

**Minutes
Board of Directors of the
Virginia Economic Development Partnership Authority
December 12, 2024
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 9:05 a.m. by Vice Chair Secretary Caren Merrick, who noted that a quorum was present.

In-Person Board Members: Mimi Coles, Secretary Stephen Cummings, Stephen Edwards, Rick Harrell, John Hewa, April Kees, Pace Lochte, Connie Loughhead, Secretary Caren Merrick, Sonya Montgomery, Anne Oman, Nick Rush, Will Sessoms, and Steven Stone

Board Members Absent: Nancy Agee and Bill Hayter

Public Comment Period

Secretary Merrick solicited public comments. There were none.

Approval of Minutes for 09.19.24 Meeting

Secretary Merrick asked for approval of the minutes from the September 19, 2024, meeting. A motion was made by Mimi Coles and seconded by Sonya Montgomery and the minutes were unanimously approved as presented.

Chair's Report

Secretary Merrick thanked everyone who participated in the Committee meetings the previous day and the Board dinner the previous evening.

Secretary Merrick highlighted to the Board that the Governor recently announced that he would include an additional \$50 Million in his budget package to accelerate Virginia's business ready sites development.

Secretary Merrick concluded her remarks by reviewing the meeting agenda, including topics that would be discussed during closed session.

President's Report

Secretary Merrick introduced Jason El Koubi to deliver his report.

Mr. El Koubi went over the PowerPoint slide presentation in the board materials regarding VEDP's metrics for FY25.

He stated that VEDP is on track so far year to date, but is facing a slow period for larger projects. The International Trade division is off to a solid start with a goal of working with 500 companies. Mr. El Koubi reviewed the slides on VEDP's major initiatives, which are substantially on track and stated that the Innovative Framework is on track as projected with some fine tuning taking place under Ted Sniffin's leadership. In addition, there is lots of activity in site development and organizational development.

VEDP continues to aggressively cultivate large projects, such as Microporous in Southern Virginia and LS Cable, the largest project in Hampton Roads. VEDP continues to cultivate relationships with members and staff of the General Assembly in anticipation of the 2025 session. The Marketing and Communications division is building on awareness of Virginia's recognition as the number one state for business and the top state for talent. Notable developments outlined in the slide presentation were reviewed.

Looking ahead, Mr. El Koubi highlighted the following items:

- VEDP has recognized the increasing importance of energy consumption and generation, and the role it plays in affecting economic development.
- The Sector Teams are continuing their work on ecosystem building to help as a catalyst for VEDP's economic development activities.
- Data centers represent a challenging area to navigate with the General Assembly and VEDP is committed to being a trusted source for providing good and accurate information on this sector.
- VEDP continues to fill important and specialized open positions.

Secretary Merrick thanked Mr. El Koubi for his report and for all that VEDP has accomplished.

Guest Presentation: Ms. Linda Green, Executive Director, Southern Virginia Regional Alliance

Jason El Koubi introduced Ms. Linda Green, Executive Director, Southern Virginia Regional Alliance and invited her to share her presentation with the board.

Ms. Green went over her PowerPoint presentation that was included in the board materials. She stated that the Southern Virginia Regional Alliance is batting above their average with approximately \$3.145 Billion in capital investment over FY 17 – 25. These projects take years to reach fruition. Wages are going up in Southwest Virginia and GDP and productivity are similarly rising. The region is responding to workforce changes and housing needs in order to meet employer demands.

Ms. Green turned to her slides regarding the Microporous project -- \$1.3 Billion in cap ex at a

mega site of 3,528 acres. The microporous project is on 6% of the site. There is a 200-acre pad ready site that is getting lots of attention. Ms. Green gave kudos to VEDP for providing key data and site development expertise. She also recognized Mike Grundmann and the Virginia Talent Accelerator Program.

Secretary Merrick thanked Ms. Green for her presentation.

Scanning the Horizon: Mr. Hamilton Lombard, Estimates Program Manager, Weldon Cooper Center, UVA

Jason El Koubi introduced Mr. Hamilton Lombard, Estimates Program Manager, Weldon Cooper Center, UVA and invited him to share his presentation on migration and population trends in Virginia with the board.

Drawing from his presentation, Mr. Lombard stated that Virginia has experienced different trends than the South Atlantic (NC – FL). The cost of housing has been one of the biggest factors in population shifts in Virginia. For example, Arlington has the highest cost real estate on the East Coast. A second factor affecting population trends is remote work. Northern Virginia has more than 50% remote workers. These trends have led to migration out of Virginia.

Significantly, Virginia has recently attracted more residents than lost residents in 2024 reversing migration patterns. Mr. Lombard stated that two factors will have an effect on migration and population trends in the future: a tighter labor supply due to more mobile younger workers, and quality of life concerns as a bigger factor in population shifts.

Secretary Merrick thanked Mr. Hamilton for his presentation.

VEDP Staff Spotlight

Mr. Stephen Hartka, Vice President, Research division introduced Mason Mairead, Client Communications Analyst. Mr. Mairead explained that he works on preparing business cases and responding to RFIs by focusing on storytelling and a commitment to quality assurance.

Secretary Merrick thanked Mr. Mairead for his remarks and for his contributions at VEDP.

Update on VEDP's Advisory Committee Business Development and Marketing

Board liaison to VEDP's Advisory Committee on Business Development and Marketing, Pace Lochte, provided an update on the Committee's recent activity.

Ms. Lochte stated that the Committee met in person on December 4 to discuss a variety of topics. Chief among those are developing communications strategy centered on the value of economic development in the Commonwealth.

Ms. Lochte asked the Board members to reach out to her with any items they would like for her to discuss with the Committee at their next meeting.

Secretary Merrick thanked Ms. Lochte for her involvement on the Committee and for keeping the

Board informed of the Committee's activities.

Rural Virginia Action Committee Report

Nick Rush, chair of the Rural Virginia Action Committee, provided an update on the topics discussed during the meeting on December 11, 2024.

Mr. Rush said the Committee received presentations on updates on the Local and Regional Competitiveness Initiative and data center opportunities for rural Virginia.

Secretary Merrick thanked Mr. Rush for his report.

Legislation and Policy Committee Report

Legislation and Policy Committee Chair Steven Stone provided an update on the topics discussed by the Committee on December 11, 2024.

Mr. Stone said that Nicole Riley provided an update on this year's federal elections. In addition, there were two state senate elections following the congressional election results.

Mr. Stone stated that in closed session the Committee also received an update on budget and legislative proposals affecting economic development, and outreach to General Assembly members, which aims to keep members apprised of VEDP activities and impact as well as to secure advocates for top VEDP priorities. An update on the JLARC report on data centers was also discussed.

Secretary Merrick thanked Mr. Stone for his 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 December 11, 2024.

Bob Grenell (VEDP Controller) presented VEDP's financial results for the three-month period ended September 30, 2024. All divisions are close to or below budget, and spending is expected to increase in the remaining quarters of FY25 consistent with prior years.

Bob Grenell provided an overview of VEDP's procurement policies that were updated in response to legislation passed by the General Assembly in 2023. This legislation requires that VEDP, along with other state authorities, amend their procurement policies to align with the Virginia Public Procurement Act. The only change required to VEDP's procurement policies was the posting of large procurements, as well as sole source and emergency purchases, on the Department of General Services procurement website and VEDP's website.

Diana Munoz-Scaggs of Forvis Mazars, VEDP's audit firm, presented an update on the status of open audit issues since the September FAC meeting. One remaining audit finding for Human Resources has been validated by Forvis Mazars and closed. Diana also provided an update on the two audits currently in process for the Business Investment and Incentives divisions. Both audits

are expected to be completed in time to report the results at the March FAC meeting.

Chris Hughes (VP of Information Technology) provided a security update that included the following items:

- Review of the five-year IT audit plan
- Audit findings status

Katherine Goodwin, (Senior VP of Business Investment and Incentives), presented an update on incentive-related extension requests and clawback activity.

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

- Accept: VEDP FY25 quarterly financial results for the three months ended September 30, 2024
- Approve: VEDP Procurement Policies update
- Approve: 1 Extension Request
 - PPD – Henrico County – Bioanalytics research and development laboratory – 1st extension for \$2,000,000 COF grant
- Accept: Clawback Update
 - Two COF clawbacks requested but not past due yet
 - Four COF clawbacks closed out since the September Board meeting
 - Two COF closeouts in process
 - One past due clawback (Polycap) referred to the Office of the Attorney General for collection
 - One past due VJIP clawback (Ison Furniture). Company received a portion of the grant and is now closed. Recommend project be referred to the Office of the Attorney General for collection
 - One data center clawback closeout in process

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

Secretary Merrick thanked Mr. Harrell for his report.

Nominating Committee Report

Nominating Committee Chair Mimi Coles provided an update on the topics discussed by the Committee on December 11, 2024.

Ms. Coles said the Committee will make recommendations to the Board at the March 2025 meeting.

Secretary Merrick thanked Ms. Coles for her report.

Personnel Committee Report

Personnel Committee Chair John Hewa provided an update on the topics discussed by the Committee on December 12, 2024. Mr. Hewa announced the following appointments to Board Committees by Chair Hayter:

Ms. Montgomery – Legislation & Policy
Ms. Loughhead – Rural Virginia Action
Mr. Harrell – Personnel
Mr. Sessoms – Personnel
Ms. Lochte -- Nominating

Mr. Hewa said the Committee recommends that the Board engage a firm to provide recommendations on CEO compensation.

Mr. Hewa moved to have the Board engage a firm to provide recommendations on CEO compensation. Mr. Sessoms seconded the motion, and the motion was approved unanimously.

Secretary Merrick thanked Mr. Hewa for his report.

VEDP Annual Staff Survey Results

Jason El Koubi introduced Mr. Stephen Hartka, Vice President, Research Division and invited him to share the results of the annual staff survey.

Mr. Hartka went over his PowerPoint presentation on the staff survey results that was included in the board materials. He stated that the survey was conducted in September 2024 and that there was a 94% participation rate among the staff. Satisfaction with employment at VEDP remains very high with 92% of respondents stating that they are either satisfied or very satisfied with their employment at VEDP. Improvements in most categories continues, with results improving in the following categories: satisfaction with organizational structure, communications, leadership & engagement, and training & development. However, satisfaction with cross-division collaboration has trended downwards at 54%.

Secretary Merrick thanked Mr. Hartka for his report.

Closed Meeting

A motion was made by Mr. Sessoms and seconded by Ms. Loughhead to move into a closed meeting. The motion 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 the 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 of 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 except the personnel discussion, and Secretary Merrick 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:

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|--------------------|---------------------|
| Ms. Coles | Aye |
| Secretary Cummings | Aye |
| Mr. Edwards | Aye |
| Mr. Harrell | Aye |
| Mr. Hewa | Aye |
| Ms. Kees | Absent for the vote |
| Ms. Lochte | Aye |
| Ms. Loughhead | Aye |
| Secretary Merrick | Aye |
| Ms. Montgomery | Aye |
| Ms. Oman | Absent for the vote |
| Mr. Rush | Aye |
| Mr. Sessoms | Absent for the vote |
| Mr. Stone | Aye |

Open Discussion and Anticipated Topics for the March 2025 Board Meeting

Secretary Merrick shared anticipated topics for the next Board meeting and asked for additional suggestions. Requests were made for presentations on Artificial Intelligence and Energy.

Adjournment

There being no further business, Secretary Merrick adjourned the meeting at 1:03 p.m.

Respectfully submitted,