

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

901 East Cary Street
One James Center, Katherine Johnson Room, 7th 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, April Kees, Pace Lochte, Secretary Caren Merrick, Anne Oman, Marianne Radcliff, Nick Rush, and Steven Stone

Board Members Absent: Nancy Agee, Mimi Coles, and Will Sessoms

In-Person VEDP Staff Members: Stephanie Agee, Sneha Atwal, Greg Burkart, Nicole David, David Devan, Emily Eller, Jason El Koubi, Stef Florie, Katherine Goodwin, Stephen Hartka, Chris Hughes, Eric Jehu, Heather McKay, Kevin Miller, Courtney Owens, Nicole Riley, Vickie Tilkey, Lisa Wallmeyer, and Abigail Wescott

Virtual VEDP Staff Members: Carrie Vuori and Blake Omohundro

In-Person Guests: Anita Begnaud, Sara Dunnigan, Don Ferguson, Mark Heath, Sarah Hodges, Spencer Johnson, Chris Kalafatis, Kim McKay, and Kendra Shifflett

Public Comment Period

Chair Hayter solicited public comments. There were none.

Approval of Minutes for 09.14.23 Meeting

Chair Hayter asked for approval of the minutes from the September 14, 2023, meeting. A motion was made by Ms. Radcliff and seconded by Mr. Hewa 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. He reviewed the Committee meetings that took place and thanked those who prepared materials and presented during the meetings.

Chair Hayter welcomed guest presenter Mark Heath with Martinsville Henry County Economic Development Corporation and said he was looking forward to Mr. Heath's remarks later in the meeting.

Chair Hayter reviewed the meeting agenda, including topics that would be discussed during closed session.

Chair Hayter gave a shoutout to the VEDP staff, stating that the team is an amazing well-oiled machine. He said that the Board appreciates the entire team's efforts.

Chair Hayter recognized Abigail Patterson on VEDP's Real Estate Solutions team for being recognized by the Virginia Economic Developers Association with their 2023 Rising Star Award.

Chair Hayter reviewed the final schedule for quarterly VEDP Board meetings in 2024. These dates are: Q1: March 6-7, 2024; Q2: June 12-13, 2024; Q3: September 18-19, 2024; and Q4: December 11-12, 2024

Chair Hayter concluded his remarks by thanking the Administration and General Assembly for their input and partnership for the common good of the Commonwealth.

President's Report

Chair Hayter introduced Jason El Koubi to deliver his report.

Mr. El Koubi said he would provide a brief version of his report, noting that many of the items contained within will be covered in greater depth later in the meeting.

Mr. El Koubi said that VEDP is on track with its performance metrics for VEDP-assisted direct job creation.

Mr. El Koubi reviewed top line numbers to date, including progress toward VEDP's capital investment and job creation goals.

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.

Mr. El Koubi said that Mr. Burkart is doing a great job of managing the day-to-day details of the Innovative Framework in consultation with other leaders at VEDP.

Secretary Merrick asked for clarification on the International Trade goals for FY24. Mr. El Koubi explained how these goals are set and calculated. Ms. Agee spoke about the timing of the team's annual survey and how these results figure into the goals.

Secretary Merrick suggested a deep dive on International Trade at the next Board meeting. Mr. El Koubi agreed.

Mr. El Koubi reminded the members that the International Trade team's activity is guided by an Advisory Committee on International Trade.

Mr. El Koubi shared notable developments since the last Board meeting in September.

Secretary Merrick shared her enthusiasm for the "Notable News" one-pager that the VEDP team prepares for Board meetings and asked if paper copies could be made available at future meetings and in electronic format for sharing with others. Mr. El Koubi agreed.

Mr. El Koubi mentioned Anita Begnaud who was recently hired as VEDP's Vice President of Marketing & Communications. Ms. Begnaud was in attendance at the meeting but does not officially start work at VEDP until early January 2024.

Mr. El Koubi shared his top priorities for the coming months. He thanked the Board members and VEDP's partners across the Commonwealth for their support and guidance.

Chair Hayter thanked Mr. El Koubi for his report and for all that VEDP has accomplished.

Guest Presentation: Mark Heath, Martinsville Henry County

Chair Hayter introduced Mark Heath and thanked Mr. Heath for joining the Board dinner the previous evening.

Mr. El Koubi said that Mr. Heath is one the most respected and accomplished economic development leaders in Virginia, adding that Martinsville County has experienced a renaissance under Mark's leadership for the past 18 years, where he has built a terrific team.

Mr. El Koubi noted that Mr. Heath was previously the head of a regional economic development group in North Carolina.

Ms. Chenery noted that Mr. Heath previously served on VEDP's Board of Directors.

Mr. Heath thanked Chair Hayter and Mr. El Koubi for the nice introduction. Mr. Heath introduced two of his colleagues from Martinsville Henry County, Sara Hodges and Spencer Johnson.

Mr. Heath provided an overview of his organization and its capabilities, the regions' growth trajectory, and their major employers. He spoke about the loss of many manufacturing jobs in the region and the desire to diversify their business landscape.

Mr. Heath shared information about the Patriot Center, including details of its assets.

Mr. Heath reviewed the region's site development strategy, highlighting Commonwealth Crossing. He spoke about help the region has received from the Virginia Business Ready Sites Program (VBRSP).

Mr. Heath shared information on the region's workforce and initiatives that are underway to build the talent pipeline.

Mr. Heath reviewed areas where his organization and region could benefit from additional support from VEDP. He mentioned site development, project leads, marketing resources, and workforce development support.

Mr. Heath shared ideas for streamlining the process for the Commonwealth's incentive programs.

Mr. Heath said that Mr. El Koubi is the only VEDP CEO who has spent time in Henry County, and he appreciates his interest and hands on approach.

The Board members and Mr. Heath engaged in a discussion on housing needs, especially to support the large sites in the Martinsville Henry County region.

Mr. Harrell thanked Mr. Heath for an impactful and fact filled presentation. The Board offered Mr. Heath and his team a round of applause.

VEDP Staff Spotlight: Courtney Owens, Incentives

Mr. El Koubi introduced Courtney Owens, Senior Data Manager in VEDP's Incentives division.

Ms. Owens provided information on her background and her career at VEDP.

Ms. Owens spoke about her transition to VEDP's Incentives team about a year ago and the projects she has been involved with during that time. She shared specifics on how she and the Incentives team, in collaboration with many other divisions at VEDP, are aligning VEDP-administered incentives, expanding functionality in Salesforce, and various other impactful process improvements designed to increase automation and efficiency.

Chair Hayter thanked Ms. Owens for her contributions at VEDP and for sharing details of her work with the Board.

Update on VEDP's Advisory Committee on Business Development and Marketing

Board Liaison to VEDP's Advisory Committee on Business Development and Marketing (BDMC), Pace Lochte, provided an update on the topics discussed during the Committee's meeting on October 19, 2023.

Ms. Lochte reviewed the Committee's charge and membership.

Ms. Lochte explained that at the recent Committee meeting, members engaged in a recalibration discussion to reimagine how the Committee can best add value to VEDP.

The Committee members expressed interest in meeting when their counsel is needed rather than every quarter, which is the current cadence. The members said they would like to offer their expertise and problem solve rather than just receive updates from the VEDP team. VEDP staff committed to taking this feedback into consideration when planning future Committee engagement.

Ms. Lochte said that in addition to the important recalibration discussion, the Committee received updates on the Innovative Framework for Economic Growth, VEDP Partner Protocols, an update on strategic planning efforts underway at VEDP, and an update on FY24 Lead Generation activities.

Chair Hayter thanked Ms. Lochte for her report.

Rural Virginia Action Committee Report

Rural Virginia Action Committee Chair Nick Rush provided an update on the topics discussed during the Committee meeting on December 6, 2023.

Mr. Rush explained that during closed session Abby Wescott provided an update on the Taskforce for Rural Virginia Economic Growth. The Task Force has scheduled four future meetings where they hope to finalize actionable items that will be worked on in 2024.

Mr. Rush shared that in open session, the Committee received a briefing from three guest presenters whose organizations represent 28 private colleges and universities in the Commonwealth, primarily located in rural areas. He said the Committee learned more about the mission of these organizations, the students they serve, and the economic impact of higher education institutions on rural communities.

Chair Hayter thanked Mr. Rush 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 6, 2023.

Mr. Harrell said that Bob Grenell presented VEDP's financial results for the three-month period ended September 30, 2023, which showed that all divisions are close to or below budget, with spending expected to accelerate in the remaining quarters of FY24 consistent with prior years.

Mr. Harrell stated that the Committee received an update from Chris Kalafatis and team with FORVIS, VEDP's audit function, on the status of open audit issues since the September Committee meeting. Mr. Harrell said that one audit finding for the Research division and two audit findings for Information Technology are being addressed and are expected to be validated by FORVIS prior to the Committee meetings in March and June of 2024. He also shared that FORVIS provided an update on two audits currently in process for Real Estate Solutions and International Trade. FORVIS expects that both audits will be completed in January of 2024 and the results will be reported at the March Committee meeting.

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.

Mr. Harrell shared that the Committee also welcomed Bryan Carnahan from Assura, VEDP's information security services firm, who provided an overview of Assura's information security services being provided to VEDP, as well as a compliance control assessment summary.

Mr. Harrell said that Katherine Goodwin presented an updated on clawback activity.

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 three-month period ended September 30, 2023
- Accept: Clawback Update
 - No new items referred to the Office of Attorney General
 - No past due clawbacks

- Three COF clawbacks requested but not yet past due
- Four COF clawbacks closed out since the September Board meeting
- Three COF closeouts in process
- No VJIP clawbacks requested
- One data center clawback closeout in process

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

Mr. Hewa asked if IT security updates should be handled in closed session. Mr. El Koubi answered that the VEDP team would consider the question.

Chair Hayter thanked Mr. Harrell for his report.

Legislation and Policy Committee Report

Legislation and Policy Committee Chair Marianne Radcliff provided an update on the topics discussed during the Committee meeting on December 6, 2023.

Ms. Radcliff said that Nicole Riley provided the Committee with an update regarding Virginia's November General Election, where all 140 seats were on the ballot. Ms. Radcliff explained that this year's election resulted in Democrats gaining the majority in both the House and Senate, and that approximately one-third of the legislature will be new members.

Ms. Radcliff said that both parties have named their new leaders for the upcoming session. Don Scott will be the first African American Speaker of the House and current Speaker Todd Gilbert will become Minority Leader. In the Senate, Scott Surovell was tapped to be Majority Leader, and Ryan McDougle will serve as Minority Leader. Ms. Radcliff shared other highlights including Senator Louise Lucas being named Chair of Senate Finance, and that Luke Torian will again serve as Chair of House Appropriations.

Ms. Radcliff provided an overview of the topics that were addressed during closed session. She said that the Committee discussed VEDP's potential budget and legislative proposals for the 2024 regular session; Ms. Riley provided an update on VEDP outreach and discussed recommendations for Board engagement with General Assembly Members; and the Committee reviewed materials and discussed planned educational outreach to new and returning legislative members.

Ms. Radcliff concluded her remarks by reminding the Committee that Governor Youngkin will announce his 2024-2026 budget plan to the joint money committees on December 20.

Chair Hayter thanked Ms. Radcliff for her report.

VEDP Annual Staff Survey Results

Chair Hayter introduced Stephen Hartka, Vice President of VEDP's Research division to share results from VEDP's Annual Staff Survey.

Mr. Hartka said that the staff survey is in its fourth year. He explained the survey is sent to all full-time and part-time staff members, a total of 167 people this year. He said the survey received an 86% response rate.

Mr. Hartka reviewed that the overall satisfaction rate remains high at 90%, which he said is in line with last year's result. He said this result is nice to see in a year of big change and shows the resiliency of the VEDP team.

Mr. Hartka spoke about a few areas for improvement, which have been discussed among members of VEDP's Executive Leadership (ELT) team.

Mr. Hartka asked the Board for their thoughts on VEDP hosting "listening sessions" in the coming months to dive in real time and identify what is behind the areas for improvement from the survey before leadership finalizes any post survey action items.

Mr. Hewa thanked Mr. Hartka for sharing the results with the Board. He said that he views the results as pretty positive, especially during a time of change. He commended VEDP for having the courage to conduct this type of survey and for leadership's sincerity in hosting the listening sessions and addressing areas for improvement.

Mr. Hartka concluded his remarks by speaking about a new survey tool, "pulse surveys," which VEDP plans to launch in the new year. These surveys are designed to gain real-time feedback on a more frequent basis. VEDP plans to continue administering its Annual Staff Survey in addition to monthly pulse surveys.

The Board took a short break before entering into closed session.

Closed Meeting

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

I move that the Board convene a closed meeting to discuss specific strategies pursuant to Subdivision A 50 of §2.2-3711 of the Code Virginia, which allows for the discussion of activities related to the strategic plan, marketing plan, and operational plan that would reveal to the Commonwealth's competitors for economic development projects the strategies intended to be deployed by the Commonwealth.

Mr. El Koubi asked that VEDP staff be allowed to stay for the closed meeting for all matters 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. Hayter	Aye
	Ms. Kees	Absent for the vote
	Ms. Lochte	Aye
	Secretary Merrick	Aye
	Ms. Oman	Aye
	Ms. Radcliff	Absent for the vote
	Mr. Rush	Aye
	Mr. Stone	Aye

Anticipated topics for the March 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 12:59 p.m.

Respectfully submitted,



Jason El Koubi
Secretary