

Minutes
Board of Directors of the Virginia Economic Development Partnership Authority
March 7, 2023
9:00 a.m.

901 East Cary Street
One James Center, Board Room – 9th Floor
Richmond, VA 23219

Welcome and Call to Order

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

In-Person Board Members: Carrie Chenery, Secretary Stephen Cummings, Stephen Edwards, Rick Harrell, Bill Hayter, John Hewa, Pace Lochte, Will Sessoms, and Steven Stone

Board Members Absent: Nancy Agee, Mimi Coles, April Kees, Secretary Caren Merrick, Anne Oman, Marianne Radcliff, and Nick Rush

Public Comment Period

Chair Hayter solicited public comments. There were none.

Approval of Minutes for 12.07.23 Meeting

Chair Hayter asked for approval of the minutes from the December 7, 2023, meeting. A motion was made by Mr. Sessoms and seconded by Mr. Stone and the minutes were unanimously approved as presented.

Chair's Report

Chair Hayter thanked everyone who was able to participate in Board Committee meetings the previous day and the Board dinner the previous evening.

Chair Hayter welcomed guest presenter David White, Executive Director of the Virginia Maritime Association and thanked him for his leadership in the development and implementation of Virginia's International Trade Plan.

Chair Hayter thanked the VEDP staff for the tremendous work they have done not only in preparing for the Committee and Board meetings, but in advancing economic development across every region of Virginia on many different fronts since the last Board meeting.

Chair Hayter recognized this busy period for the Administration and General Assembly partners as they are in the final stretch of this year's regular legislative session and working toward finalizing the budget. He thanked them for their support of VEDP and its priorities.

Chair Hayter concluded his remarks by reviewing the meeting agenda, including topics that would be discussed during closed session.

President's Report

Chair Hayter introduced Jason El Koubi to deliver his report.

Mr. El Koubi reviewed top line numbers to date, including progress toward VEDP's capital investment and job creation goals. He noted that VEDP is well ahead on capital investment through a combination of data center and non-data center projects. He said VEDP has fallen a bit behind on the job creation goal, which he attributed to headwinds in the economic environment. Mr. El Koubi noted that these number reflect the Monumental Sports and Entertainment project that was announced in December, 2023, and that is currently under consideration by the General Assembly.

Mr. El Koubi stated that VEDP's International Trade division is on track toward its goal of enrolling 495 companies in trade-related programs in FY24.

Mr. El Koubi reviewed VEDP's FY24 Major Initiatives and progress to date on each. He said things are substantially on track. Mr. El Koubi shared that a huge amount of energy is going into these initiatives to make VEDP a stronger organization, including implantation of VEDP's Innovative Framework model which is substantially in place. He said fine tuning, alignment, and harmonizing activities is happening now both internally with core business teams and externally with partners and stakeholders.

Mr. El Koubi highlighted one Major Initiative where VEDP is behind, which is related to enhanced partner engagement. He said the initiative will not be completed by the end of the fiscal year due to significant turnover in VEDP's External Affairs division and given that the General Assembly session demanded so much of the team's focus.

Mr. El Koubi drew the Boards attention to cards featuring VEDP's updated Purpose and Values, which were provided for each member. He explained how this effort is helping to build VEDP's culture.

Mr. El Koubi shared notable developments since the last Board meeting in December, including securing several significant economic development project announcements. He also highlighted VEDP's major focus on planning for FY25 which is well underway.

Mr. El Koubi shared his top priorities for the coming months.

Chair Hayter thanked Mr. El Koubi for his report and for all that VEDP has accomplished. Mr. El Koubi expressed his appreciation for the Board's leadership.

Guest Presentation: David White, Virginia Maritime Association

Chair Hayter introduced David White and invited him to share his presentation.

Mr. White spoke about the history of the Virginia Maritime Association and reviewed its mission. He said the Association is comprised of over 450 member companies and regional chapters.

Mr. White said that the three words he uses to describe the Association's work are connect, inform, and represent.

Mr. White provided an overview of Virginia's maritime economy. He spoke about many of the Port of Virginia's advantages, including restoration of two-way ship traffic, which he said was a huge accomplishment.

Mr. White shared details of 2023 vessel activity for the Port of Virginia and the FY22 Economic Impacts of the Virginia Maritime Industry report and analysis conducted by William & Mary.

Mr. White explained the significant investments that are being made in support of projects to improve the Port of Virginia.

Mr. White shared his experience working with VEDP and its International Trade team, including his involvement as a member of VEDP's Advisory Committee on International Trade. He offered a timeline of how VEDP, the Virginia Maritime Association, and the Virginia Port Authority have strengthened their relationship since 2016. He said that the groups are more aligned now than they have ever been.

Mr. White spoke about his support for the Innovative Framework for Economic Growth and the importance of fully implementing the International Trade Plan.

Mr. Hayter asked about the inland port possibility and progress that has been made. Mr. White shared that the Virginia Port Authority is currently conducting their due diligence and a report is due to the Secretary of Transportation in November of 2024.

Mr. Hewa thanked Mr. White for his very informative presentation. Mr. Hayter thanked Mr. White for serving on VEDP's Advisory Committee on International Trade.

Ms. Lochte asked Mr. White what he is hearing from his members regarding workforce. He said workforce availability is top of mind for his Association's members. He reviewed steps the Association is taking to help address the challenges. He highlighted additional emphasis on creating awareness and excitement in the K-12 space for the opportunities that exist in the maritime industry for students right out of high school.

Mr. El Koubi introduced Sneha Atwal, Vice President of VEDP's Manufacturing division and Eric Jehu, Vice President of Logistics. Mr. El Koubi provided some context on the linkages between VEDP's manufacturing and logistics teams and the Virginia Port Authority, and how these VEDP teams are uncovering project opportunities to be managed by VEDP's Business Investment and Incentives teams, led by Katherine Goodwin.

VEDP Staff Spotlight: Eric Futterman, Virginia Talent Accelerator Program

Mr. El Koubi introduced Eric Futterman, Managing Director of Video Services for the Virginia Talent Accelerator Program.

Mr. Futterman provided information on his background and his career at VEDP. He said that his career move to VEDP has transformed his life.

Mr. Futterman spoke about the caliber of the talented team he works with and the tools they have to do their work. He said he enjoys opportunities to collaborate and learn from his colleagues. Mr. Futterman highlighted a few of the projects he has been involved with during his time at VEDP.

Mr. Futterman spoke about the culture Mike Grundmann, Senior Vice President of the Talent Accelerator program has fostered. He said the Talent Accelerator team functions as one unit with a singular purpose.

Chair Hayter thanked Mr. Futterman for his enthusiastic presentation and for his contributions at VEDP.

Personnel Committee Report

Personnel Committee Chair John Hewa provided an update on the topics discussed during recent Committee meetings which took place on February 29 and March 7, 2024.

Mr. Hewa reviewed Committee membership. He also shared an overview of the process the Committee will undertake in the coming months to complete the annual performance evaluation for VEDP's President and CEO. He noted that the performance evaluation process is designed to be engaging and transparent. Mr. Hewa said the Committee is working toward delivering recommendations to the Board on the VEDP President and CEO annual performance evaluation in the June, 2024, timeframe.

Mr. Hewa said that the detailed process would be shared with Board members during the closed session portion of today's Board meeting.

Chair Hayter thanked Mr. Hewa for his report.

Legislation and Policy Committee Report

Legislation and Policy Committee Acting Chair Carrie Chenery provided an update on the topics discussed during the Committee meeting on March 6, 2024.

Ms. Chenery said that Nicole Riley provided the Committee with an update on the General Assembly Session. The update included the status of VEDP bills, including passage of the Financial Services Expansion Grant Fund for the Wells Fargo project by the House and Senate. Ms. Chenery said that Ms. Riley highlighted another bill of interest, legislation to reauthorize VEDP's only retention incentive known as the Virginia Investment Performance grant. Ms. Chenery said that this bill is currently in a conference committee to reconcile the differences between the House and Senate.

Ms. Chenery provided an overview of the topics that were addressed during closed session. She said that the Committee discussed how VEDP's budget items fared in each chamber as the budget conferees work on a final budget proposal. She said that Ms. Riley also provided a quick update on VEDP's continued outreach to General Assembly members this session with over 120 meaningful touchpoints, 38 of those being with new legislators.

Chair Hayter thanked Ms. Chenery for her report.

Finance and Audit Committee Report

Finance and Audit Committee Chair Rick Harrell provided an update on the topics discussed during the Committee meeting on March 6, 2024.

Mr. Harrell said that Bob Grenell presented VEDP's financial results for the three-month period ended December 31, 2023, which showed that all divisions are close to or below budget, with spending expected to increase in the second half of FY24 consistent with prior years.

Mr. Harrell stated that the Committee received an update from Chris Kalafatis and Randy Sherrod with FORVIS, VEDP's audit function. FORVIS reported on two recently completed audit reports for the International Trade and Real Estate Solutions divisions, both of which had no audit findings. FORVIS also reported on the status of open audit issues since the December, 2024, Committee meeting. Mr. Harrell said that one audit finding for the Research division has been closed and two audit findings for Information Technology are being addressed and are expected to be validated by FORVIS prior to the Committee meetings in June, 2024.

Mr. Harrell said that Chris Hughes provided an IT security update, including the five-year IT audit plan, audit findings status, and the quarterly vulnerability management program results, and status of compliance with Virginia Information Technology Agency (VITA) SEC530 security standards.

Mr. Harrell said that Katherine Goodwin presented an update on incentive-related extension requests, clawback activity, and the Semi-annual Report on Incentive Performance.

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

- Accept: VEDP FY24 quarterly financial results for the six-month period ended December 31, 2023
- Accept: FORVIS International Trade and Real Estate Solutions audit reports
- Approve: 2 Extension Requests
 - Intact Technology – Fairfax County – Information technology – 1st extension for \$32,800 VJIP grant
 - Compass Datacenters – Loudoun County – Data center – 2nd extension for Data Center Retail Sales and Use Tax Exemption (requires MEI review and approval)
- Accept: Clawback Update
 - No new items referred to the Office of the Attorney General
 - No past due clawbacks
 - Three COF clawbacks requested but not past due yet
 - One COF clawback closed out since the December, 2023, Board meeting
 - Three COF closeouts in process
 - No VJIP clawbacks requested
 - One data center clawback closeout in process
- Accept: Semi-annual Report on Incentive Performance

Mr. Harrell moved to approve the consent agenda. Mr. Sessoms seconded the motion, and the motion was approved.

Chair Hayter thanked Mr. Harrell for his report.

Rural Virginia Action Committee Report

Board Chair Bill Hayter, who served as Acting Committee Chair for the recent meeting of the Rural Virginia Action Committee on March 6, 2024, provided an update on the topics discussed during the Committee meeting.

Mr. Hayter said that Abigail Wescott provided an update on the Taskforce for Rural Virginia Economic Growth. He explained that the Taskforce is a collaborative effort organized by VEDP

in partnership with the VA Rural Center and the Tobacco Region Revitalization Commission. Mr. Hayter added that the Taskforce has a membership of roughly 25 stakeholder groups across rural Virginia.

Mr. Hayter said that at the Taskforce's meeting in December 2024 the group voted on prioritizing eight initiatives out of a list of twenty for the upcoming year. He said that Ms. Wescott shared the list of priorities and explained each in detail during the Committee meeting.

Mr. Hayter said that during the Taskforce's most recent meeting in early March, it was decided that VEDP would spearhead efforts to develop business plans for the top three areas of concern which are listed below.

1. Economic development training for local elected officials
2. Technical support and capacity building for local and regional economic development organizations
3. Support for federal grant applications

Mr. Hayter said that his key takeaways from the Committee meeting were the significance of rural areas to the Commonwealth, that the Taskforce is important not only to VEDP but also to its partners at various levels, and that swift action is imperative, particularly concerning grant applications.

Mr. Hayter said the Taskforce plans to reconvene in April to continue their efforts.

Closed Meeting

A motion was made by Mr. Hewa and seconded by Mr. Edwards to move into a closed meeting. The motion shown below was unanimously approved by the members.

I move that the Board of the Virginia Economic Development Partnership Authority convene a closed meeting to discuss (1) elements of VEDP's Strategic Plan, Marketing Plan, and Operational Plan pursuant to Subdivision A 50 of §2.2-3711 of the Code of Virginia, which allows for the discussion of such activities that would reveal to Commonwealth's competitors for economic development projects the strategies intended to be deployed, thus adversely affecting the financial interests of the Commonwealth and (2) personnel issues pursuant to Subdivision A 1 of §2.2-3711 of the Code Virginia, which allows for the discussion of the assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific employees of the Board.

Mr. El Koubi asked that VEDP staff be allowed to stay for the closed meeting for all matters, with the exception of personnel and a project-related discussion, and Chair Hayter agreed.

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

Ms. Wallmeyer read the following certification and then conducted a roll call vote:

Do you certify, that to the best of your knowledge, (i) only public business matters lawfully exempted from the open meeting requirements of FOIA were discussed in the closed meeting, and (ii) only such matters as were identified in the motion to go into the closed meeting were heard, discussed, or considered during the closed meeting?

Upon the vote:	Chair Hayter	Aye
	Ms. Chenery	Aye
	Secretary Cummings	Aye
	Mr. Edwards	Aye
	Mr. Harrell	Aye
	Mr. Hewa	Aye
	Mr. Hayter	Aye
	Ms. Lochte	Aye
	Mr. Sessoms	Aye
	Mr. Stone	Aye

Anticipated topics for the June 2024 Board meeting

Chair Hayter shared anticipated topics for the next Board meeting and asked for additional suggestions.

Adjournment

There being no further business, Chair Hayter adjourned the meeting at 12:54 p.m.

Respectfully submitted,

Jason El Koubi
Secretary