

**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, April 20th, 2023, at the Henrico EDA offices at 4300 East Parham Road, Henrico, VA 23228.

DIRECTORS PRESENT

Eddie S. Whitlock, Vice Chair
Dennis J. Berman, Treasurer
Sam Bagley
Floyd Mays
Linda Melton
Travis Pearson
Frank Thornton

DIRECTORS ABSENT

Susan Custer, Chair
Philip Strother, Secretary
Suresh Soundararajan

DIRECTORS PARTICIPATING ELECTRONICALLY

None

OTHERS PRESENT

Stephen Gow, Director, Truist Wealth
Mike Feinmel, Deputy County Manager for Public Safety
Ryan Murphy, Deputy County Attorney (Remote)
Anthony J. Romanello, Executive Director
Andrew Larsen, Managing Director
Devon White, Project Research Specialist
Ashley Kubat, Office Administrator

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

ANNOUNCEMENT REGARDING ELECTRONIC PARTICIPATION

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

APPROVAL OF MINUTES

Mr. Whitlock asked if there were any corrections or additions to the February 16th, 2023 regular meeting minutes. Hearing none, with a motion by Ms. Melton, seconded by Mr. Thornton, the minutes for the February 16th, 2023 regular meeting were approved, with Ms. Melton and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voting “aye.”

HENRICO COUNTY HOTEL TASK FORCE UPDATE BY MIKE FEINMEL

Mr. Romanello introduced Mr. Feinmel as the Henrico Deputy County Manager for Public Safety. Mr. Feinmel stated that prior to joining the County Manager’s office, he had worked as a Henrico County prosecutor for drug-related cases since 2005. Mr. Vithoukas, the County Manager, asked him to apply his knowledge to addressing the problem hotels in Henrico County.

Mr. Feinmel informed the Board that certain hotels have become de facto housing for vulnerable populations in the area. Some hotels in eastern Henrico hotels are aging, have substandard conditions, and are functionally obsolete due to decaying buildings, lack of maintenance, zoning violations, and public safety concerns. The public safety concerns at these hotels center around addiction and mental health issues, which create a high number of service calls for the first responders. The problematic hotels in the western side of the county are not aging and deteriorating like those in the east, but still experience some of the same zoning violations and public safety concerns.

Mr. Feinmel explained the characteristics of the populations using these hotels of concern to the County and that certain crisis stabilization programs saw an opportunity during COVID to recruit homeless individuals for crisis service by placing those individuals in obsolete and substandard hotels. Mr. Feinmel stated that the issues are regional and that Henrico is actively pursuing solutions, including the creation of a Hotel Task Force.

Mr. Feinmel explained that the Hotel Task Force is working to ensure hotels are being used for their intended purpose, i.e., short-term stays, and promote redevelopment of obsolete and substandard hotels while avoiding unintended consequences and hardships.

Mr. Feinmel informed the Board that the Hotel Task Force, along with the Henrico Police Department, Henrico Fire Department, and the Building Inspector are working to develop specific strategies for enforcement that are focused on the data. Simultaneously, there is also an equally important focus on the needs of the community, regional efforts, and the priorities of the County. One approach they are working on is specific enforcement zones with targeted enforcement strategies, which allows for a custom approach for each area.

The Task Force is also actively collaborating with IT to expand the data-sharing platform while also working to coordinate County efforts across the board to provide services to long-term residents. This includes collaboration with non-government entities such as hotel management and hospitality organizations. The Task Force is also working on researching the legal authority and best-practice approaches to hotel ordinances and requirements, as well as developing legislation for the Commonwealth to enhance criminal nuisance statutes and sanctions for code violations.

DOMINION ENERGY CHARITY CLASSIC SPONSORSHIP AGREEMENT

Mr. Romanello advised the Board that the cost of the 2023 sponsorship agreement with the PGA for the Dominion Energy Charity Classic has gone up \$10,000 from 2022, now totaling \$175,000. The event is a planned expense built into the EDA's budget. The cost of the "Shot Tracker" logo has dramatically increased so that was removed from the package. Instead, this year will feature a private breakfast with a PGA Tour Champions professional for 30 guests.

The 2023 agreement will include a total investment of \$260,000, with Richmond Region Tourism paying \$85,000 and the EDA paying \$175,000. The EDA will have the same marketing exposure as in 2022, along with the Pro-Am event, Player Clinic, Honorary Observer tickets, and Chalet on the 18th Green. Mr. Romanello recommended the agreement for approval. On a motion by Mr. Mays, seconded by Mr. Pearson, the Dominion Energy Charity Classic Sponsorship agreement was approved, with Ms. Melton and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voting "aye."

TUITION REIMBURSEMENT PROPOSAL

Ms. Kubat informed the Board that the EDA has been working to amend the current tuition reimbursement plan. Data has shown that tuition assistance is an effective recruitment and retention tool, especially valuable in today's challenging job market. Most major employers in the United States offer some kind of tuition reimbursement plan, and most employees say they are interested in furthering their education. The skills that the employees learn through tuition reimbursement programs create more effective employees, and in turn, also make employees more likely to stay with their employer.

The current EDA policy is limited by the low dollar amount allowed per year for reimbursement. The proposed policy would raise the annual cap of \$2,000 per person per fiscal year to \$10,000 and add a repayment clause, should any employee separate within 12 months of receiving tuition reimbursement funds. The rest of the policy would remain intact.

The EDA believes that the policy change will aid in attracting and retaining key talent for the organization in a competitive job market. Mr. Romanello recommended the policy for approval. Mr. Pearson asked for clarification on what happens when an employee receives tuition reimbursement funding and then separates from the agency. Ms. Kubat replied that any funds received within the last 12 months prior to the separation must be paid back to the EDA. On a motion by Mr. Mays, seconded by Mr. Pearson, the amendment to the Employee Manual regarding tuition reimbursement was approved, with Ms. Melton and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voting "aye."

VCU ENGINEERING SCHOOL SCHOLARSHIP UPDATE

Mr. Romanello reminded the Board that the EDA provides a yearly scholarship of \$50,000 for the VCU Engineering school. During the pandemic, there were conversations about how scholarships would be handled in the future and these conversations were unresolved during that fiscal year, and accordingly, no payment was made in FY22. Those issues were resolved and the FY 23 payment was made.

Mr. Romanello recently met with Anita Taylor from the VCU Engineering School who reported that the program has been recently revised and asked the EDA to consider making its contribution at this time. Mr. Romanello informed the Board that the report from VCU addressed the EDA's questions and asked the Board for approval to make the requested contribution for FY22. On a motion by Mr. Pearson, seconded by Mr. Bagley, the request to make the contribution for the scholarship was approved, with Ms. Melton and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voting "aye."

FY24 BUDGET

Mr. Romanello explained to the Board that the EDA has included the County's planned 8.2% raise and market-based salary adjustments for the staff in the budget numbers, accounting for the increase in the personnel expense line item. The consulting line item has increased to allow for the site prep at White Oak Technology Park. The White Oak Technology Park Owner's Association dues line item has decreased since the EDA owns less land now after the recent land sales.

Mr. Romanello stated that the EDA asked the County for level funding this year due to the recent performance of the EDA's investment portfolio, but the County still provided an additional \$100,000. The EDA would like to use the unexpected money to renovate the interior of the building. Ms. Melton stated that the Finance Committee met prior to the regular meeting to discuss the FY24 budget. On a motion to approve the FY24 budget by Ms. Melton, seconded by Mr. Thornton, the FY24 budget was approved, with Ms. Melton and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voting "aye."

COMMITTEE REPORTS

Finance: Ms. Melton stated that the Finance Committee approved the minutes from the September 28th, 2022 Finance Committee meeting and heard an update on the EDA's investments provided by Steve Gow with Truist Wealth.

Personnel: Nothing to report.

Marketing: Mr. Pearson said that the EDA has refreshed the one-pagers, created a library content package, a new content calendar, a data center video, print and digital ads for Interglobix magazine, worked on the "Live Your Best" campaign, and created a new Instagram account.

Strategic Planning: Mr. Romanello stated he would provide the strategic planning report during the team report.

Nominating: Nothing to report.

TEAM EDA MONTHLY REPORT

Mr. Romanello drew attention to the Q3 outcome measures, stating that while the numbers may appear light, the team has been working hard, and the EDA will still meet and exceed all of the metrics except, possibly, new jobs. Mr. Romanello stated that Ms. Powell is currently in Germany with VEDP working to find new prospects.

Mr. Romanello highlighted staff professional development, saying that Mr. Larsen is currently working on his Professional Economic Developer certification, Ms. White plans to attend the IEDC basic course soon, and Ms. Kubat has completed her SHRM-CP certification. Mr. Romanello also stated that the EDA is still working to bring more marketing efforts in house and plans to have a Marketing Committee meeting in May.

Mr. Romanello informed the Board that the EDA hopes to add to the two existing Tech Zone projects in Innsbrook with a new relocation project with a substantial cash investment.

Mr. Romanello displayed the historical data for the White Oak Technology Park bulk appraisals to explain the large increase in 2023. When the numbers are calculated, they are forecasted using an absorption rate, or the time they believe it will take the EDA to sell the land. Since the EDA has sold land recently, the average bulk appraisal has increased.

Mr. Romanello announced that the fourth quarter job numbers were released and Henrico has maintained the #2 position in the state, with Fairfax taking first place. The numbers represent jobs in Henrico, irrespective of where the worker physically lives. Ms. White can help the EDA take a deeper dive into what those numbers mean for the EDA's work and how to better understand the data. Mr. Pearson asked if jobs should be counted where the employer is located. Mr. Romanello replied that the jobs are counted where they are assigned by the employer for tax purposes.

Mr. Romanello provided an overview of the Cristo Rey High School work/study program. Cristo Rey is a Catholic high school which now operates in the building previously occupied by Benedictine. The EDA had a high school junior working with it last year, and currently has a senior working with it. The students work five days a month earning school credit and work experience, and in exchange the EDA sponsors their tuition.

OLD/NEW BUSINESS

Mr. Whitlock announced a recess at 7:55 p.m. and called the meeting back to order at 8:01 p.m. 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, first, pursuant to Virginia Code section 2.2-3711(A)(3), for a briefing of the members and discussion concerning the acquisition of four parcels of real estate for a public purpose, including the potential terms of acquisition and the intended use of, and investment in, the properties, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority; and second, pursuant to Virginia Code section 2.2-3711(A)(5), for a briefing of the members and discussion concerning the expansion of two existing businesses in Henrico County, including the businesses' proposed investment in the community and project status, where no previous announcement has been made of the businesses' interest in expanding their facilities in the County.

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

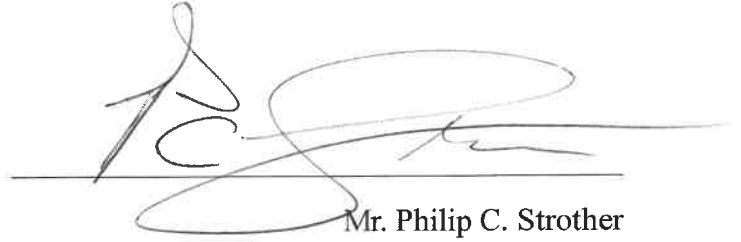
WHEREAS, the Economic Development Authority of Henrico County, Virginia, has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

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 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 in accordance with the Certificate of Closed Meeting. Ms. Melton seconded the motion, and Ms. Melton and Messrs. Bagley, Berman, Mays, Pearson, Thornton, and Whitlock all voted "aye."

There being no further business, the meeting adjourned at 8:28 p.m.

A handwritten signature in black ink, appearing to read 'P. C. Strother', is written over a horizontal line. The signature is stylized with large loops and a long horizontal stroke extending to the right.

Mr. Philip C. Strother

Secretary