

**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, January 19th, 2023 at the Henrico EDA offices at 4300 East Parham Road, Henrico, VA 23228.

DIRECTORS PRESENT

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

DIRECTORS ABSENT

None

DIRECTORS PARTICIPATING ELECTRONICALLY

None

OTHERS PRESENT

Tim Davey, Timmons Group, Principal
Ryan Murphy, Deputy County Attorney
Anthony J. Romanello, Executive Director, Henrico EDA
Dennis Bickmeier, Executive Director, Henrico SEA
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.

ANNOUCEMENT REGARDING ELECTRONIC PARTICIPATION

Ms. Custer announced that none of the Directors would be participating remotely and continued to the next agenda item.

REPORT OF NOMINATING COMMITTEE AND ELECTION OF OFFICERS

Mr. Mays reported that after an in-depth analysis and review, the Nominating Committee recommends the four current officers to continue for another term, which are Susan Custer as Chair, Eddie Whitlock as Vice Chair, Dennis J. Berman as Treasurer, and Philip C. Strother as Secretary. On a motion by Mr. Pearson, seconded by Mr. Thornton, the Nominating Committee's recommendation of officers was approved and the nominees were elected to their respective offices, with Ms. Melton, Ms. Custer, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Thornton, and Whitlock all voting "aye."

APPROVAL OF MINUTES

Ms. Custer asked if there were any corrections or additions to the November 17th, 2022 regular meeting minutes. Hearing none, with a motion by Mr. Mays, seconded by Ms. Melton, the November 17th, 2022 regular meeting minutes were approved, with Ms. Melton, Ms. Custer, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Thornton, and Whitlock all voting "aye."

Ms. Custer asked if there were any corrections or additions to the December 15th, 2022 regular meeting minutes. Hearing none, with a motion by Ms. Melton, seconded by Mr. Whitlock, the December 15th, 2022 regular meeting minutes were approved, with Ms. Melton, Ms. Custer, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Thornton, and Whitlock all voting "aye."

Mr. Romanello requested that the Board move to the Timmons engineering proposal out of respect for Mr. Davey's time.

**TIMMONS ENGINEERING PROPOSAL – WHITE OAK TECHNOLOGY PARK SITES
3 & 4**

Mr. Romanello introduced Mr. Tim Davey, a principal at Timmons Engineering, and informed the Board that the EDA is asking the Board to authorize a contract with Timmons for Sites 3 and 4 at White Oak Technology Park. Sites 3 and 4 are the smallest sites in the park, with 13 and 44 usable acres, respectively. While there are many prospects interested in the properties, there are no letters of intent. Site 4 contains a sewer line which limits potential building plans, and the size of Site 3 is restrictive.

Mr. Romanello suggested that both sites could potentially be developed together utilizing a bridge over the wetlands to create a small campus format. The work outlined in the Timmons proposal will advance the sites forward in order to make them as ready as possible for development by the private sector. The expenses incurred through performing the work in the proposal are fully reimbursable through the EDA's cost-sharing agreement with the Virginia Department of General Services.

Mr. Davey stated that obtaining permission to build can often take longer than the time it takes to build, but there are ways to eliminate risk and questions surrounding a property. The current proposal is similar to Meadowville Tech Park's LEGO project in Chesterfield County. The EDA can also build a pad to eliminate risks, along with clearing trees, building roads, and obtaining preapprovals. These types of due diligence activities are becoming mainstream, and VEDP understands that buyers want to know how ready the site is.

Mr. Mays asked how much time the White Oak Tech Park proposal will save the buyer. Mr. Davey answered that it will save six months for the buyer. Mr. Berman questioned the potential downsides to the current proposition, stating that virtual technology can assist with site selection and leave the land intact. Mr. Davey replied that the plan is to leave the trees in place and not physically construct anything, which means that the downside can be discovery of a fatal flaw. Mr. Davey highlighted that a fatal flaw would turn up eventually at some point, so it is better to find it up front.

Mr. Romanello added that if the EDA gets a serious prospect for Sites 3 & 4, the EDA will have the ability to stop the work with Timmons and leave it for the prospect to pick up. Ms. Custer asked if there were any additional questions. Hearing none, on a motion by Mr. Mays, seconded by Mr. Pearson, the Timmons Engineering proposal was approved, with Ms. Melton, Ms. Custer, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Thornton, and Whitlock all voting "aye."

HENRICO SPORTS AND ENTERTAINMENT AUTHORITY UPDATE

Mr. Bickmeier announced that the Sports and Entertainment Authority is now two-thirds of the way through their first year. The SEA is the first of its kind in the Commonwealth of Virginia, and now Hampton Roads, Fairfax, and Arlington are looking at similar ideas. Currently, the SEA is under the oversight of a Board of Directors made up of agency heads from various county agencies and will transition to a community-based board next year. The SEA was set up as a political subdivision. Currently, the main objective is attracting sports tourism, which has developed into its own sector and generates around \$60 million a year.

Last year, Henrico hosted more than 160 tournaments. Between travel and tourism, \$1.3 billion in revenue was generated for the County. There was a 99% increase in impact from 2012 to 2019. Mr. Pearson asked for the 2023 projection. Mr. Bickmeier conservatively estimated \$70 million, noting that much depends on the development of VCC.

Mr. Bickmeier stated that the SEA has four key pillars: sports tourism and entertainment events, facility development, homegrown events, and growth and development of sports. They are working diligently on the GreenCity project, and VCC is under roof. The SEA should have keys by September and be able to host events by November of 2023.

Mr. Bickmeier explained that Henrico has so much potential for sports tourism development because of its location, which offers unbeatable accessibility up and down the East Coast. Henrico also boasts the busiest train terminal in the Southeast, with the Staples Mill Amtrak station, has access to Richmond International Airport, and direct access to I-64, I-95, and I-295. Henrico offers more than just convenience – it offers an experience. The nationally recognized restaurants and outdoor adventure scene, strengthened by the James River, has helped get Henrico on many must-see lists, including *Southern Living* and *The New York Times*.

Henrico has more than 40 parks and recreational facilities, many of which that have been updated within recent years. The Henrico Sports and Events Center will feature NCAA regulation hard courts, 185,000 square feet, 3,500 fixed stadium seats, and will open in 2023. The Frank J. Thornton Aquatics Center has an 8-lane, 25-yard pool, 21,000 square feet, retractable spectator seating, and opened in 2020. The opening of GreenCity in 2026 is much anticipated, and the project will feature 17,000 seats in the indoor arena. Notable outdoor venues include Glover Park, Dorey Park, Pouncey Tract Park, and Belmont Golf Course.

Mr. Bagley asked which sport brings the most money and people. Mr. Bickmeier replied that soccer and girls' softball top the list. Statistics show that when a female athlete comes to play, both parents and maybe a sibling or a grandparent will come along. When a boy plays, it is typically one parent. Ms. Melton asked if Henrico has enough hotel rooms to accommodate the anticipated growth. Mr. Bickmeier answered that Henrico is challenged in that area currently, but two more are planned at VCC.

Ms. Melton stated that it would be nice to see the CIAA back in the area. Mr. Bickmeier agreed, saying that VCC would be a perfect place to host. Mr. Thornton asked about the job opportunities the VCC project will bring. Mr. Bickmeier answered that an RFP is in progress to

search for an operator to run the staff, and that once that is finished, there will be a better understanding of the job numbers.

RESOLUTION – SUPPORT FOR UTILIZATION OF INDUSTRIAL ACCESS RAILROAD TRACK FUNDS – LIBERTY PROPERTY LIMITED PARTNERSHIP

Ms. Atkins informed the Board that Liberty Property is submitting the application on behalf of TemperPack and is requesting \$400,000 for on-site rail improvements. TemperPack manufactures protective packaging materials used in healthcare, perishable foods, flowers, and animal food. Their packing peanuts are made from cornstarch. When Temperpack came to Henrico in 2018, they located on Carolina Avenue. Having since grown to over 200 employees and 370,000 square feet, they have now expanded into the former American Paper building.

The company plans to build two silos at the back of the property to house the cornstarch, and plans to use a truck to go from the hopper car on the rail tracks to the site. These improvements will reduce truck traffic, since they are currently getting two trucks a day in from Iowa. They also plan to expand the asphalt behind the property which will allow other tenants to have access to the rail improvement as well.

Ms. Atkins explained that this improvement comes with no cost to the EDA. The EDA is simply asking for support for them on their application. Mr. Berman commented that cornstarch is known to be highly flammable and asked about the plan to mitigate the risk of fire. Ms. Atkins answered that while the specific topic of flammability has not come up in discussions, she trusts that the EDA's County partners have thoroughly investigated any hazards. She also highlighted that the silos are not located in a residential area.

Ms. Custer asked if there were any additional questions. Hearing none, on a motion by Mr. Mays, seconded by Mr. Pearson, the resolution for support for Liberty Property Limited Partnership passed, with Ms. Melton, Ms. Custer, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Thornton, and Whitlock all voting "aye."

COMMITTEE REPORTS

Finance: Ms. Melton stated that the EDA continues to work with Truist Advisory Services as the T-bills mature to ensure a good return on the cash assets. The EDA is also developing the FY24 budget, and with interest earnings well above budgeted amounts, plans to ask the County for level funding.

Marketing: Mr. Bagley informed the Board that the storyboarding for the video for social media on community growth and target sectors was completed and the video from the NAP summit featuring a clip from the fireside chat portion with a quote from Mr. Romanello has been completed. The EDA is launching a blog to stake its claim in thought leadership.

Personnel: No report.

Strategic Planning: No report.

TEAM EDA MONTHLY REPORT

Mr. Romanello briefly restated the revenue sharing agreement that the EDA has with the Commonwealth and announced that the EDA's request to redistribute those funds did not make it into the Governor's amendments, but that there is a positive outlook for making it into the budget amendments. The bill has gained the support of Senators McClellan and Dunnivant. Further updates will be given at the February meeting. Mr. Mays questioned if it would be helpful if the Board contacted their representatives to garner further support. Mr. Romanello stated that he would check with the lobbyist working with the EDA and report back.

Mr. Romanello informed the Board that due to the current labor market, he has been working with the County on evaluating the compensation for the EDA teams' salaries. Mr. Romanello further pointed out that all EDA positions were evaluated by County Human Resources except the Executive Director and the vacant GIS & Real Estate Analyst position. The County was able to provide a series of recommendations which were implemented in January of 2023 to keep the salaries competitive with the surrounding areas. Kayla Coleman's position has been upgraded to "Business Manager," which more adequately reflects the work that she provides to the EDA.

Mr. Larsen stated that the EDA has been working closely with Timmons to evaluate the industrial sites inventory in Henrico. In summary, Henrico is very constrained on the availability of larger sites, especially sites which can accommodate building footprints of one million square feet or larger. The goal of working with Timmons has been to identify the maximum buildable footprint on the remaining sites. In the last two years, Henrico has received RFIs for over ten projects totaling over \$10 billion in capital investment and bringing over 20,000 new jobs that the EDA was unable to submit for due to not having a large enough industrial site. VEDP declined to consider Henrico for an additional ten projects due to the constraint on industrial site availability.

Mr. Larsen summarized a recent call with VEDP on the issue, stating that there are currently 14 prospects in their pipeline, totaling \$23.1 billion in capital investment and offering 14,100 new jobs. Since January 2022, VEDP has considered White Oak Technology Park Sites 5 & 6 for nine industrial projects. There are only six sites in Virginia that are Tier 3 or higher

and over 250 acres. VEDP informed the EDA that they are currently targeting top semiconductor companies through an initiative that has the direct involvement of Governor Youngkin, Senator Warner, and the VEDP staff.

Mr. Mays asked what the solution to the problem is. Mr. Romanello answered that the EDA has laid the groundwork with the Board of Supervisors and is looking to identify potential industrial sites in Eastern Henrico. The EDA hopes to continue those conversations into 2024. Mr. Romanello identified the main challenges as community support and infrastructure.

OLD/NEW BUSINESS

Ms. Custer asked if there was any old business. Hearing none, she asked if there was any new business. Hearing none, she proceeded to the next agenda item.

CLOSED SESSION

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

the disposition of publicly held real property, including the potential terms of sale and the prospective purchasers' intended use of, and investments in, the property, to two prospective businesses interested in locating their 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 prospective businesses' interest in locating their facilities in the County.

With a second by Mr. Pearson, and with Ms. Melton, Ms. Custer, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, 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. Whitlock seconded the motion, and Ms. Melton, Ms. Custer, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Thornton, and Whitlock all voted "aye." Then, after returning to open session, Ms. Custer read the following Certificate for Closed Meeting into the record:

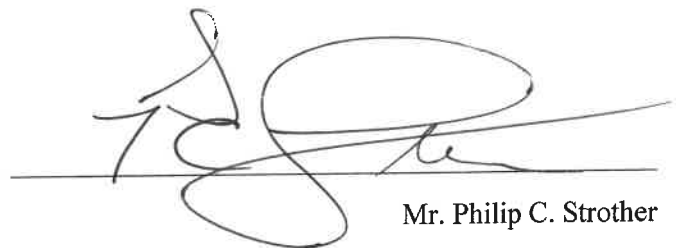
WHEREAS, the Economic Development Authority of Henrico County, Virginia, has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

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. Melton, Ms. Custer, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Thornton, and Whitlock all voted "aye."

There being no further business, the meeting adjourned at 8:15 p.m.

A handwritten signature in black ink, appearing to be "P. Strother", written over a horizontal line.

Mr. Philip C. Strother

Secretary