

**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, May 18th, 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
Floyd Mays
Linda Melton
Travis Pearson
Suresh Soundararajan
Frank Thornton

DIRECTORS ABSENT

None

DIRECTORS PARTICIPATING ELECTRONICALLY

None

OTHERS PRESENT

Ervin Clarke, Founder and Chairman, Central Virginia African American Chamber of Commerce
Charmaine Tucker, Program Administrator, Central Virginia African American Chamber of Commerce
Tom Lappas, Founder and Owner, *Henrico Citizen*
Ryan Murphy, Deputy County Attorney
Anthony J. Romanello, Executive Director
Andrew Larsen, Managing Director
Krista Rodgers, Marketing and Communications Manager
Ashley Kubat, Office Administrator

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

ANNOUNCEMENT REGARDING ELECTRONIC PARTICIPATION

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

APPROVAL OF MINUTES

Ms. Custer asked if there were any corrections or additions to the April 20th, 2023 regular meeting minutes. Hearing none, with a motion by Mr. Whitlock, seconded by Ms. Melton, the minutes for the April 20th, 2023 regular meeting were approved, with Ms. Custer, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Strother, Thornton, and Whitlock all voting “aye.”

CENTRAL VA AFRICAN AMERICAN CHAMBER UPDATE BY ERVIN CLARKE, FOUNDER & CHAIRMAN, AND CHARMAINE TUCKER, PROGRAM ADMINISTRATOR

Mr. Romanello introduced Mr. Clarke as the Founder and Chairman, and Ms. Tucker, Program Administrator, of the Central Virginia African American Chamber of Commerce, to provide an update on the Black Business Accelerator Program. Mr. Clarke stated that he started his business, Urban Views, in 2008. Located in Henrico, he appreciates the pro-business climate. Mr. Clarke realized that as a first-generation entrepreneur, there was a lack of organizations for professional networking in the African American community.

Mr. Clarke decided to form the Central Virginia African American Chamber of Commerce to fulfill that need. The work of the Chamber is based on four pillars of service which include entrepreneur training, relationship expansion, community engagement, and business development. These pillars led the Chamber to form an accelerator program specifically for black-owned businesses.

Ms. Tucker explained that the Black Business Accelerator Program is 20 months old and currently has over 80 participating businesses, with courses hosting 18-20 individuals at a time. The program features small classes so that the instructors have individualized time for tutoring, with the goal of building relationships with industry leaders who provide a high-level perspective on the subject matter.

Classes include topics such as how to acquire business capital, accounting, permitting, human resources, organizational development, and digital marketing and branding. The current sponsors of the program are the Henrico EDA, Chesterfield EDA, and the VSU Center for

Entrepreneurs. Once the program has been completed, students participate in a graduation ceremony that doubles as a networking event.

Ms. Custer asked how the program attracts participants. Ms. Tucker replied that they market to the Chamber and the sponsors market to their networks, and a large portion of participants are recruited through word-of-mouth by previous graduates. Mr. Pearson questioned if there is a directory of black-owned businesses in the area. Ms. Tucker responded that the Chamber is currently working on compiling that information. Mr. Mays asked if businesses must belong to the CVAACC to participate in the accelerator program. Ms. Tucker stated that membership is not required. The only participation requirements are that the business has been open for two years, is local, and has a need to grow their business. They also must agree to a pre- and post-evaluation, along with regular follow-ups.

Mr. Mays questioned if there is a cost for tuition in the program. Ms. Tucker answered that there is no charge for the participating businesses because the cost is paid by the sponsors. Mr. Berman asked if the program is currently looking for new instructors. Ms. Tucker responded that the program is always looking to grow their list of instructors. Mr. Bagley questioned why the participating businesses must be open for two years. Mr. Clarke responded that there are other organizations in the local area that focus on start-ups, and by design, the business needs to be active to necessitate the growth that the accelerator program provides.

HENRICO CITIZEN GRANT

Mr. Romanello introduced Mr. Lappas, the Founder and Owner of the *Henrico Citizen*, to provide more information on the proposed grant program. Mr. Lappas stated that he developed the idea for the pilot program from a similar program in Connecticut designed to help small businesses. As a small business owner himself, Mr. Lappas sympathized with the challenges faced by other small businesses in the county, particularly post-pandemic recovery.

Mr. Lappas stated that the platform of local journalism has a broad reach. After the *Henrico Citizen* went fully digital during the pandemic, they now connect to 60,000 people a month and have 19,000 social media followers. The challenge the *Henrico Citizen* would like to address is how to connect the local small business community with those viewers. Small business owners typically cannot afford to spend much money on marketing, but they still have a need for exposure.

Mr. Lappas explained that the idea is to provide 20 small businesses with a \$4,000 advertising grant. The EDA will provide \$2,000 per business and the *Henrico Citizen* will match the other \$2,000. Mr. Lappas is currently working with Ms. Atkins to establish parameters for who can qualify, but so far, they must be based in Henrico and not be a chain or a franchise. There will be an effort made to distribute the grants to a diverse participant pool. The

application process is nearly ready and will be simple – participants will just need to make an effective pitch as to why they should be selected.

The benefits of the grant program will be that businesses will be visible to customers they wouldn't otherwise reach, and the community will see that the EDA and the *Henrico Citizen* are putting money into programs that benefit the small business community directly. To pay the grant forward and to double the number of small businesses impacted, each business selected will have to commit to providing \$250 worth of products or services to a Henrico-based nonprofit. The *Henrico Citizen* will also profile a local small business weekly.

Ms. Custer asked if the *Henrico Citizen* has a connection to the Henrico County government. Mr. Lappas answered that there is no Henrico County connection, but that they have been in print since 2001 and fully digital with content five days a week since the pandemic, which has tripled readership. *Henrico Citizen* knows that the best communities are the ones that have active participants, and they aim to help people know what is going on. Ms. Custer asked about competing news agencies. Mr. Lappas replied that there are frequent partnerships with other local news, but no direct competitors.

Ms. Melton asked about the publication's demographics. Mr. Lappas answered that the readership is about 60% female, 40% male, and the typical readers are parents with school age children who are invested in the community. Ms. Melton asked about the cost of a subscription. Mr. Lappas stated that the *Henrico Citizen* is a free publication but does have a voluntary membership program that helps fund it. Mr. Thornton asked how many reporters work for Mr. Lappas. Mr. Lappas responded that currently, the only employees are himself, a managing director, a student journalist, and freelance journalists, but they plan to hire a full-time reporter soon.

Mr. Pearson asked if the grant program money would be a one-time ask. Mr. Lappas replied that this is a pilot program, but that he would like to continue it in the future if it is effective. Mr. Romanello commented that Ms. Atkins is currently exploring grant funds that may help if the EDA decides to pursue the program past the pilot stage. Mr. Romanello recommended the grant in an amount not to exceed \$40,000 for approval. On a motion by Mr. Mays, seconded by Mr. Pearson, the *Henrico Citizen* grant was approved, with Ms. Custer, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Strother, Thornton, and Whitlock all voting "aye."

BLAKEMORE CONSTRUCTION PROPOSAL

Mr. Romanello explained that in May of 2019, the EDA entered into a consent order with the descendants of the Fisher and Garthright families regarding gravesites at the White Oak Technology Park. The consent order dictated that temporary access to the consolidated gravesite would be provided until Engineered Wood Way was extended. The County has finished the road extension project, and the EDA is ready to construct permanent access to the graves.

The new grave access would be consistent with the provisions of the 2019 consent order and in such a location as to enhance the marketability of White Oak Technology Park Site 5. Blakemore Construction, a County on-call contractor, provided a proposal to construct the new access for \$97,000. This expense would be reimbursable under the EDA's revenue sharing agreement with the Virginia Department of General Services. Once the new road is constructed, a permanent access easement will be recorded with the Henrico Circuit Court to fulfill the requirements of the consent order.

Mr. Mays asked if there was any additional benefit to the new access other than visiting the graves. Mr. Romanello replied that the EDA is required to provide access to the family, and this new access road will leave the rest of Site 5 unencumbered. On a motion by Mr. Mays, seconded by Mr. Thornton, the Blakemore Construction Proposal was approved, with Ms. Custer, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Strother, Thornton, and Whitlock all voting "aye."

FY24 BUDGET AMENDMENT

Mr. Romanello informed the Board that while the EDA had shared at the previous meeting that it would use the additional FY24 budget funding from the County for building renovations, After recent interviews for the Business Manager vacancy, the EDA would like to use the additional funds to hire an additional staff person to help with grant writing, particularly site readiness funds, applying for recognition for the EDA and County, and to provide professional staff assistance to the EDA Team.

Building renovations could be funded with EDA fund balance, and Mr. Romanello stated he is comfortable making this recommendation as the budget for interest earnings was very conservative and given current rates should exceed the FY24 budget figure. On a motion by Mr. Whitlock, seconded by Ms. Melton, the motion to amend the FY24 budget was approved, with Ms. Custer, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Strother, Thornton, and Whitlock all voting "aye."

BOOKKEEPING SERVICES CONTRACT

Mr. Romanello explained that the EDA's current contract with Harris, Hardy, and Johnstone, P.C. is expiring in 2023. The EDA and the Henrico County Purchasing Department issued an RFP for professional bookkeeping services. The only response received was from Harris, Hardy, and Johnstone, P.C. The proposal will maintain the current relationship as is and raise the monthly fee from \$1,550 to \$1,615, a 4% increase. Mr. Romanello recommended the contract for approval. On a motion by Mr. Bagley, seconded by Mr. Pearson, the motion to accept the contract and authorize signature by the Executive Director was approved, with Ms. Custer, Ms. Melton, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan, Strother, Thornton, and Whitlock all voting "aye."

COMMITTEE REPORTS

Finance: Ms. Melton stated that the budget amendment was just presented and approved for an additional staff person at the EDA.

Personnel: Nothing to report.

Strategic Planning: Nothing to report

Marketing: Mr. Pearson stated that the Marketing Committee meeting was held prior to the regular meeting, and the EDA is considering a vendor for a website refresh. The current landing page metrics are outstanding, and the EDA continues to look for ways to better leverage its message.

Nominating: Nothing to report.

TEAM EDA MONTHLY REPORT

Mr. Romanello displayed the updated 2023 tax chart, highlighting that data center tax revenue is up 571% since 2017. Business personal property tax for data centers is up 5,365%, and all business personal property tax is up 144%. White Oak Technology Park is bringing in \$15.7 million in annual tax revenue, has built up to 6.9 million square feet, and now has 911 employees.

Mr. Romanello told the Board that he recently met with Dominion Energy to discuss the power issue for industrial and data center customers in the area. Prospects are asking for a lot of power and conversations with Dominion are ongoing on how to deliver transmission to White Oak Technology Park. Big power users usually have substations, which were previously able to be built in twelve months, but now take three years due to supply chain issues.

Ms. Custer asked if other states are having the same issue. Mr. Romanello replied that there aren't states with a similar concentration of data centers as Virginia, which makes the comparison difficult. Other states allow users to purchase power in advance, but Dominion is more flexible with planning for capacity not consumption. One alternative method being explored is "bridging" power, where unused power is removed from one customer and redirected to another until the substation can be finished.

Mr. Romanello informed the Board that the EDA accompanied Congressman Wittman on a business tour of Henrico. Mr. Bickmeier discussed the Virginia Center Commons and GreenCity projects, and Mr. Romanello highlighted the Amazon Robotics Fulfillment Center, White Oak Technology Park, Mondelez, T-Mobile, and Power Systems & Controls. The EDA is currently working to get the same tour scheduled for Congresswoman McClellan.

Mr. Romanello asked the Directors if they would be interested in going on a bus tour of the county to see the current projects. Mr. Romanello suggested doing the tour in place of one of the summer meetings. The Board members expressed interest and Mr. Romanello stated that the EDA would work on developing on a plan.

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 adjourn the meeting.

There being no further business, the meeting adjourned at 7:53 p.m.

 assistant
secretary

~~Mr. Philip C. Strother~~
Ashley Kubar on behalf of
Philip Strother Secretary