

**ECONOMIC DEVELOPMENT AUTHORITY
HENRICO COUNTY, VIRGINIA**

To wit:

A regular meeting of the Board of Directors of the Economic Development Authority of Henrico County, Virginia, was held at 6:30 p.m. on Thursday, July 21st, 2022, at the Henrico EDA offices at 4300 East Parham Road, Henrico, VA 23228.

DIRECTORS PRESENT

Eddie S. Whitlock, Vice Chair
Dennis J. Berman, Treasurer
Philip C. Strother, Secretary
Samuel Bagley
S. Floyd Mays, Jr.
Linda Melton
Travis Pearson
Frank Thornton

DIRECTORS ABSENT

Susan Custer, Chair

DIRECTORS PARTICIPATING ELECTRONICALLY

Lauren Bifulco

OTHERS PRESENT

Ryan Murphy, Deputy County Attorney
Anthony J. Romanello, Executive Director
Ebonie Atkins, Managing Director
Andrew Larsen, Managing Director
Twyla Powell, Managing Director
Ashley Kubat, Office Administrator

The chair called the meeting to order at 6:30 p.m.

AUTHORIZATION OF ELECTRONIC PARTICIPATION

Mr. Whitlock informed the Board that Ms. Bifulco is unable to physically attend the meeting in person due to an illness. Ms. Bifulco wishes to participate remotely from her residence. Mr. Whitlock moved that the Board approve the electronic participation of Ms. Bifulco. Ms. Melton seconded the motion, and Ms. Melton and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voted “aye,” approving Ms. Bifulco’s remote participation.

APPROVAL OF MINUTES

Mr. Whitlock asked if there were any corrections or additions to the minutes. Hearing none, with a motion by Mr. Mays, seconded by Mr. Pearson, the minutes for the June 21st, 2022, meeting were approved, with Ms. Bifulco, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voting “aye.”

HIP ZONE AUTHORIZATION

Mr. Romanello explained that in November of 2021, the Henrico EDA adopted a resolution to approve a Memorandum of Understanding that described the incentives available under, and the administration of, the Henrico Investment Program. That resolution authorized the Henrico EDA’s Executive Director to execute incentive agreements with a value of up to \$25,000, while the Board reserved sole authority to award incentives exceeding \$25,000.

Mr. Romanello next explained that Diamond Hotel, LLC, which owns the Quality Inn West End at 8008 W. Broad Street, submitted an application for incentives under the program. The Henrico Department of Community Revitalization evaluated the submittal and determined that the applicant qualified for the incentives, subject to approval by the EDA. The applicant applied for multiple HIP Zone grants and fee waivers to assist with the substantial renovation of the hotel that will ultimately be converted to a Holiday Inn. The total anticipated investment is \$7,825,000. Independent signage, paving, and landscaping grants will be approved administratively in the coming months. The applicant has already been approved for the permit fee waivers.

The applicant has submitted a completed application for a Building Improvement Grant in support of a component of the exterior construction estimated at \$217,000. This amount of construction cost would qualify for a HIP Zone Building Improvement Grant of \$30,000. Mr.

Romanello recommended approval of the grant. On a motion by Mr. Strother, seconded by Mr. Pearson, the grant was approved, with Ms. Bifulco, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voting “aye.”

INTERGLOBIX CONTRACT RENEWAL

Mr. Romanello informed the Board that the EDA has been working with the Henrico County Purchasing Division to review and evaluate proposals sent in response to the RFP for Data Center Industry Development Consulting Services. The previous contract expired June 30, 2021. The Selection Committee members were Twyla Powell and Andrew Larsen. The RFP was issued on June 3rd, 2022, and three proposals were received by June 14th, 2022.

After the committee reviewed and discussed each proposal in detail, the committee determined that the most qualified and highest scoring offeror was InterGlobix, LLC. The committee sent scoring sheets to the Division of Purchasing for all three offerors and confirmed that InterGlobix was the most qualified and recommended awarding the contract to InterGlobix. The monthly fee proposed by InterGlobix is unchanged from the previous contract.

Mr. Whitlock asked about the degree of difference between the other proposals. Mr. Romanello answered that one proposal was focused on lead generation, and the other proposal’s monthly fee was \$50,000, which is more than Mr. Nagpal charges yearly. On a motion by Mr. Mays, seconded by Mr. Pearson, the award of the contract to InterGlobix was approved, with Ms. Bifulco, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voting “aye.”

BOND FEE POLICY UPDATE

Mr. Romanello requested that the Board consider the proposed updates to the bond policy and application which had been reviewed by the Finance Committee in detail earlier in the afternoon. The Finance Committee recommended approval of the changes. The proposed updates will streamline the bond process for both the EDA and potential applicants. The EDA currently manages 15 bonds, with the longest term being 30 years. The largest annual payment is around \$96,000 and the smallest is \$1,600. The proposed updates will incentivize up-front payments and include revised language to add a new fee schedule, require applicants to notify the EDA of bond pay-off, and allow the EDA to recoup the cost of special meetings.

Mr. Whitlock questioned if the EDA had researched the policies of surrounding jurisdictions. Mr. Romanello replied that the EDA had done so and had also conferred with bond counsel involved in past issuances. Mr. Mays asked what the average bond term length is. Mr. Romanello responded that the average is 20 years. Mr. Romanello stressed that providing the option to pay the fees at issuance is a positive for the EDA due to the time value of money.

Ms. Melton moved that the Board approve the revised Application for Financial Assistance, including the updated administrative fee schedule, in the form and substance presented to this Board by the Executive Director. On a second by Mr. Mays, the updated bond policy and application was approved, with Ms. Bifulco, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voting “aye.”

COMMITTEE REPORTS

Finance: Ms. Melton stated that the bond fee policy review was the focus of the Finance Committee meeting, but the current audit was also discussed. The audit is expected to be completed in September of 2022. The committee also debated issuing an RFP for investment services to assist the EDA with managing the organization’s cash balances.

Marketing: Mr. Bagley said that in June, the EDA refreshed brand guidelines and promoted diversity and inclusion messaging. Additional milestones included Henrico Circle on June 7th, the Tech Zone flyer and postcard on June 27th, and the Tech Zone reinforcement concepts on June 28th. In July, the EDA will debut the new brand guidelines on the 8th, *Henrico Now* will be released on July 13th, and *Property Now* will be released on July 21st. Milestones for the national/international strategy include the Czech translation on June 3rd, the Gold Shovel Award on June 8th, and the EAB Governor’s Announcement on June 28th. The QTS content package will be released on July 11th. Virtual content has included the Golden Shovel Award animation, and the EAB/Tech Zone/QTS/Embargo storyboard and video.

Personnel: Mr. Whitlock reported that the Personnel Committee completed the review of the Executive Director’s evaluation. The surveys will be launched shortly.

Strategic Planning: Mr. Strother informed the Board that the Q4 update would be included in the Team Report agenda item.

TEAM EDA MONTHLY REPORT

Mr. Romanello played one of the new marketing videos for the Board, highlighting why Henrico County is a premier location to work and live. He also showcased the 10 projects that the EDA announced throughout FY22, including SimpliSafe, Red River Foods, Coca-Cola, Richmond National, Mondelez, American Paper Converting, ThermoFisher Scientific, Hamilton Insurance, EAB, and PowerSystems Controls. The EDA met and exceeded the goal metrics for the year, with 1,271 jobs, \$264 million in investment, 1.2 million square feet, and \$81.4 million in wages.

Mr. Pearson asked what EAB stands for. Ms. Atkins answered that EAB stands for “Education Advisory Board,” and clarified that the company is a leading provider of education research and technology. Mr. Romanello continued to review the announcements, stating that Power Systems Controls was not technically a new project, but one that relocated to Henrico from the City of Richmond. The move was the result of the EDA team’s work in fitting a property that needed many improvements with a company that has the financial resources to complete them. Mr. Romanello touted Henrico County’s ample mix of manufacturing, high tech, health and life sciences, and financial institutions, stating that the variety of businesses reflect the diversity within the County.

Mr. Romanello displayed a letter from the County Manager to the Board of Supervisors describing the comparison between White Oak Technology Park and Chesterfield County’s Meadowville Technology Park. The annual tax revenue from White Oak Technology Park is \$12 million, while Meadowville’s is \$3.3 million. Adding in the newly announced Lego plant, Meadowville’s tax revenue will be \$9.3 million. White Oak Technology Park brings 887 jobs for Henrico and is 6.3 million square feet. Meadowville Technology Park hosts 5,300 jobs, including Lego, and is 4 million square feet. Mr. Romanello added that the data is of January 1st of 2022 and will soon increase dramatically due to ongoing work at QTS and Facebook. Meadowville is an employment center for Chesterfield while White Oak is a revenue center for Henrico.

Mr. Romanello played new drone footage of White Oak Technology Park, noting the various company locations as the camera panned over the land. Mr. Romanello noted that QTS had begun work on its expansion.

Mr. Romanello drew the Board’s attention to the FY 22 Q4 Strategic Plan workplan update provided to the Board in the meeting packet. Some items have been completed and some, such as those items with an emphasis on workforce development, have been carried over to the newly created FY23 workplan. Mr. Romanello noted that the Strategic Plan continues to be a guidepost for the EDA in assisting with the business in the County. The Q4 metrics were also included in the Board packet, which numerically display the national trend of companies downsizing, and companies choosing to forego leased space in exchange for owning their own buildings. Mimicking country-wide trends, Henrico is also engaging the conversation around vacant office space. The qualifications of what is considered Class A office space has changed and now requires more amenities and services not needed prior to the pandemic.

Mr. Strother questioned if brainstorming efforts are underway to develop a plan around the office space issue. Mr. Romanello answered that there are a number of studies currently taking place, and that the EDA's main goal is to assist the private sector in repurposing their buildings. The Tech Zone implementation is one effort designed to assist with the vacant office space issue, and the Board of Supervisors may decide to rezone properties later as needed. Ms. Atkins is spearheading the effort to reach out to major employers in the County to understand their needs so that the EDA can provide quality assistance.

OLD/NEW BUSINESS

Mr. Whitlock asked if anyone had any old business. Hearing none, he asked if anyone had any new business. Hearing none, Mr. Whitlock moved to the next agenda item.

CLOSED SESSION

Mr. Whitlock moved that the Board go into a closed meeting pursuant to Virginia Code sections 2.2-3711(A)(3) & (A)(5) for a briefing of the members of the Board of Directors and discussion concerning:

- (1) The expansion of an existing business in Henrico County, including the sale of publicly held real property and possible new infrastructure and capital investments, where no previous announcement has been made of the business's interest in expanding its facilities and where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority; and
- (2) The acquisition of real property for a public purpose, including possible uses of the property, the value of the property, and the process for acquisition of the property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority.

With a second by Mr. Mays, and with Ms. Bifulco, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voting "aye," the Board entered closed session.

After the matter had been discussed, Mr. Whitlock moved that the Board exit the closed session and return to open session. Mr. Mays provided a second, and Ms. Bifulco, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voted "aye." Then, Mr. Whitlock read the following Certificate for Closed Meeting into the record:

WHEREAS, the Economic Development Authority of Henrico County, Virginia, 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

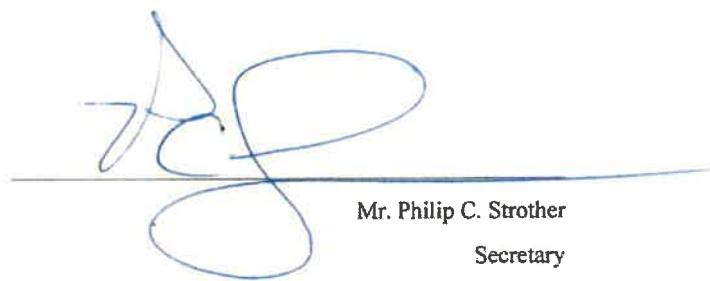
WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Board certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law 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 convening the closed meeting were heard, discussed, or considered by the Board.

Mr. Whitlock moved that the Board certify the closed meeting. Mr. Strother seconded the motion, and Ms. Bifulco, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voted "aye."

After reconvening in open session and certifying the closed meeting, on a motion by Mr. Mays, seconded by Mr. Whitlock, the Board approved the sale of property owned by the Economic Development Authority to an expanding existing business in Henrico County, subject to a repurchase provision to be negotiated between the parties, and other terms similar in form and substance as those described to the Board in closed session, including a purchase price based on usable acres and a deposit to be non-refundable in part, with Ms. Bifulco, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voting "aye." Then, on a motion by Mr. Mays, seconded by Mr. Pearson, the Board authorized the Executive Director to make an offer to purchase real property in furtherance of the purposes of the Economic Development Authority and subject to terms similar in form and substance as those described to the Board in closed session, including a purchase price based on usable acres and a deposit to be fully refundable during a 180-day due diligence period, with Ms. Bifulco, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voting "aye."

There being no further business, the meeting adjourned at 7:52 p.m.



Mr. Philip C. Strother
Secretary