

**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 18<sup>th</sup>, 2024 at the Henrico EDA offices at 4300 East Parham Road, Henrico, VA 23228.

**DIRECTORS PRESENT**

Edward S. Whitlock, III, Chair  
Dennis J. Berman, Vice Chair  
Sam Bagley, Secretary  
Robert W. Brown, Jr.  
Tyee D. Mallory  
S. Floyd Mays, Jr.  
Travis Pearson  
Suresh Soundararajan

**DIRECTORS ABSENT**

Philip C. Strother, Treasurer

**DIRECTORS PARTICIPATING ELECTRONICALLY**

Susan W. Custer

**OTHERS PRESENT**

John Martin, President and CEO, SIR  
Rachel Yost, Managing Partner, SIR  
Ryan Murphy, Deputy County Attorney  
Anthony Romanello, Executive Director  
Twyla Powell, Managing Director  
Wendy Miller, Manager of Placemaking  
Devon White, Project Research Specialist  
Ashley Kubat, Office Administrator

\*\*\*\*\*

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

\*\*\*\*\*

## **AUTHORIZATION OF ELECTRONIC PARTICIPATION**

Mr. Whitlock announced that Susan Custer is unable to attend the meeting in person due to a medical condition that prevents her physical attendance. Ms. Custer wishes to participate remotely from her residence. The Board has arranged for Ms. Custer to be heard by all persons at this location, and a quorum is present at this location. Mr. Whitlock moved that the Board approve Ms. Custer's electronic participation in the meeting. With a second by Mr. Mays, the electronic participation was approved, with Ms. Mallory and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting "aye." Ms. Custer joined the meeting following the approval of minutes.

\*\*\*\*\*

## **APPROVAL OF MINUTES**

Mr. Whitlock asked if there were any corrections or additions to the minutes for the March 21<sup>st</sup>, 2024 regular meeting. Hearing none, the March 21<sup>st</sup>, 2024 regular meeting minutes were approved, with Ms. Mallory and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

\*\*\*\*\*

## **SIR TRENDS AND DISRUPTORS PRESENTATION**

Mr. Romanello introduced Mr. Martin, President and CEO, and Ms. Yost, Managing Partner, from SIR. Mr. Martin stated that the project goals were to identify the external forces of change over the next ten years, and based on that assessment, identify strategic implications for the EDA for continued success. The top ten external factors that contributed to the analysis were slowing growth, the shifting population, a solid foundation of core and target growth industries, new target opportunity industries, small business growth, workforce, reimagining the built environment, site readiness, placemaking, and the sustainability and social impact goals and strategies.

Mr. Martin explained that compared with neighboring jurisdictions, Henrico is below average in annual population growth. Thus, Henrico is poised to grow more slowly than the neighboring jurisdictions over the next ten years. Henrico's employment growth has been lower than the regional growth over the past decade also. The population demographics of the County are shifting, with a growing portion of foreign-born residents. This provides a unique opportunity to showcase Henrico's diverse workforce, a factor which has become more attractive to growing employers recently.

Mr. Martin found that Henrico has a solid foundation of core and targeted growth industries, with a stable and diverse industry base and competitive location quotient (LQ) advantages. The EDA's target industries are projected to grow with the exception of advanced manufacturing. As evidenced by recent announcements, data center and digital infrastructure growth in Henrico are creating increasing opportunities. There is also a chance to explore new target industries. The healthcare industry is projected to be a high-growth industry, and the healthcare and pharma clusters have strong LQs and high employment in Henrico. Due to declining birth rates, an aging population, and declining overall health across generations, the med-tech market will continue to grow exponentially.

Mr. Martin noted that the increasing national growth trend of new startups presents an opportunity for Henrico to support the local and regional entrepreneurial community focused on scalable startups that will become growing future employers. Over the next decade, as the worker shortage increases, the competition for young talent will intensify. Providing access to a qualified workforce will remain a critical component of successful economic development programs of tomorrow. Traditionally, this has been left to the workforce development ecosystem, but SIR's research illuminates how ineffective that work has been and recommends that economic development agencies of the future spend time proactively addressing the needs gap.

Mr. Martin recommended that the Henrico EDA begin to reimagine the surrounding built environment, as remote work is not going away. Research indicates that more commercial property defaults will present opportunities for repurposing buildings and corporate campuses. Adaptive reuse of buildings has been a timeless strategy in urban planning and redevelopment and has positive impacts on sustainability goals through reduction of the need for new construction.

---

Mr. Martin highlighted the importance of site readiness and preparation as an industry strategy, stating that site selectors and expanding companies frequently expect turnkey location solutions due to rising building costs, environmental constraints, and increasing availability of incentives. The site-ready development of the future will include public-private partnerships, complementary infrastructure, and complementary package offerings from localities, such as job recruitment support and supplier development. Similarly, creating and building locations where people, especially younger workers, want to be is equally important. Talent shortages and all-time low mover rates point to intentional placemaking as another vital strategy.

Lastly, Mr. Martin spoke of the importance of sustainability and social impact goals and strategies in the future of economic development. The pandemic and the social justice movement realigned priorities for many, including expectations around employment, leading to more remote work. Remote work can cause difficulty with traditional measures of GDP and job counts due to the location of where a job is accounted for. Emerging best practices now include human-oriented quality of life improvement goals alongside the traditional job and GDP growth goals. Examples include the Human Development Index, Better Life Index, and the Genuine Progress Indicator.

Mr. Martin stated that the next steps in the EDA's work would be to continue to build out the strategic framework, including refining and finalizing the current state, articulating the desired state, and identifying the internal drivers. Research would be directed toward validating the seven emerging strategic imperatives. Finally, the EDA could choose to develop a strategy map handout with a graphic summary of the new strategic plan, which could be used as a quick reference guide when addressing groups for presentations or clients. Mr. Martin then opened the floor for questions.

Ms. Mallory asked about the origin of the data used in the analysis. Mr. Martin explained that both SIR and the EDA use a program called JobsEQ, developed by Chris Chmura, to pull data. Mr. Brown asked why the EDA decided to undergo this endeavor. Mr. Martin replied that Henrico no longer has large sites to market and needs to have a strategy to pivot to for Henrico 2.0. The pivot point can be growth and productivity per worker, which would allow Henrico to focus on creating the community of tomorrow where everyone can benefit. Mr. Bagley asked if investing in placemaking efforts has the potential to have poor returns. Mr. Martin answered that the idea behind investing in placemaking is to enhance the value of the current property, which in turn will increase tax revenue in the future. Mr. Romanello stated that the data validates the idea that the previous ten years in Henrico looked very different than the next ten, and the EDA wants to be adequately prepared in order to continue growing the economy.

\*\*\*\*\*

### **DOMINION ENERGY CHARITY CLASSIC SPONSORSHIP AGREEMENT**

Ms. Miller provided an overview on the 2023 tournament, stating that over 170 corporate partners participated alongside 1,000 local vendors and 35,000 spectators, leading to the best attended playoff event for the 8<sup>th</sup> consecutive year. As a PGA Premium Partner, the EDA received several digital brand exposure benefits, including a feature in the tournament newsletter, posts on tournament social media, acknowledgment on the sponsor page, Fan Zone, and course map. The EDA also received access to the Capital Chalet on the 18<sup>th</sup> green, an exclusive PGA Tour Champions Pro breakfast, and executive women's event, honorary observer tickets, and a golf clinic with a PGA Tour Champion Pro.

Ms. Miller informed the Board that the total cost for the 2024 premier partnership is \$265,000, which the EDA and Richmond Region Tourism plan to share. The EDA has budgeted \$180,000 and Richmond Region Tourism will contribute \$85,000. Mr. Romanello said that the partnership is critical to attracting C-Suite executives and site selectors to Henrico that might not otherwise prioritize visiting. Mr. Romanello recommended the sponsorship for approval. On a motion by Mr. Pearson, seconded by Mr. Mays, the sponsorship was approved, with Ms. Custer, Ms. Mallory and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

\*\*\*\*\*

## **COMMITTEE REPORTS**

Marketing: Mr. Romanello showed a video created by the EDA highlighting the “March Madness” ribbon cuttings.

Finance: Mr. Romanello reported that the EDA has \$1.1 million in the Virginia Local Government Investment Pool earning 5.6% interest. The t-bill balance with Truist is \$17.5 million, split among five bills and earning between 5.2% - 5.5% interest. The EDA has a balance of \$17.4 million in the money market, which is earning 5.2%. The Park Central property was successfully acquired on March 28<sup>th</sup>, 2024. The EDA currently holds the Hillwood grant agreement funds awaiting payment once Hillwood certifies construction costs for Richmond-Henrico Turnpike.

Strategic Planning: Ms. Custer stated that the report had been provided.

Nominating: Nothing to report.

Personnel: Nothing to report.

\*\*\*\*\*

## **TEAM REPORT**

Ms. White provided the Q3 metrics report, showing Henrico’s third position in the ranking of “number of jobs per locality,” just behind Fairfax and Loudoun County. The real GDP per job, otherwise stated as job productivity, has increased steadily over the past ten years, from \$119,000 to \$160,000. The commercial real estate assessment has also shown stable improvement, with only a small dip from the pandemic. The real estate inventory remained the same across all categories, with negligible changes in pricing per square foot.

Ms. Miller gave an overview of the progress with the Fisher Garthright memorial and a review of the history of the project for the new members. The parcels that became White Oak Technology Park were originally owned by the Fisher and Garthwright families and were taken by the Federal government in WWII to use as a decoy airport. The state remained in possession of the land until 1996, when it was then conveyed to the Henrico IDA for White Oak Semiconductor. In the summer of 2018, AECOM located cemeteries during an archaeological evaluation, resulting in the removal and reburial of 44 remains on Site 5.

Ms. Miller stated that the court order authorizing the reburial required the EDA to complete a memorial for the families. The memorial must include a paved drive and parking area, and a permanent placard. It may also include a structure and a display for artifacts. The committee is composed of one member from each of the families and an EDA representative.

Multiple meetings have been held over the past five years in an attempt to reach an agreement over the memorial design. The budget set in the court order is \$250,000. At the December meeting, Ms. Miller proposed moving the memorial from Site 2 to the corner of Elko Road and Elko Tract. The families wish to create a replica of a house located on the original property. Timmons Engineering returned a cost estimate of around \$360,000. Negotiations continue.

Mr. Romanello reported that Henrico continues to see successful results with the Technology Zone incentive. Seven companies have taken advantage of it so far, and another is currently in the pipeline. The total private investment for the program is \$59 million, while the total amount of grants paid is \$255,000. This has resulted in 301 new jobs, 452 retained jobs, almost 500,000 square feet, and \$53 million in wages.

Mr. Romanello announced that Project Great Things is locating in Innsbrook at 4305 Cox Road. The project will bring \$3.2 million in capital investment, 15 new jobs with an average salary of \$120,000, and 24,000 square feet. The official announcement is planned for August in order to coincide with their move into the building.

Mr. Romanello stated that the Old Osborne project has been placed on hold. The option to return to the project in the future is still possible, or the state may decide to sell. The EDA successfully purchased the Park Central property on March 28<sup>th</sup>, and has already begun to receive calls from interested parties.

Mr. Romanello reviewed the purchase price breakdown on the sale of Sites 1,3,4 and 5. The EDA will receive \$11.4 million and \$10.9 million will go into the Virginia Business Ready Sites Program Henrico sub-fund. The EDA will also be reimbursed for the expenses to date spent on the Tech Park. Mr. Romanello thanked Mr. Murphy for his ongoing assistance with the complex transaction.

Mr. Romanello reminded the Board about the VCC groundbreaking ceremony and announced Ms. Powell's upcoming retirement.

\*\*\*\*\*

### **OLD/NEW BUSINESS**

Mr. Whitlock asked if there was any old business. Mr. Bagley asked Ms. Miller about the progress of the Hotel Task Force. Ms. Miller replied that a meeting is scheduled for next week, but that no real progress has been made. The hotel owners remain reluctant to sell despite the County's best efforts. Mr. Whitlock asked if there was any new business. Hearing none, he adjourned the meeting.

\*\*\*\*\*

There being no further business, the meeting adjourned at 8:02 p.m.

\*\*\*\*\*

  
\_\_\_\_\_  
Sam Bagley  
Secretary