

Minutes
Board of Directors of the Virginia Economic Development Partnership Authority
August 1, 2019
VEDP Board Room
Richmond, Virginia

Call to Order/Approval of Minutes

The meeting was called to order at 9:00 a.m. by Chair, Ned Masee, who noted that a quorum was present.

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

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

Members absent: Tom Farrell, Dan Pleasant, and John Reinhart

VEDP staff present: Vince Barnett, Lindsay Barker, Lindsey Bertozzi, Christine Bell, Sean Brazier, Tyler Chandler, Rima Chavda, Melissa Cox, Nicole David, David Devan, Jason El Koubi, Stephanie Florie, Jennifer Garrett, Paul Grossman, Mike Grundmann, Sandi McNinch, John Mehfoud, Lori Melancon, Nathalie Molliet-Ribet, Stephen Moret, Christy Morton, Jack Nelson, Johan Salén, Tim Stuller, and Adam Watkins

Guests present: Pam Harder, Chris Kalafatis, Charles Kennington, Skip Maupai, Cassidy Rasnick, Anthony Romanello, and Randy Sherrod

Public Comment Period

Chair Masee solicited public comments. There were none.

Approval of Minutes

Chair Masee asked for approval of the minutes from the June 20, 2019 meeting. A motion was made by Mr. Mastracco and seconded by Mr. Clemente and the minutes were unanimously approved as presented.

Chairman's Report

Chair Masee thanked Vince Mastracco for his service to the Board and his leadership as Board Chair during a challenging yet highly productive time for VEDP. He also thanked Dan Clemente for his leadership and guidance.

Chair Masee thanked the Board for the confidence they have placed in him and said he looks forward to working with them over the next two years.

Chair Masee congratulated the VEDP staff for the outstanding fiscal year that just wrapped up, including several transformational projects and major progress in the rankings for both the Commonwealth and VEDP.

Chair Masee reviewed the agenda for the meeting. He said that with the beginning of the fiscal year, the Board has an opportunity to tweak the membership of Board Committees. He asked members to reach out to him if they would like to make any changes to their Committee(s) service.

Chair Masee recognized Board member Heather Engel who recently earned the Certified Information Systems Auditor® (CISA) designation. He noted that the certification is world-renowned as the standard of achievement for those who audit, control, monitor, and assess an organization's information technology and business systems.

President's Report

Chair Masee suggested skipping the President's Report because it had been covered in detail at the VEDP Executive Committee meeting the day prior. He summarized that the year is off to a great start and the team is looking forward to a very productive FY20.

Updates from Select EDO Partners

Henrico County

Chair Masee introduced Anthony Romanello, Executive Director, Henrico County Economic Development Authority who was recently appointed to the position in March of 2019.

Mr. Romanello shared an overview of Henrico County. He highlighted the county's AAA-bond rating, the diversity of their economy, the substantial redevelopment projects that are underway, and the QTS network access point as some of the county's greatest strengths.

Mr. Romanello said that Henrico is excited to be part of the sites study, adding that it is smart work and that he thanks the General Assembly for funding it. He said that VEDP and the state can help Henrico's efforts through additional infrastructure investments, marketing investments, and sharing project leads.

Secretary Ball asked Mr. Romanello to share his sense of the relationship of the various counties in the region. Mr. Romanello said that RVA is in a great place right now. He said communication is great and the region is partnering on a lot of things. Chair Masee added that the leaders of many of the region's counties have worked together in previous roles, so it's a brotherhood with history and trust. Mr. Romanello agreed.

Mr. Moret said that Henrico EDA is one of VEDP's best partners. Chair Masee thanked Mr. Romanello for his presentation.

Update from Board Liaison to the Advisory Committee on International Trade

Chair Masee reported that Mike Ligon has been named Chair of the Advisory Committee on International Trade. Chair Masee believes he will be a great leader. Chair Masee said that Mr. Ligon will attend a future Board meeting, so the Board members can meet him.

Chair Masee announced that Tag Greason and Nick Jiannas have been appointed to the Committee and that the group is looking forward to working with them.

Chair Masee said that the main focus of the Committee remains the development of the International Trade Plan. He shared that he is pleased with the progress, noting that Virginia has not had a comprehensive trade plan in the past and that, as far as he knows, no other state has a plan like the one Virginia is developing. He stated that hopefully by the next Board meeting in October, the Committee will be ready to share the International Trade Plan with the Board for approval.

Finance and Audit Committee Report

Finance and Audit Committee (FAC) Chair Bill Hayter gave an update on the topics that were discussed during the FAC meeting on July 31, 2019.

Mr. Hayter explained that VEDP's annual external audit is underway by the Auditor of Public Accounts. The final report is expected by November 1, 2019 and the Board can expect a report at their January 2020 meeting.

Mr. Hayter said that Mr. Nelson reviewed the financial results for FY2019 and that all divisions were under budget. Mr. Hayter noted that three divisions had large surplus amounts that were mostly due to staff vacancies or delayed contractual obligations.

Mr. Hayter shared that Mr. Salén reviewed the semi-annual VEDP-Administered Incentives Dashboard with the Committee. Mr. Salén explained that prior to 2017 there are several projects in need of clawbacks. He said that the high risk of clawbacks has been mitigated from 2017 to the present due to payouts mostly being done post-performance.

Secretary Layne made a motion to approve the semi-annual report on VEDP-administered incentive performance. Ms. Kees seconded the motion and the motion was approved.

Mr. Hayter reported that 100% of COF progress reports for FY19 have been received by VEDP.

Mr. Hayter made a motion to accept the status report on the percentage of companies that have submitted their annual COF progress report. Mr. Fairchild seconded the motion and the motion was approved.

Mr. Hayter noted that the FAC considered one extension request for Intergate Ashburn I LLC, for its data center sales and use tax exemption MOU. He explained that they have made their investment target, but not their jobs target. The company is confident that they will reach their jobs target. The FAC feels the request is reasonable and recommends approval to the Board.

Mr. Hayter made a motion to approve the 18-month extension request for Intergate Ashburn I LLC. Ms. Chenery seconded the motion and the motion was approved.

Mr. Hayter reported that there have been no new referrals of clawback cases to the Office of the Attorney General since the last meeting. He shared that VEDP has recently received four clawbacks in the amount of \$450K.

Mr. Hayter made a motion to accept the clawback update. Ms. Chenery seconded the motion and the motion was approved.

Legislation and Policy Committee Report

Legislation and Policy Committee Chair Heather Engel provided a report on the Committee's recent meeting.

Ms. Engel reported that the Committee discussed the upcoming election and details of the 140 General Assembly seats up for election. The Committee also discussed the details of VEDP's potential legislative requests for the next General Assembly session and budget requests for the Governor's biennium budget.

Rural Virginia Action Committee Report

Rural Virginia Action Committee Chair Ned Masee, provided a report on the Committee's recent meeting.

Chair Masee stated that the Committee reviewed the recent state and federal broadband funding announcements. He said the Committee is pleased to see this project going in the right direction, but there is a long way to go and a lot of progress to be made.

Chair Masee said that the Committee heard from Kristie Helmick Proctor from the Virginia Rural Center on the Rural Economic Development Institute, which is the North Carolina Rural Center's flagship leadership program. The Committee had a discussion about replicating the program in Virginia. Chair Masee explained that the program is not something that VEDP would lead, but could be a partner in the process.

Closed Meeting: For consideration of the Quarterly Marketing Effectiveness Report; Rankings Update; International Trade Plan Update; Site Characterization and Development Update; Custom Workforce Program Update; Tech Talent Investment Program Update

Upon the following motion made by Ms. Chenery, seconded by Mr. Clemente, 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)(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 and Chair Masee 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:

Secretary Ball	Aye
Ms. Chenery	Aye
Mr. Clemente	Aye
Ms. Engel	Aye
Mr. Fairchild	Aye
Ms. Flippo	Aye
Mr. Harrell	Aye
Mr. Hayter	Absent for the vote
Ms. Kees	Aye
Secretary Layne	Aye
Mr. Masee	Aye
Mr. Mastracco	Aye
Mr. Powell	Aye
Mr. Richardson	Aye
Mr. Vaughn	Aye

Upon resumption of the open meeting, Mr. Vaughn made a motion to approve the Quarterly Marketing Effectiveness Report. Mr. Clemente seconded the motion and the motion was unanimously approved.

Discussion on Next Meeting

Mr. Moret reviewed the anticipated topics for the next meeting, which will be hosted in Danville, VA on October 24, 2019. Committee meetings will take place the day prior.

Mr. Moret noted that local General Assembly members and other special guests from the Danville region will be invited to the Board dinner, which will take place on the evening of Oct. 23, 2019.

Ms. Kees suggested visiting the Southern VA Education Center, if time allows.

Mr. Vaughn suggested limiting the amount of Committee meetings to leave more time for seeing the Danville community.

Open Discussion – Board Roundtable

Chair Masee provided an opportunity for the Board members to share their ideas and perspectives. Members expressed enthusiasm for the VEDP projects and initiatives that they are involved in, as well as a lot of great work that is being led by other groups around the state.

Secretary Ball noted that the regions that collaborate together are the ones that will have continued success.

Mr. Moret said that the past two years have been challenging for VEDP staff and that everyone is excited to hopefully get back to a more normal pace.

Mr. Masee thanked the Board and staff, stating that it has been a good run, but there is a lot more to do.

Mr. Moret directed attendees to the middle of the one-pager in their meeting materials, which highlights several awards recently won by VEDP's Marketing & Communications team. He said that he is extremely proud of the quality of the work they are doing.

Adjournment

There being no further business, Chairman Masee adjourned the meeting at 12:50 p.m.

Respectfully submitted,



Stephen Moret

Secretary