

**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, October 20th, 2022 at the Henrico EDA offices at 4300 East Parham Road, Henrico, VA 23228.

DIRECTORS PRESENT

Eddie S. Whitlock, Vice Chair
Philip C. Strother, Secretary
Sam Bagley
S. Floyd Mays, Jr.
Linda Melton
Travis Pearson
Frank Thornton

DIRECTORS ABSENT

Susan Custer, Chairman

DIRECTORS PARTICIPATING ELECTRONICALLY

Dennis J. Berman, Treasurer

OTHERS PRESENT

Ryan Murphy, Deputy County Attorney
Anthony J. Romanello, Executive Director
Sheila Minor, Henrico County Director of Finance
Ebonie Atkins, Managing Director
Andrew Larsen, Managing Director
Twyla Powell, Managing Director
Krista Rodgers, Marketing Manager
Ashley Kubat, Office Administrator

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

ANNOUNCEMENT REGARDING ELECTRONIC PARTICIPATION

Mr. Whitlock informed the Board that Dennis Berman is unable to physically attend the meeting in person due to a medical condition that prevents his attendance. Mr. Berman was not able to remotely connect at the time of the vote. The Board tabled the issue until Mr. Berman had successfully connected.

APPROVAL OF MINUTES

Mr. Whitlock asked if there were any corrections or additions to the September 28th, 2022 regular meeting minutes. Hearing none, with a motion by Mr. Pearson, seconded by Mr. Thornton, the September 28th, 2022 regular meeting minutes were approved, with Ms. Melton and Messrs. Bagley, Mays, Pearson, Strother, Thornton, and Whitlock all voting “aye.”

RESOLUTION – SIGNATORY AUTHORITY – AMENDED AND RESTATED ECONOMIC DEVELOPMENT AGREEMENT – VCC HOTEL, LLC

Mr. Romanello introduced Sheila Minor, Director of Finance for Henrico County, to present the amended and restated agreement with VCC Hotel, LLC. Ms. Minor stated that the original agreement was for the construction of one hotel, and now the plan is for two hotels at the location. The Sports and Entertainment Authority plans to build an arena adjacent to the property which will attract considerable tourism to the area, prompting the demand for the second hotel. The new agreement will provide monetary grants over a seven-year period beginning after the redevelopment is completed and water and sewer credits to offset the cost of connecting the project to the County’s water and sewer systems.

Mr. Mays asked how the rebate was determined. Ms. Minor answered that the grant will be equal to the differential in real estate taxes computed on the base value and the real estate taxes attributable to improvements actually made on the site during the applicable certification period. Mr. Bagley questioned if there were other hotels in the area. Mr. Romanello answered that there are a few hotels located in the general area. Mr. Bagley asked how many hotel rooms were in each hotel. Ms. Minor answered that there were roughly 175 in each hotel.

Mr. Romanello informed the Board that the agreement specifies that the hotels must be a certain grade, and if the developer wants to change that grade, the Board must approve the change. Mr. Pearson inquired if the county has been collecting statistics on how much sports travel has increased in the area. Ms. Minor answered that statistics specifically relating to the VCC area have not been collected, but that other areas in the county have a robust sports tourism

industry, generating about \$60 million yearly. The new facility at VCC is projected to generate another \$30 million per year.

Mr. Whitlock asked if there were any additional questions. Hearing none, on a motion by Mr. Mays, seconded by Mr. Pearson, the amended and restated Economic Development Agreement with VCC Hotel, LCC was approved, with Ms. Melton and Messrs. Bagley, Mays, Pearson, Strother, Thornton, and Whitlock all voting “aye.”

REQUEST FOR EDA APPROVAL OF HIP PROGRAM GRANT AUTHORIZATION

Mr. Romanello informed the Board that there were two HIP program grant authorizations to consider, reminding them that any grants exceeding \$25,000 require Board approval. The first grant request was for Roberto Italian Restaurant, located at 5410 Williamsburg Road. The applicant has submitted a completed application for a Building Improvement Grant in support of the building renovation estimated at \$698,000. The amount of construction cost would qualify for a HIP Zone Building Improvement Grant of \$30,000. On a motion by Mr. Mays, seconded by Mr. Bagley, the HIP Zone Building Improvement Grant was approved, with Ms. Melton and Messrs. Bagley, Mays, Pearson, Strother, Thornton, and Whitlock all voting “aye.”

Mr. Romanello stated that the next grant request was for Let’s Be a Kid Daycare, located at 4107 Dill Road. The applicant applied for a HIP Zone Building Improvement Grant to assist with the substantial renovation of the building that will be converted into a daycare facility. The renovation is estimated at \$219,000. The amount of construction cost would qualify for a HIP Zone Building Improvement Grant of \$30,000. On a motion by Mr. Pearson, seconded by Mr. Thornton, the HIP Zone Building Improvement Grant was approved, with Ms. Melton and Messrs. Bagley, Mays, Pearson, Strother, Thornton, and Whitlock all voting “aye.”

AUTHORIZATION OF ELECTRONIC PARTICIPATION

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

R&D UPDATE

Mr. Romanello introduced Mr. Larsen to provide an update to the Board on the research and development lab space initiative. Mr. Larsen stated that the EDA is continuing to work with Biorealty, DPR Construction, and other firms to explore potential development opportunities. Biorealty provided a viability assessment for greenfield development on Site One at White Oak Technology Park, titled “The Biome at Richmond.” They are also conducting a shared public/private risk assessment. DPR Construction has provided a test fit for a vacant office building in Innsbrook to convert into lab space and has explored the possibility of other vacant office space properties as well.

Mr. Larsen continued his research and development update, stating that Henrico is in the process of meeting with key experts and companies engaged in the life sciences field to fine tune Henrico’s value proposition and areas of focus. The EDA is also nurturing strategic relationships with organizations such as VCU Health and VCU Engineering, who are key innovators in the field. The development of a targeted marketing plan with valuable digital and print material is also a top priority.

Mr. Larsen detailed the outreach strategy, saying that the EDA will use the marketing materials as a springboard to move forward with in-person and virtual events. The EDA staff will conduct outreach to brokers, venture capital firms, contacts at established life sciences firms, and site selection consultants. The idea is spread the word that Henrico is able to meet the need for wet lab space and is open for business.

Mr. Larsen stated that defining what would be considered success in the lab space venture is critical to ensuring the project stays on target. Some objectives include completing a full viability assessment for White Oak Technology Park, moving forward with wet lab development in the County, aggressively marketing to key targets, engaging in meaningful discussions with two to three life sciences-related companies, and strategizing for Henrico to be well-positioned to capitalize on the continued growth of the industry. The EDA has already conducted meetings with several key stakeholders, including John Newby from Virginia Bio, Jeff Gallagher with Alliance for Building Better Medicine, Travis McCready from JLL, Dr. Frank Gupton from VCU, and Tim Skender from King Street Properties.

Mr. Mays questioned what the cost per square foot of lab space development is. Mr. Larsen answered that while the cost can vary greatly, it is usually in the range of \$400 - \$600 per square foot. Mr. Mays followed by asking what the minimum size building companies are willing to build for lab space. Mr. Larsen answered that around 5,000 square feet is usually sufficient.

Mr. Whitlock asked if there were any additional questions. Hearing none, he continued to the next agenda item.

2022 EXECUTIVE DIRECTOR PERFORMANCE EVALUATION REVIEW

Mr. Whitlock informed the Board that the 2022 Executive Director Performance Evaluation review has been finalized. Mr. Whitlock and Ms. Custer have a meeting scheduled with Mr. Romanello to review the results next week. Mr. Whitlock noted that this update also covered his personnel report.

COMMITTEE REPORTS

Finance: Ms. Melton stated that the OPEB report was given to Brown Edwards and the audit was completed. The final audit report will be given to the EDA Board in November for approval. Truist Advisory Services will also provide a brief in November on the EDA's cash management strategy.

Marketing: Mr. Bagley introduced Ms. Rodgers to provide the marketing report. Ms. Rodgers informed the Board that the EDA was debuting the new quality of life campaign titled "Live Your Best." This campaign will be directed at not only site selectors and consultants, but also job seekers and people willing to relocate. The report will be part of a larger regional content package distributed in conjunction with the Greater Richmond Partnership. The EDA has distributed a press release for the campaign and has updated the website and LinkedIn. A one-pager highlighting the key talking points was also distributed at the recent VCU Real Estate Trends Conference.

Mr. Strother asked if the document Ms. Rodgers presented was the final version. Mr. Rodgers answered that it is a living document and will be updated as necessary. Mr. Strother suggested that revisions could be made to the campaign that would make it more inclusive of all families in Henrico. Mr. Pearson agreed but questioned how those changes could be made in an impactful way. Mr. Thornton suggested that using more diverse imagery could provide a more inclusive look. Mr. Romanello thanked the Board for the constructive feedback and stated that the EDA would look for ways to implement their suggestions.

Strategic Planning: Mr. Strother informed the Board that Mr. Romanello would provide the Q1 Workplan update, and that information combined with Mr. Larsen's R&D update would conclude his report.

TEAM EDA MONTHLY REPORT

Mr. Romanello reviewed the information provided in the Q1 Workplan update, highlighting a few key items. In Q1, new projects provided \$144 million in capital investment and 1.5 million square feet. Ms. Atkins has had several important meetings during Q1, including meeting with VUU to discuss the talent pipeline, Chamber RVA, Chesterfield Chamber, and major employers in Henrico. Ms. Powell oversaw the completion of the site analysis work with Timmons and has begun to further refine the process. As presented earlier in the meeting, Mr. Larsen has been working on the R&D initiative for lab space through conducting a viability assessment.

Mr. Romanello highlighted the EDA staff's professional development, stating how proud he is of the many accomplishments. Mr. Romanello also informed the Board that the EDA had been outbid on the Old Osborne property. Mr. Mays asked what the final price was. Mr. Romanello answered that the information on the sale is still confidential but will become public record once finalized. Mr. Strother asked what the EDA's final offer was. Mr. Romanello stated that the EDA offered \$1.5 million. While the property appraised for over \$3 million, it needed substantial costly improvements.

Mr. Romanello reminded the Board about the upcoming IEIC NAP Summit 2.0 on November 8th, 2022. There are over 250 registered attendees and the event will feature an array of interesting presenters. Vint Cerf will be the keynote speaker, and two members of the Governor's cabinet will be in attendance.

Mr. Romanello also pointed out that the Richmond Times Dispatch featured an article on the digital connectivity in Henrico. The article provided a good illustration of the infrastructure in the county. Mr. Romanello passed the article around for the Board's viewing. Mr. Romanello closed by announcing that the Board of Supervisors intends to reappoint the Board members whose terms are expiring.

OLD/NEW BUSINESS

Mr. Whitlock asked if there was any old business. Hearing none, he asked if there was any new business. Hearing none, he proceeded to the next agenda item.

CLOSED SESSION

Mr. Whitlock moved that the Board go into a closed meeting for a briefing of the members of the Board of Directors and discussion concerning:

- (1) pursuant to Virginia Code section 2.2-3711(A)(5), the expansion of an existing business, including potential new infrastructure and capital investments by the business, incentives, and timing, where no previous announcement has been made of the business' interest in expanding its facilities in the County,
- (2) pursuant to Virginia Code section 2.2-3711(A)(3), the acquisition of two parcels of real estate for public purposes, including the value of the real estate, the planned use of the real estate, and the process for the acquisitions, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority, and
- (3) pursuant to Virginia Code section 2.2-3711(A)(3) & (A)(5), the disposition of publicly held real property, including the potential terms of sale and the prospective purchaser's intended use of, and investments in, the property, to a business interested in locating its facilities in Henrico County where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority and where no previous announcement has been made of the business' interest in locating its facilities in the County.

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

When the closed session discussion was completed, Mr. Whitlock moved that the Board exit the closed session and return to open session. Mr. Pearson provided the second, and Ms. Melton and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voted "aye." Then, after returning to open session, 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

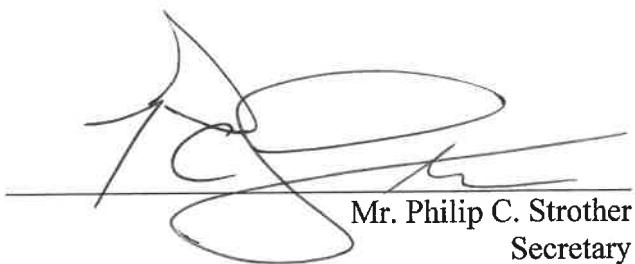
WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia Law.

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 by the motion convening the closed meeting were heard, discussed, or considered by the Board.

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

Having reconvened in open session and having certified the closed meeting, Mr. Mays moved that the Board authorize the Executive Director to execute the Project Tropical agreement. Mr. Pearson provided a second, and Ms. Melton and Messrs. Bagley, Berman, Mays, Pearson, Strother, Thornton, and Whitlock all voted "aye."

There being no further business, the meeting adjourned at 7:47 p.m.



Mr. Philip C. Strother
Secretary