel and Turner Widgen

Public Comment Period

Chair Mastracco solicited public comments. Dan Pleasant introduced his guest, Mike Dewberry. There were no further public comments.

Approval of Minutes

Chair Mastracco asked for approval of the minutes from the May 2, 2019 meeting. A motion was made by Mr. Hayter and seconded by Mr. Reinhart and the minutes were unanimously approved as presented.

Chairman's Report

Chair Mastracco thanked John Reinhart for hosting VEDP at the Virginia Port Authority for Committee and Board meetings in May.

Chair Mastracco indicated that VEDP has had a banner year in Fiscal Year 2019, exceeding all goals, has done good work on the development of the International Trade Plan, and has many other impactful initiatives well underway. He thanked Mr. Moret and the rest of the VEDP staff for the hard work and good progress.

Chair Mastracco introduced Ken McFadyen and Jim Noel and indicated that they would be presenting to the Board later in the meeting.

Chair Mastracco expressed gratitude for the opportunity to serve as Chair for the past two years. He thanked Dan Clemente and Chris Lumsden for planting the seeds for an improved VEDP, and expressed confidence in the next Chair, Ned Masee.

President's Report

Mr. Moret reviewed the FY19 performance metrics. He noted that all metrics have been achieved and exceeded, including a record number of leads generated. He thanked the Business Investment Division for their outstanding work this year, with the support of other VEDP divisions.

Mr. Moret discussed the FY19 Operational Plan Progress Tracker. He reviewed the substantial and comprehensive progress made on the major initiatives.

Mr. Moret shared notable developments since the last Board meeting. He highlighted the encouraging feedback from target companies for the rural and small metro technology center initiative. He noted that the work on the development of the Tech Talent Investment Program is well underway. From meetings with the regional and local economic development organization leaders at the recent Virginia Economic Developers Association (VEDA) summer meeting, he reported that VEDP received positive feedback, especially regarding the special site characterization initiative. Three top national site consultants have also strongly endorsed the initiative and offered helpful refinements. Mr. Moret noted that we have gotten positive feedback from our partners regarding post-project and post-lead-generation surveys. He further noted that an initiative to update our Salesforce environment is underway. Mr. Moret reported that he has conducted personal outreach to top site consultants and has had several recent speaking engagements.

Mr. Moret shared VEDP's top priorities through the summer and early fall, including producing the second issue of the Virginia Economic Review, which will focus on the future of manufacturing through the lens of major manufacturers in Virginia. He also said that work will continue on the site characterization initiative, the Tech Talent Investment Program and the International Trade Plan. Development of the team and the program design for the custom workforce program will continue. VEDP will collaborate with SCHEV on a graduate outcomes survey. Team Virginia will be launched, in collaboration with the Virginia Chamber of Commerce, offering a new channel for engaging out-of-state corporate executives and top site consultants and attending trade shows.

Mr. Moret offered a wrap-up of FY19. He thanked the Board and our partners for supporting us through a great year for VEDP and the Commonwealth. Secretary Layne suggested that we consider ways to get our good story out to a larger audience.

Updates from Select Local and Regional EDO Partners

Botetourt County

Chair Mastracco introduced Ken McFadyen, Director of Economic Development for Botetourt County, and Immediate Past President of VEDA.

Mr. McFadyen gave an overview of Botetourt County and showed a video highlighting businesses in the community. He noted that unemployment is low, job growth is strong, manufacturing and wholesale industries are strong, and prevailing average wages are growing. He indicated the importance of product development, including shell buildings. Initiatives are underway to improve broadband coverage in the County. He appreciates the support provided by VEDP, including VEDP's VJIP program. He pointed to VJIP as a major contributor to a recent expansion announcement by Metalsa.

Greater Williamsburg Partnership

Chair Mastracco introduced Jim Noel, who is the Director of the York County Office of Economic Development. Mr. Noel was speaking to the Board in his role as the interim leader of the Greater Williamsburg Partnership.

Mr. Noel noted that the GWP is the smallest and newest regional economic development organization in the Commonwealth and is about to hire its first marketing director. In addition to the population in the region, the region can easily draw labor from larger population centers in Hampton Roads and Central Virginia. He described a recent study to help the region identify current strengths and target industry sectors. He highlighted the considerable higher education assets available in and near the region, and noted that the College of William & Mary has an effective business incubator program.

Mr. Noel stated that support from state programs has been impactful in his region. A 6-locality member Regional Industrial Facilities Authority has been formed and has supported by GoVirginia. Localities in his region have taken good advantage of VEDP's Brownfields program. Support for unmanned systems testing and development will be helpful.

In his role as the Vice President of VEDA, he was asked about upcoming General Assembly initiatives for VEDA. Although the VEDA legislative package for 2020 has not yet been finalized, he was confident that continuing support for VJIP and VEDP's custom workforce program would be in the package.

Chair Mastracco thanked the guests for their presentations and insights.

Finance and Audit Committee Report

Finance and Audit Committee (FAC) Chair Hayter gave an update on the topics that were discussed during the FAC meetings on June 6 and June 19, 2019. The June 6 meeting was focused on a review of the proposed FY20 operating budget. After further consideration at the June 19, 2019 meeting the FAC recommended the FY20 operating budget be approved by the Board. Upon a motion made by Mr. Hayter and seconded by Mr. Vaughn, the Board unanimously approved the proposed FY20 operational budget.

Mr. Hayter noted that the FAC considered extension requests for Commonwealth's Development Opportunity Fund grants for three projects. The FAC recommended that the Board approve 15-month first extensions for these projects:

- Colonna's Shipyard: Upon a motion made by Mr. Hayter and seconded by Mr. Vaughn, the Board unanimously approved a 15-month extension;

- Euro-Composites Corporation: Upon a motion made by Mr. Hayter and seconded by Mr. Vaughn, the Board unanimously approved a 15-month extension; and
- Starsprings USA, Inc.: Upon a motion made by Mr. Hayter and seconded by Mr. Vaughn, the Board unanimously approved a 15-month extension.

Mr. Hayter reported that the FAC received a request for a second extension of a subsequent performance date for the Fulcrum Concepts project in King and Queen County, with a recommendation from the staff's Project Review and Credit Committee (PRACC) that the request not be approved. Following this recommendation, the FAC did not take action on this extension request. The FAC recommends that in the future if the FAC receives a request with a recommendation from PRACC to not approve, the FAC may take up the matter and approve the request, if it so wishes, but that if the FAC does not wish to approve the request, it will simply take no action.

As a follow-up to the May Board meeting, Mr. Hayter reported that Axon Ghost Sentinel had been invited to present additional information on how it might meet its performance targets in an extended performance period, but that no additional information has been received from the company or the City of Harrisonburg.

Mr. Hayter reported that the FAC has recommended to the Board that the following two matters with overdue Commonwealth's Development Opportunity Fund grant clawbacks be referred to the Office of the Attorney General for collection. In each case, the company has failed to achieve the statutory minimum requirements for the grant, so a clawback of the entire grant amount has been requested. Mr. Hayter noted that his bank provides financial services to VFP, so Mr. Hayter did not participate in the discussion and abstained from the vote for VFP:

- Prufrex USA, Inc. / Virginia Beach / \$120,000: Upon a motion made by Mr. Hayter and seconded by Mr. Vaughn, the Board unanimously approved sending this matter to the Office of the Attorney General for collection.
- VFP, Inc. / Scott County / \$100,000: Upon a motion made by Mr. Harrell and seconded by Mr. Vaughn, the Board unanimously approved sending this matter to the Office of the Attorney General for collection, with Mr. Hayter abstaining.

The FAC discussed changes to the incentive policies and procedures, generally. Further the FAC discussed, specifically, changes to the policies for when requests for extensions of performance dates ought to be received and for when performance reports from grantees should be received, including a fee for considering whether to accept late reports. These changes will be memorialized in revised policies and procedures that will be presented to the FAC and the Board at their next meetings.

Closed Meeting: For consideration of the FY20 Operational Plan, FY20 Marketing Plan, International Trade Plan; Site Characterization and Development; Partner Survey Results, and Personnel Matters

Upon the following motion made by Mr. Vaughn, seconded by Mr. Reinhart, and unanimously approved by the Board, the Board moved into a 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 EXECUTIVE PERFORMANCE AND COMPENSATION, AND FUTURE ASSIGNMENTS AND APPOINTMENTS, 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. Moret asked that VEDP staff and legislative guests be allowed to stay for the closed meeting for all matters, except personnel matters, and Chair Mastracco 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 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 CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING BY THE BOARD OF DIRECTORS.

Upon the vote:	Mr. Clemente	Aye
	Ms. Flippo	Aye
	Mr. Harrell	Aye
	Mr. Hayter	Aye
	Ms. Kees	Aye
	Secretary Layne	Aye
	Mr. Mastracco	Aye
	Mr. Pleasant	Aye
	Mr. Powell	Aye
	Mr. Reinhart	Aye
	Mr. Richardson	Aye
	Mr. Vaughn	Aye

Upon resumption of the open meeting, the following votes were taken on closed meeting items:

- Mr. Vaughn made a motion to approve the FY20 Operational Plan, including the FY20 operating budget and the revised performance metrics for FY20. Mr. Reinhart seconded the motion and the motion was unanimously approved.
- Mr. Vaughn made a motion to approve the FY20 Marketing Plan. Mr. Reinhart seconded the motion and the motion was unanimously approved.
- Mr. Pleasant made a motion to delegate to Chair Mastracco the updates and final details related to the CEO compensation program. The motion was seconded by Mr. Vaughan and the motion was unanimously approved.

Open Discussion – Board Roundtable

Chair Mastracco provided an opportunity for the Board members to share their ideas and perspectives. Several members expressed their thanks to Chair Mastracco for his steady and thoughtful leadership in turbulent times over the past two years. Further, several members thanked Mr. Moret for his tireless and focused leadership. Secretary Layne encouraged the staff to keep an eye on the ongoing discussions regarding gaming in Virginia. Ms. Kees mentioned that the staff should seek input from other states on how they handle financing for site development.

Adjournment and Next Meeting

The next Board meeting is scheduled for August 1, 2019 and will be held 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