

**Minutes**  
**Board of Directors of the Virginia Economic Development Partnership**  
**March 9, 2017**  
**VEDP Office – 901 East Cary Street, 9<sup>th</sup> Floor**  
**Richmond, Virginia**

**Call to Order/Approval of Minutes**

The meeting was called to order at 9:03 a.m. by Chairman Dan Clemente, who noted that a quorum was present.

**Members present:** Steve Adkins, Ric Brown, Valerie Brown, Dan Clemente, Sissy Crowther, Bill Euille, Basil Gooden, Todd Haymore, Mark Heath, Mike Ligon, Ned Masee, Vince Mastracco, Clark Mercer (for Ralph Northam), Dan Pleasant, John Rocovich, Sam Schreiber, Gary Walker

**Members absent:** Edie Bowles, Lee Coburn, Glenn DuBois, Bill Holtzman, David Hudgins, Karen Jackson, Chris Lumsden

**VEDP staff present:** Vince Barnett, Suzanne Clark, Melissa Cox, Carolyn Elliott, Stephanie Florie, Jennifer Garrett, Paul Grossman, Dan Gundersen, Kara Hart, Jay Langston, Rob McClintock, Sandi McNinch, John Mehfoud, Kevin Miller, Stephen Moret, Jack Nelson, Tim Stuller, Alex Thorup

**Guests present:** Kyle Brinks, Don Ferguson, Linda Green

**Public Comment Period**

Chairman Clemente solicited public comments. Linda Green, Economic Development Director for Southern Virginia Regional Alliance, thanked the VEDP Board for their support in her area. She said that she came onboard last October and that Stephen Moret visited their region soon after coming onboard at VEDP. She said the visit was much appreciated.

**Approval of Minutes**

Chairman Clemente asked for approval of the minutes from the December 8, 2016. A motion was made by Mr. Rocovich and seconded by Mr. Pleasant, and the minutes were unanimously approved.

Chairman Clemente introduced and welcomed Mr. Moret as the new President/CEO of VEDP, effective January 3, 2017.

### **VEDP Legislation Update**

Alex Thorup, Manager of Legislation and Policy, reviewed the current status of VEDP's reorganization. He said that, in accordance with the recommendation of JLARC, VEDP's reorganization legislation would likely establish an internal audit function. VEDP is consulting with a CPA firm (Dixon Hughes Goodman), the Office of the State Inspection General and the Auditor of Public Accounts regarding the implementation. VEDP recommends a risk assessment by the CPA firm by close of this fiscal year.

### **Business Investment Update**

Vince Barnett, Interim Vice President for the Business Investment Division, gave an update regarding progress and pipeline in the Business Investment area of VEDP. Included in the update were the number of VEDP announcements year-to-date for FY2017, the various types of leads, FY17 lead generation and a listing of upcoming lead generation events. He said that Business Investment is instituting a deep dive into the assets of each region.

Mr. Moret said that VEDP is focusing on better ways to track how VEDP affected development outcomes.

Mr. Schreiber commented on the Nestle Project and how VEDP was in partnership with Arlington working on this project. The local level people worked with local issues such as transportation and VEDP provided help and leadership when State involvement was needed. Mr. Heath noted that the VEDP process is working well when the Governor and Secretary are involved and noted that even more effort should be made to ensure incentive decisions are made quickly.

### **President's Report**

Stephen Moret gave an update on his "around-the-state" visits (16 regions) and priorities for the first 90 days. He reported that these around-the-state visits were not a one-time thing, but plans to visit several times per year. Mr. Moret stated that a key focus would be Virginia's national rankings, which have fallen since 2009. Worthy of note were 1) VEDP has been long regarded as one of the better state EDOs, 2) VEDP Trade and Research divisions are among the best in America, and 3) workforce development i.e., VJIP (Virginia Jobs Investment Program) is well regarded but under-developed. The top five goals are: 1) faster growth, 2) shared growth in all regions, 3) top rankings, 4) top state EDO, and 5) collaboration. It is necessary that every region in Virginia participates in the growth of the Commonwealth. There needs to be faster growth in the Commonwealth, especially with nearly half of Virginia's counties shrinking in population. This is true in other states as well.

Mr. Moret reported that JLARC identified a variety of operational, administrative, planning coordination and execution issues. The VEDP staff agrees with the strong majority of the findings and recommendations and is working on plans to address the recommendations.

Mr. Moret explained the incentives administration at VEDP in three stages, past (pre-2016), present (mid-2016 to today) and the future (post-2017 General Assembly session)

One of the most important items that VEDP will do this year is the strategic plan and marketing plan development. There will also be an FY18 operational plan development.

## Committee Reports

### Rural Virginia Action Committee

Ned Masee, the committee chairman, reported that the Rural Virginia Action Committee had a good discussion, especially around transportation. More funds are needed to identify sites and that we need to look at economic growth for Virginia, especially in the rural areas that have experienced very slow job growth. He stated that we have a good potential in rural areas. The Committee is organized and going in a good direction. He mentioned that Jay Langston is providing great value to the committee.

### Personnel Committee

Dan Pleasant, the committee chairman, reported that the committee did not have a quorum present. The committee stands ready to assist with any personnel matters that may arise.

### Legislation and Policy Committee

Alex Thorup, Manager of Legislation and Policy, reported for this committee giving a General Assembly overview. Total funding for FY2018 represents approximately a \$1.3M reduction from the original appropriation level. This represents across-the-board mandatory cuts and reduction to Business Ready Sites Program. The International Trade spin-out was reversed with approximately \$6M restored to VEDP. \$1.5M is being withheld until VEDP demonstrates sufficient progress on addressing JLARC recommendations. This money could be released back to VEDP in December 2017 or January 2018. In regard to incentives, the Commonwealth Opportunity Fund (COF) was reduced by the General Assembly by \$1M; however, an additional \$4M was secured for Virginia Economic Development Incentive Grant (VEDIG) Fund.

Mr. Thorup reported that the committee decided to cut back on the legislative engagement effort for now and to start fresh with the new Board members. Legislative engagement will continue with the new Board.

### Finance and Audit Committee

Sam Schreiber, the committee chairman, called on Jack Nelson, VEDP Controller, Fiscal & Support Services, to give a report regarding the internal audit function. Mr. Nelson reported that VEDP consulted with a CPA Firm (Dixon Hughes Goodman), the office of State Inspector General and the Auditor of Public Accounts regarding implementation of the internal audit function. VEDP recommends a risk assessment by a CPA firm this fiscal year. The results of the risk assessment will determine how we proceed from there.

Mr. Moret reported that VEDP continues to develop best practices for incentives management. Dan Gundersen and Rob McClintock reported that the Project Review and Credit Committee (PRACC) has proven beneficial in the incentives process, providing oversight and tracking. The PRACC committee,

which began in February 2016, meets weekly and reviews every project. Dan Gundersen went through the PRACC process, explaining that 96.4% of all new projects have required milestones/conditions. Virginia has only lost five significant projects since PRACC began and those were beyond our control. Sandi McNinch, VEDP General Counsel, gave an update on Lindenburg deal. In the December Board meeting, the Board approved the hiring of Robin Wood, an attorney based in Lynchburg, to represent VEDP in this matter. This was objected to by DAI because Mr. Wood once represented Lindenburg. In late January, the Judge sided with DAI and Mr. Wood. With Mr. Clemente's consent, VEDP is now represented by Ed Dawson.

Upon a motion made by Bill Euille and seconded by John Rocovich, the Board ratified the hiring of Ed Dawson. A hearing on the merits is scheduled for late March. Dan Clemente and Sam Schreiber plan to attend the hearing.

### Executive Committee

Chairman Clemente, the committee chairman, recognized the work that Stephen Moret has done since coming onboard and a round of applause was given. He said that Sandi McNinch gave an update on the Lindenburg deal.

A motion was made by Chairman Clemente to move into a closed meeting.

I MOVE THAT THE EXECUTIVE COMMITTEE OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY BOARD OF DIRECTORS 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 PERFORMANCE REVIEWS FOR VEDP'S MANAGEMENT.

The motion was seconded by Ric Brown.

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

WHEREAS, THE EXECUTIVE COMMITTEE OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY BOARD OF DIRECTORS HAS CONVENE 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 EXECUTIVE COMMITTEE THAT SUCH CLOSED MEETING WAS CONDUCTED IN CONFORMITY WITH THE ACT;

NOW, THEREFORE, BE IT RESOLVED, THAT THE EXECUTIVE COMMITTEE 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 EXECUTIVE COMMITTEE.

Upon the vote:	Mr. Adkins	Aye
	Mr. Walker	Aye
	Mr. Pleasant	Aye
	Mr. Mastracco	Aye
	Mr. Clemente	Aye
	Mr. Ligon	Aye
	Mr. Rocovich	Aye
	Mr. Euille	Aye
	Mr. Heath	Aye
	Mr. Brown	Aye
	Ms. Brown	Aye
	Mr. Schreiber	Aye
	Mr. Mercer	Aye
	Mr. Haymore	Aye
	Mr. Masee	Aye
	Ms. Crowther	Aye
	Mr. Gooden	Aye

**Adjournment and Next Meeting**

The next Board meeting is scheduled for June 8, 2017, and will be held at VEDP in Richmond. Committee meetings will be held on June 7. More details will follow.

There being no further business, Chairman Clemente adjourned the meeting at 11:40 a.m.

Respectfully submitted,



Stephen Moret  
Secretary