

**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 Wednesday, September 28th, 2022 at the Henrico EDA offices at 4300 East Parham Road, Henrico, VA 23228.

DIRECTORS PRESENT

Susan Custer, Chairman
Eddie S. Whitlock, Vice Chair
Dennis J. Berman, Treasurer
S. Floyd Mays, Jr.
Linda Melton
Travis Pearson
Frank Thornton

DIRECTORS ABSENT

Philip C. Strother, Secretary

DIRECTORS PARTICIPATING ELECTRONICALLY

Samuel Bagley

OTHERS PRESENT

Ryan Murphy, Deputy County Attorney
Anthony J. Romanello, Executive Director
Ebonie Atkins, Managing Director
Andrew Larsen, Managing Director
Kayla Coleman, Business Representative
Krista Rodgers, Marketing Manager
Ashley Kubat, Office Administrator

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

AUTHORIZATION OF ELECTRONIC PARTICIPATION

Ms. Custer informed the Board that Samuel Bagley is unable to physically attend the meeting in person due to a medical condition that prevents his attendance. Mr. Bagley wishes to participate remotely from his residence. Ms. Custer stated that the Board has made arrangements for Mr. Bagley to be heard by all persons at this location and confirmed that a quorum is present. She moved that the Board approve the electronic participation in the meeting by Mr. Bagley. On a second by Mr. Pearson, the electronic participation was approved, with Ms. Custer and Melton, and Messrs. Berman, Mays, Pearson, Thornton, and Whitlock all voting “aye.”

APPROVAL OF MINUTES

Ms. Custer asked if there were any corrections or additions to the July 21st, 2022 Finance Committee meeting minutes. Hearing none, with a motion by Mr. Berman, seconded by Mr. Thornton, the July 21st, 2022 Finance Committee meeting minutes were approved by the Finance Committee, with Ms. Melton, and Messrs. Bagley, Berman, and Thornton all voting “aye.” Ms. Custer abstained as she was not present during the July 21, 2022 Finance Committee meeting.

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

Ms. Custer asked if there were any corrections or additions to the August 30th, 2022 Special meeting minutes. Hearing none, with a motion by Mr. Mays, seconded by Ms. Melton, the August 30th, 2022 Special meeting minutes were approved, with Ms. Custer and Melton, and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voting “aye.”

RESOLUTION – SIGNATORY AUTHORITY – COMMONWEALTH’S DEVELOPMENT OPPORTUNITY FUND AGREEMENT – EAB GLOBAL, INC.

Mr. Romanello stated that this resolution was a housekeeping matter left over from the previous Board meeting, which would allow Mr. Romanello to sign the COF Agreement on behalf of the EDA. The Board had previously authorized Mr. Romanello to sign the corresponding EDA Agreement with EAB Global. Ms. Custer asked if there were any questions. Hearing none, on a motion by Mr. Mays, seconded by Mr. Pearson, the resolution authorizing Mr. Romanello to sign the COF Agreement for EAB Global, Inc. was approved, with

Ms. Custer and Melton, and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voting “aye.”

FY22 AUDIT UPDATE

Ms. Melton informed the Board that the Finance Committee met prior to the Regular meeting with representatives from Brown Edwards. Brown Edwards informed the Finance Committee that the FY22 audit was still in draft form due to waiting on the GASB 75 report from Findley which will be released shortly, and that the auditors provided an unmodified opinion with no significant deficiencies and no issues of non-compliance.

INVESTMENT MANAGEMENT SERVICES CONTRACT

Ms. Melton told the Board that in addition to the FY22 audit, the Finance Committee also discussed the investment management services contract. The EDA worked with the Henrico County Purchasing Division to issue an RFP for investment services and received two responses. After conducting interviews and with careful consideration, Mr. Romanello and Ms. Kubat concluded that Truist Advisory Services was the best fit for the EDA’s needs.

Mr. Romanello stated that as the EDA’s cash balances are increasing, professional financial advice would be beneficial. The EDA currently works with Truist for the EDA’s banking account and T-bill investments, so they are already familiar with the EDA as an organization and with the EDA’s investment policy. Mr. Romanello recommended that the Board approve the contract with Truist Advisory Services. On a motion by Mr. Pearson, seconded by Mr. Whitlock, the investment management services contract with Truist was approved, with Ms. Custer and Melton, and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voting “aye.”

RETENTION INCENTIVES

Mr. Romanello explained to the Board that the conversation around business retention, particularly for office services and corporate headquarters, is ongoing, and the last few months have seen a lot of movement in the region. A major Henrico employer is considering leaving the county to relocate to Richmond City, which has prompted the EDA staff to pursue the development of a retention incentive framework. The EDA studied similar programs around the state and in surrounding counties to determine best practices, with job loss prevention being the

main goal. Mr. Romanello introduced Ms. Atkins and Ms. Coleman to present the incentive plan.

Ms. Atkins stated that the major employer incentive program would be a discretionary incentive offered to a Henrico-based company actively considering moving their operation either within the Commonwealth or to another state. The incentive would prevent the potential job and tax revenue loss from the company's move outside of the County. The loss of a major employer, often representing a recognizable brand, could negatively impact the County image at both a regional and national level.

Ms. Atkins outlined that several factors would be considered when determining the level of support for a retention project, including the number of jobs at risk, wage level, capital investment, whether the company falls into one of the EDA's target sectors, and location. The incentive would be administered similarly to the Virginia Jobs Investment Program (VJIP), which would pay an amount per job retained. If approved, the grant would be paid in three annual installments up to the approved amount.

Mr. Mays asked if the EDA had a plan to recover the losses incurred from incentivizing retention similar to how losses are recovered when attracting a new company to the County. Ms. Atkins answered that the EDA doesn't have a plan to recover the specific amount spent to retain the company, but rather will see the money return over time as tax revenue from the company if they stay in Henrico. Mr. Romanello replied that while a revenue loss may be incurred initially with a retention incentive, there will be an overall larger benefit for Henrico's image as a whole.

Mr. Mays responded that on principle, he was opposed, but conceded that he could see the value in the project. Mr. Mays explained that if major employers aren't doing well in the county, the EDA can support them with the expectation that the assistance will lead to improved future performance. Mr. Pearson agreed, stating that the world has changed, and noted the value of keeping companies in Henrico. Mr. Romanello added that the retention incentive would be applied like any other EDA agreement, which would be subject to EDA approval and appropriation by the Henrico Board of Supervisors.

Mr. Berman asked for clarification on whether the approval process for the retention incentive would be a reactive or proactive approach. Ms. Atkins answered that the incentive would be applied reactively, as the EDA would not go in search of companies exploring relocation, but if the EDA happens to find out that a company is trying to leave, the EDA will work to keep them in the county. Mr. Berman followed by asking if provisions would be in place to protect the EDA's interests. Ms. Romanello responded that it hasn't been the practice of the EDA to use claw-backs, having found that issuing incentives post-performance has historically been much more effective.

Mr. Thornton questioned if the vacancy created by a major employer leaving the county would provide more opportunity for smaller businesses to grow in Henrico. Ms. Atkins responded that it would from a real estate perspective, but that it is much easier to keep a company than to attract a new one. An unintended consequence of that situation could mean

more vacant real estate on the market which in turn could create a larger problem, especially considering the existing office space issue.

Ms. Custer stated that she did not support the retention incentive plan due to the lack of protection for the EDA and potential for posturing. Mr. Whitlock highlighted the large amount of effort expended to bring companies to Henrico and suggested there could be value in balancing that work with retention efforts. Mr. Berman agreed with Ms. Custer but again noted the EDA Board's ability to consider each retention incentive agreement on its merits.

Mr. Romanello responded that the EDA staff can use the discussion as internal guidance and explained that the Board is not required to take formal action on the issue. The retention incentives can be addressed on a case-by-case basis, subject to EDA Board approval. Mr. Romanello expressed that his main concern is that if a company wishes to leave Henrico, they leave because it was their own decision, not because Henrico didn't do their best to help them address their issues. On a motion by Mr. Mays, seconded by Mr. Pearson, the retention incentive program was approved, with Ms. Melton and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voting "aye," and Ms. Custer voting "nay."

COMMITTEE REPORTS

Marketing: In August, Ms. Rodgers stated that the EDA launched the registration for Henrico Circle, released *Property Now* on August 18th, and provided several updates on White Oak Technology Park. The employee features highlighted Ms. Atkins and independent businesses, Ms. Miller and placemaking, and will soon feature Mr. Larsen and quality of life. In September, milestones included debuting the new bond application banner, releasing the quality-of-life campaign concept, campaign, and report, and the September issue of *Property Now*.

Personnel: Mr. Whitlock announced that Mr. Berman has finished compiling the data for the 2022 Executive Director performance evaluations and the results will be emailed out to the Board shortly for review. Mr. Whitlock asked that the Board submit any questions or concerns within seven days as the results will be presented at the October Board meeting.

Strategic Planning: None

Finance: Ms. Melton's report was presented during the FY22 audit update and investment management services contract agenda items.

TEAM EDA MONTHLY REPORT

Mr. Romanello sadly announced that Ms. Bifulco's last meeting with the EDA Board was in August, as she has since moved. The Board of Supervisors has accepted her resignation, which leaves one vacant slot on the EDA Board. There have been no updates thus far on a new member.

Mr. Romanello informed the Board that the package for the Old Osborne property was submitted to the Commonwealth of Virginia. The due diligence period was shortened, and an answer is expected soon. The State has informed the EDA that they have received several competitive proposals.

Mr. Romanello stated that preparation for the Board of Supervisors retreat on the 1st and 2nd of December 2022 has begun and he will be participating in two presentations (1) industrial land availability as the County updates the 2026 Comprehensive Plan and (2) the task force for problem hotels and opportunities for the Williamsburg Road corridor.

BIANNUAL FOIA TRAINING

Mr. Murphy provided the Board's biannual FOIA training. He explained that the purpose of the Freedom of Information Act is to promote awareness of government activities and allow citizens to witness the operations of government. The government is designed to work on behalf of the public and therefore should not act in secrecy. FOIA provides access to public records and public meetings.

FOIA provides the right to inspect and copy public records in the possession of a public body and the right to attend the meetings of public bodies where public business is discussed or transacted unless a closed meeting is authorized. Mr. Murphy's presentation addressed topics including receiving and responding to FOIA requests, meetings, and the rights and responsibilities of requesters and public bodies.

At the end of the presentation, Ms. Custer asked if there were any questions. Hearing none, she moved to the next agenda item.

CLOSED SESSION

Ms. Custer moved that the Board go into closed meeting pursuant to Virginia Code sections 2.2-3711(A)(3) & (A)(5) of the Code of Virginia of 1950, as amended, for a briefing of the members of the Board of Directors and discussion concerning

- (1) the acquisition of real property for a public purpose, including the value of the property, the envisioned use of the property, and the acquisition process, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, and
- (2) three prospective businesses interested in locating in Henrico County, including potential new infrastructure and capital investments by each business, where no previous announcement has been made of the businesses' interest in locating facilities in Henrico County.

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

When the closed session discussion was completed, Ms. Custer moved that the Board exit the closed session and return to open session. Mr. Mays provided a second, and Ms. Custer and Melton, and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voted "aye." Then, after returning to open session, Ms. Custer read the following Certificate for Closed Meeting into the record:

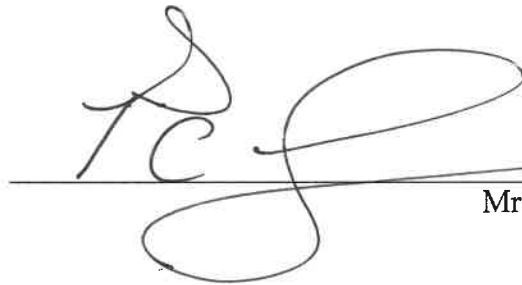
WHEREAS, the Economic Development Authority of Henrico County, Virginia, has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

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.

Ms. Custer moved that the Board certify the closed meeting in accordance with the Certificate for Closed Meeting. Mr. Pearson seconded the motion, and Ms. Custer and Melton, and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voted "aye."

There being no further business, the meeting adjourned at 7:42 p.m.



Mr. Philip C. Strother
Secretary