

**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, July 18th, 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
Philip C. Strother, Treasurer
Robert W. Brown, Jr.
Susan W. Custer
Tyee D. Mallory
S. Floyd Mays, Jr.
Suresh Soundararajan

DIRECTORS ABSENT

Sam Bagley, Secretary

DIRECTORS PARTICIPATING ELECTRONICALLY

Travis Pearson

OTHERS PRESENT

Steve Gow, Director, Truist Wealth
Tom Lappas, Publisher, *Henrico Citizen*
Ryan Murphy, Deputy County Attorney
Anthony Romanello, Executive Director
Andrew Larsen, Managing Director
Wendy Miller, Managing Director
Devon White, Project Research Specialist
Ashley Kubat, Director of Administration

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

AUTHORIZATION OF ELECTRONIC PARTICIPATION

Mr. Whitlock announced that Travis Pearson is unable to attend the meeting in person because he is out of town for a work event. Mr. Pearson wishes to participate remotely from airport in Newark, New Jersey. The Board has arranged for Mr. Pearson to be heard by all persons at the central meeting location, and a quorum is present at the central meeting location. Mr. Whitlock moved that the Board approve Mr. Pearson's electronic participation in the meeting. With a second by Mr. Berman, the electronic participation was approved, with Ms. Custer, Ms. Mallory, and Messrs. Berman, Brown, May, Soundararajan, Strother, and Whitlock all voting "aye."

APPROVAL OF MINUTES

Mr. Whitlock asked if there were any corrections or additions to the minutes for the June 20th, 2024 regular meeting. Hearing none, on a motion by Ms. Custer and seconded by Ms. Mallory, the June 20th, 2024 regular meeting minutes were approved, with Ms. Custer, Ms. Mallory and Messrs. Berman, Brown, Mays, Pearson, Soundararajan, Strother, and Whitlock all voting "aye." Mr. Whitlock asked if there were any corrections or additions to the minutes for the June 26th, 2024 special meeting. Hearing none, on a motion by Ms. Custer, seconded by Ms. Mallory, the June 26th, 2024 special meeting minutes were approved, with Ms. Custer, Ms. Mallory and Messrs. Berman, Brown, Mays, Pearson, Soundararajan, Strother, and Whitlock all voting "aye."

INVESTMENT UPDATE

Mr. Romanello introduced Mr. Gow from Truist Wealth to give an update on the EDA's current investment holdings. Mr. Gow stated that the current value of the EDA's Truist investment account is \$41,205,129 as of the close of business on July 17th, 2024. The total investment, net of withdrawals, since inception on May 2nd, 2022, has been \$38,969,193. The total interest earned on the investment has been \$2,235,936. The internal rate of return on the portfolio has been 4.44% since inception.

Mr. Gow said that the EDA currently holds \$16,519,398 in the money market which currently yields around 5.21% interest, as well as \$24,685,732 in face value of Treasury Bills. At maturity, the EDA will receive back the face amounts of those Treasury Bills as the maturity proceeds, amounting to an anticipated accrual of \$826,998 from their cost and \$524,297 from their current market value, amounting to a yield to maturity on the investments of an average of 5.36%. The average life of the bonds currently held is 0.45 years.

Mr. Mays asked about the EDA's risk in the event of a national bank failure. Mr. Gow responded that the credit risk is the same as that of the federal government. Transactions are cleared through Fidelity, a custody broker. Ms. Custer asked how the range of T-bills is determined. Mr. Gow replied that the EDA considers several factors when purchasing a new T-bill, including upcoming liquidity needs, the current holdings maturity schedule, and anticipated rising or reductions in interest rates.

HENRICO CITIZEN UPDATE

Mr. Romanello introduced Mr. Lappas to provide an update on the Small Business Boost program. Mr. Lappas stated that 20 Henrico small businesses were selected to receive \$4,000 advertising grants, each valid for three months of online, email, social media, podcast, sponsored content advertising, and promotion with Henrico Citizen. The EDA provided \$2,000 per business, and the Henrico Citizen provided \$2,000 per business in in-kind advertising. Each magisterial district was represented by three to six business participants. Ten of the businesses are owned by a person of color, and thirteen are woman owned.

Mr. Lappas reported that to date, 17 of the 20 businesses have completed their advertising campaigns. Participants have collectively received 3.85 million total impressions across the Henrico Citizen's digital platforms and have donated or committed more than \$4,700 in in-kind products or services to Henrico nonprofits. When polled, 88% of the participants said they were "extremely pleased or pleased with the program;" 94% said they "would recommend it to other small businesses," and 82% said "the program allowed them to network with other small businesses."

Mr. Lappas said that the goal moving forward would be to broaden the scope of the program by adding other partners for business and marketing assistance and to assist 50 small Henrico businesses and 50 Henrico nonprofits. Additionally, Mr. Lappas would like to create regular networking and educational functions for current and past Small Business Boost participants, with the potential for an alumni group and an incubator program.

Mr. Strother asked about the selection criteria for the program. Mr. Lappas responded that the businesses must be based in Henrico, be independently owned and not a chain, and with 250 employees or less. Ms. Custer asked how many businesses applied to the program. Mr. Lappas answered that 70 businesses in total applied.

APPROVAL OF UPDATED ELECTRONIC PARTICIPATION POLICY

Mr. Murphy explained to the Board that the General Assembly made a few updates to the legislation governing electronic participation in meetings, including a provision that requires the policy be adopted annually. The main changes to the legislation include adding the definitions of “caregiver” and “person with a disability,” and adding a provision to permit a Board member who is a caregiver for a person with a disability to participate remotely. The new policy also provides that a Board member who is a caregiver, or a Board member who is a person with a disability, may participate remotely for those reasons and that member will count toward the quorum as though the member was physically present. Lastly, the revised policy provides for electronic meetings during declared emergencies. On a motion by Mr. Mays, seconded by Mr. Soundararajan, the updated electronic participation policy was approved, with Ms. Custer, Ms. Mallory and Messrs. Berman, Brown, Mays, Pearson, Soundararajan, Strother, and Whitlock all voting “aye.”

FY25 INTERIM WORKPLAN

Mr. Romanello stated that the FY25 Interim Workplan was developed as strategic guidance for the EDA while the 2030 plan is under development. The EDA has issued an iRFP for a consultant to assist with the plan development with the goal of selecting a vendor prior to Q2 in FY25. The EDA plans to bring the selected vendor to the Board for final approval.

Mr. Romanello reviewed the goals for each category of the Interim Workplan. For “Talent and Employers,” the EDA seeks to create a roadmap for connecting industry to K-12, higher education, and regional workforce organizations to strengthen the talent pipeline. Under “Targeted Growth,” the EDA plans to open the Henrico Global Business Gateway. For “Place and Product,” the EDA plans to revise and update the HIP Zones boundaries and program elements, expand the Technology Zone boundaries, and recommend a strategy for “office use” in the County to the Board of Supervisors.

The EDA will complete the website refresh and the target industry testimonials for “Reputation and Visibility.” Lastly, under “Prep for the Future,” the EDA will complete the 2030 strategic plan. Mr. Romanello recommended the FY25 Interim Workplan for approval. On a motion by Mr. Mays, seconded by Ms. Mallory, the F25 Interim Workplan was approved, with Ms. Custer, Ms. Mallory and Messrs. Berman, Brown, Mays, Pearson, Soundararajan, Strother, and Whitlock all voting “aye.”

BROKERAGE CONTRACT

Mr. Larsen announced that in early April, the EDA and the County's Real Property Division went out to bid for brokerage services to assist with the potential acquisition of properties. It is structured to be an annual contract that can be renewed for three additional one-year periods. The EDA received five proposals from well-known, qualified brokerage firms. The ability to select multiple firms, if desired, was written in the contract.

Mr. Larsen stated that the review committee decided to move forward with interviewing three of the respondents, with JLL and Range ultimately being selected for contracts. The EDA will work with Oscar Knott, Henrico's Purchasing Director, to award a contract in the next weeks, pending Board approval. Mr. Romanello recommended brokerage contracts with JLL and Range for approval. On a motion by Ms. Custer, seconded by Mr. Mays, the brokerage contract awards were approved, with Ms. Custer, Ms. Mallory and Messrs. Berman, Brown, Mays, Pearson, Soundararajan, Strother, and Whitlock all voting "aye."

COMMITTEE REPORTS

Marketing: Mr. Pearson said that the EDA provided data to the County for the annual report and continued work on the website refresh. In addition, the EDA pushed out three social media posts, a retirement video for Twyla Powell, and an issue of *Property Now*.

Finance: Mr. Strother reported that the EDA currently has \$1.13 million in the Virginia Local Government Investment Pool, earning 5.5% interest. There is \$24.4 million invested in six laddered United States Treasury Bills, earning between 5.1 – 5.4% interest, and \$16.5 million in the money market, earning 5.2% interest. The FY24 audit begins the week of July 22nd, 2024.

Strategic Planning: Ms. Custer stated that the iRFP for a consultant to assist with the development of the EDA 2030 strategic plan returned no viable submissions, potentially due to a technical glitch. The EDA has worked with the Purchasing Department to reissue the iRFP, which will be sent out on Friday, July 19th. Submissions will be accepted through August 9th. The EDA still plans to evaluate proposals and interview offerors in August, with the intent of bringing the final selection to the Board for approval at the September meeting.

Nominating: Nothing to report.

Personnel: Nothing to report.

TEAM REPORT

Mr. Romanello informed the Board that the EDA has a series of office initiatives underway. The County BPOL threshold was increased to \$1 million in 2024. Since 2022, the Technology Zone incentive has attracted eight corporate headquarters, with \$65 million in capital investment and over 1,000 jobs. The Global Business Gateway at Innsbrook Gather is slated to open in Q4 of 2024. The EDA sent out 100 mailers to businesses identified by the lead generation firm Camoin in hopes of reaching c-suite executives. There is the potential for a grant program with Baskerville Architects for office re-imagining concepts.

Mr. Romanello stated that the EDA will also bring some office initiatives before the Board of Supervisors at their retreat in September. The EDA will present the results of the office research study conducted by SIR and provide an update on the Office Task Force. The EDA plans to suggest expanding the current Technology Zone boundaries and amending the commercial tax rehab credit for office use, as well as consider Business Personal Property tax assistance for “trophy” class renovations.

Mr. Romanello provided the updated average bulk appraisals for White Oak Technology Park, which increased to \$124,000 an acre in 2024. The average bulk appraisal in 2023 was \$57,500 an acre. The increase is due to the significant land sales in the Park in recent years.

Mr. Romanello highlighted the FY24 operational goals and introduced Ms. White to present the metrics report. Ms. White announced that there is currently 32,000 square feet of office real estate under construction, split between medical offices in Short Pump and Innsbrook. Some 398,000 square feet has recently been leased or subleased. The vacancy rate increased slightly, and the market rent increased by \$0.25 per square foot. There is currently 781,000 square feet of flex real estate under construction, composed of QTS buildings A and B, and the Dominion Commerce Center. The vacancy rate increased slightly and the market rent increased by \$0.04 per square foot. Ms. White noted that the unemployment rate decreased to 2.3%, the average annual income increased to \$66,000, and the median home price increased to \$390,000. Lastly, the total number of jobs increased from 198,190 to 198,462 last quarter.

Mr. Romanello announced that Jason Smith has been hired by the EDA as the new Business Manager and plans to start work on August 5th, 2024. Mr. Smith worked with Ms. Atkins and Mr. Larsen while at VEDP, and most recently served as the Director of Business Development and Talent Solutions at Virginia's Gateway Region in Petersburg, VA. Mr. Smith has over 20 years of experience in community and economic development.

OLD/NEW BUSINESS

Mr. Whitlock asked if there was any old business. Mr. Berman asked if there was an update on the Fisher-Garthright memorial. Ms. Miller replied that the EDA has been in contact

with architects and Timmons Engineering to gather the necessary information before returning to court. Mr. Romanello added that VDOT plans to approve the property transfer in September of 2024. Mr. Whitlock asked if there was any new business. Hearing none, Mr. Whitlock continued to the next agenda item.

CLOSED SESSION

Mr. Whitlock moved that the Board go into a closed session pursuant to Virginia Code Section 2.2-3711(A)(3) for a briefing of the Board members and discussion concerning the acquisition of real property and subsequent lease of such property for economic development purposes, including the timeline for acquisition and leasing, the lease terms, such as rent and the length of the lease, and the anticipated development of the property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority. With a second by Mr. Strother, and with Ms. Custer, Ms. Mallory and Messrs. Berman, Brown, Mays, Pearson, Soundararajan, Strother, 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. Soundararajan seconded the motion, and with Ms. Custer, Ms. Mallory and Messrs. Berman, Brown, Mays, Pearson, Soundararajan, Strother, and Whitlock all voting "aye," the Board returned to open session. Then, after returning to open session, Mr. Whitlock read the following Certificate of 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. Mr. Mays seconded the motion. With Ms. Custer, Ms. Mallory

and Messrs. Berman, Brown, Mays, Pearson, Soundararajan, Strother, and Whitlock all voting "aye," the Board certified the closed meeting.

There being no further business, the meeting adjourned at 7:38 p.m.



Sam Bagley

Secretary