

**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, October 17th, 2024 at the Henrico EDA offices at 4300 East Parham Road, Henrico, VA 23228.

DIRECTORS PRESENT

Edward S. Whitlock, III, Chair
Sam Bagley, Secretary
Robert W. Brown, Jr.
Susan W. Custer
Tyee D. Mallory
S. Floyd Mays, Jr.
Travis Pearson
Suresh Soundararajan

DIRECTORS ABSENT

Philip C. Strother, Treasurer

DIRECTORS PARTICIPATING ELECTRONICALLY

Dennis J. Berman, Vice Chair

OTHERS PRESENT

Brandon Hinton, Deputy County Manager for Administration
Terrell Hughes, Director, Henrico Department of Public Works
Tatiane Pena, Executive Director, Capital Region Small Business Development Center
Caroline Nowery, Chief External Affairs Officer, Locus Impact Investing
Ryan Murphy, Deputy County Attorney
Anthony Romanello, Executive Director
Andrew Larsen, Managing Director
Wendy Miller, Managing Director
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 Dennis Berman is unable to attend the meeting in person due to personal travel that prevents his physical attendance. Mr. Berman wishes to participate remotely from his lodgings in London, England. The Board has arranged for Mr. Berman to be heard by all persons at this location, and a quorum is present at this location. Mr. Whitlock moved that the Board approve Mr. Berman's electronic participation in the meeting. With a second by Mr. Pearson, the electronic participation was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

APPROVAL OF MINUTES

Mr. Whitlock asked if there were any corrections or additions to the minutes for the September 19th, 2024 regular meeting. Hearing none, on a motion by Mr. Soundararajan and seconded by Mr. Bagley, the September 19th, 2024 regular meeting minutes were approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Mays, Pearson, and Soundararajan all voting "aye." Mr. Whitlock abstained from voting due to his absence at the September 19th, 2024 meeting.

Mr. Romanello congratulated Ms. Miller on celebrating ten years with the EDA and expressed gratitude for her great contribution to the County.

SMALL BUSINESS DEVELOPMENT CENTER UPDATE

Mr. Romanello introduced Ms. Pena and Ms. Nowery. Ms. Pena provided an overview of the services that the Capital Region Small Business Development Center provides, including one-on-one technical assistance, staff training, and necessary software and equipment. Ms. Pena stated that the EDA's FY24 contribution of \$61,380 allowed the SBDC to assist 197 Henrico residents, using 541 hours of advising time. Through this, 17 new businesses were started, creating 32 new jobs, and infusing \$4.06 million in capital back into the county.

Ms. Pena informed the Board that in FY24, the SBDC served 691 clients over 1,891 hours of advising time. This allowed 39 new businesses to start, and in turn create 91 new jobs. The capital infusion back into the region was \$24.15 million. Ms. Pena clarified that the SBDC's overhead and operating budget are dependent on the contributions given by the surrounding

counties, and because of that support, the SBDC is able to serve as the primary source of small business technical assistance in the region.

Ms. Pena stated that in the new year, the SBDC would like to expand their entrepreneurial education and are currently seeking bilingual advisors. This would allow the SBDC to have a greater reach into the Spanish-speaking community through providing not only direct one-on-one services, but also translation of workshop transcripts. The SBDC also hopes to be able to add stipends for esteemed speakers in FY25.

Mr. Romanello stated that Henrico is proud to be the Capital Region SBDC's largest supporter, and that the EDA is excited to see what they are able to accomplish in FY25. Mr. Mays inquired what the most common types of businesses that the SBDC serves are. Ms. Pena answered that the most common types are consulting, food, and retail, which are reflective of the types of businesses most commonly seen in the county.

Mr. Whitlock asked if there were any additional questions. Hearing none, he moved to the next agenda item.

**RESOLUTION – SIGNATORY AUTHORITY – AMENDED AND RESTATED
ECONOMIC DEVELOPMENT AGREEMENTS – REGENCY SQUARE MALL**

Mr. Romanello introduced Mr. Hinton and Mr. Hughes. Mr. Hinton stated that the County's partnership with NOVA has accomplished amazing results, and they are excited to see what can be done during Phase II. The plan for Phase II includes adding a mezzanine level which would allow the aquatics center to host an additional 1,000 spectators at their events. This addition would make NOVA one of the largest natatoriums in the country.

Mr. Hinton stated that the current agreement commits up to \$14.1 million through June 30, 2030. The agreement has funded a road improvement and supported the NOVA aquatics facility at Regency in its current footprint. Regency is currently generating \$1.5 million a year towards the TIF and is projected to grow to \$2 million a year. It is projected that the \$14.1 million will be paid in full prior to June 30, 2030.

Mr. Hinton informed the Board that the NOVA/Henrico partnership has greatly benefited the County. In year three of the agreement, 1,200 second-grade students from 15 elementary schools were able to utilize the pool. Henrico PALS provided a six-week formal lesson program to 200 campers. Henrico County high school swimming teams from all nine high schools were able to practice at NOVA five days a week. Sportable provided an eight-week lesson program, and the Autism Society of Virginia uses the facility as well.

Mr. Hinton said that the proposed restatement would expand the \$14.1 million TIF to \$20.9 million, with \$5.3 million in costs allocated to support the mezzanine project and \$1.5 million allocated to support roof improvements associated with the mezzanine and other

improvements to the parking structure. The proposed restatement would support financing for the projects, meaning that payments would likely continue beyond 2030. In addition, by separate agreement, the EDA will provide annual sports tourism grants of \$500,000 for five years, for a total of \$2.5 million. NOVA is responsible for raising \$1 million, and NOVA has committed to the construction of the mezzanine level at Regency, with space for approximately 1,000 seats, and a community room and hospitality facilities, while also adding eight significant swim tournaments to the existing tournament line-up. They will also be required to continue their partnerships with Henrico County Public Schools and other community partners.

Ms. Custer asked if NOVA would be closed to the public during construction. Mr. Hinton replied that NOVA would remain open and that the improvements would occur outside of operating hours. Ms. Custer inquired about what additional plans are in development for the remaining space at Regency. Mr. Hinton said that the developer is considering a gym and a grocery store, with the aim of forming a strong community space. Ms. Mallory asked where the attendees of the tournaments would stay if overnight accommodations were required. Mr. Hinton answered that the hope is that the project will attract a new hotel to the area. On a motion by Mr. Mays, seconded by Mr. Pearson, the amended and restated agreements were approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan and Whitlock all voting “aye.”

MAGELLAN PARKWAY EDA AGREEMENT

Mr. Romanello told the Board that Markel | Eagle asked to construct road improvements to Magellan Parkway through GreenCity to align with their schedule for the residential development. These road improvements would otherwise have been made by the County. The proposed agreement is structured similarly to the Hillwood agreement and proposes three payments not to exceed a total of \$12.85 million. The first payment of \$2.57 million would be triggered at mobilization, and the second payment of \$5.14 million would be made when the base course is completed. The third and final payment would be made when the road is formally accepted by the County. The County Engineer must certify all three milestones before the EDA will make any of the payments. On a motion by Mr. Mays, seconded by Mr. Bagley, the agreement was approved with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Mays, Soundararajan and Whitlock all voting “aye.” Mr. Pearson disclosed that he is employed by Markel Corporation, 4521 Highwoods Pkwy, Glen Allen, VA 23060 and has a personal interest in a business with an affiliated business entity relationship with Markel | Eagle as a result, and he abstained from the vote and discussion.

**RESOLUTION – SIGNATORY AUTHORITY – ECONOMIC DEVELOPMENT
AGREEMENT – 6115 TECHNOLOGY CREEK DRIVE**

Mr. Romanello informed the Board that Lumber Liquidators had gone into bankruptcy, sold their assets, and put their property out for sale. Warehousing in White Oak Technology Park has traditionally not been a good fit, as the truck traffic has generated complaints from the other businesses. QTS had expressed interest in the property and had submitted a bid before a final decision had been made. The owner requested that QTS up their bid by another \$4 million, causing the purchase price to be substantially over value.

Mr. Romanello stated that the EDA's desire to avoid warehousing projects in the White Oak Technology Park was great enough that Henrico worked with QTS to provide a real estate tax reimbursement as an incentive. QTS will use the 98-acre site as a warehouse to store their own equipment while they build out their campus over the next nine years with plans to convert the property to a data center at a later date. This effectively positions the property for the long-term with a \$1 billion investment potential. Mr. Romanello recommended the resolution to authorize the EDA agreement for approval. On a motion by Mr. Mays, seconded by Mr. Soundararajan, the agreement was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Mays, Pearson, Soundararajan and Whitlock all voting "aye."

**RESOLUTION – SIGNATORY AUTHORITY – AMENDMENT – CROSSINGS GOLF
COURSE**

Mr. Romanello stated that the proposed amendment to The Crossings Golf Course agreement would incorporate \$250,000 in sports grants annually for five years, which will be used in the ongoing renovation project. Mr. Romanello displayed a chart of The Crossing's expenses to date with a projection through the end of the year. ProsInc is ready to move forward with the project but is lacking the funding to do so. The plan is to reopen the clubhouse as a restaurant and keep the driving range open so that revenue is generated while the other renovations are completed. ProsInc has also asked for an additional \$125,000 in funding in order to allow them to apply for the necessary permits. This plan, along with the additional funding from the EDA, would allow the project to maintain the necessary momentum to remain on the original timeline. The EDA would be reimbursed for the \$125,000 when ProsInc qualifies for the second tranche of the grant funds next year.

Mr. Bagley asked if the restaurant in the clubhouse would be a permanent feature. Mr. Romanello answered that he was unsure because the long-term plans had not been finalized. Mr. Brown asked if ProsInc had identified an occupant for the restaurant. Mr. Romanello replied that there are possibilities, but ProsInc may operate it themselves as they currently run a restaurant at Independence Golf Course. On a motion by Mr. Mays, seconded by Ms. Custer, the amended agreement was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan and Whitlock all voting "aye."

COMMITTEE REPORTS

Strategic Planning: Ms. Custer stated that the EDA staff and SIR met for a kick-off meeting on October 8th, 2024, and then again on October 16th, 2024 for an administrative meeting to plan out meeting dates and deadlines. The next step is selecting participants for the stakeholder interviews, which are part of the internal analysis section of the plan's development. The new strategic plan will be fully in place for FY26.

Marketing: Mr. Pearson said that in September, the EDA debuted press release packages for the KSB expansion and the Henrico Global Business Gateway. Social posts were made to welcome Sharon Anderson-Grooms, highlight the KSB expansion, give reminders of PUMP program dates, and highlight the Global Business Gateway debut, the CREW data center event, the regional Government Purchasing Expo, Hispanic Heritage Month, and the VCU Real Estate Trends Conference. In October, the EDA debuted a press release package for the DPR construction expansion and created a new Enterprise Zone booklet and mailer brochure, as well as created an ad for the Small Business Boost program. Social posts highlights included the Small Business Boost, PUMP program reminders, DPR construction expansion, and FY24 building permit values.

Finance: Ms. Kubat stated that the EDA currently has six laddered t-bills earning between 4.57% - 5.24% interest. The money market account with Truist investments has a balance of \$11,887,578 and is earning 5.09% interest. The Virginia LGIP account has a balance of \$1,145,364 and the Truist checking account has a balance of \$219,123.

Personnel: Mr. Bagley reported that the committee has begun work on Mr. Romanello's yearly appraisal and told the Board members to watch their emails for the survey.

Nominating: Nothing to report.

TEAM REPORT

Ms. Miller provided an update on the 2024 Dominion Energy Charity Classic event. The event is a shared sponsorship between the EDA and Richmond Region Tourism, with the EDA contributing \$180,000 and RRT contributing \$85,000. The sponsorship of the weeklong event includes participation in Executive Women's Day, an exclusive breakfast event with a Pro golfer, two Pro-Am teams, and tickets to Friday – Sunday of the tournament. Over 30,000 people attended

in 2023, with \$2.3 million given in donations to local charities and \$34.4 million in economic output and \$2.3 million in state and local tax revenue.

Ms. Miller stated that while too early to have concrete numbers for 2024, the EDA had approximately 26 companies in attendance at the breakfast event and close to 50 in attendance Friday – Sunday of the tournament. It is anticipated that there were also over 30,000 guests in attendance this year as well.

Ms. Miller gave an update on the Fisher-Garthright Memorial project, stating that the last meeting with the family representatives was held on September 30th, 2024. The family representatives were in agreement with the amendment, which triggered the need to obtain 19 signatures. The EDA has currently acquired seven signatures and Mr. Murphy plans to file with the court next week. The deadline for the signatures is October 18th, 2024. Ms. Miller said the next step will be to meet with Timmons on October 17th, 2024 to start discussing the site plan. The VDOT land is set for CTB action on October 23rd, 2024, and the next family meeting is scheduled for October 30th, 2024.

OLD/NEW BUSINESS

Mr. Whitlock asked if there was any old business. Hearing none, 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 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 conveyance of real property for a public purpose, including timing, preconditions, and the proposed development, where discussion in an open meeting would adversely affect the bargaining position and negotiating strategy of the Economic Development Authority. With a second by Mr. Mays, and with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan 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 with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan 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. Ms. Mallory seconded the motion. With Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan and Whitlock all voting "aye," the Board certified the closed meeting.

There being no further business, the meeting adjourned at 7:46 p.m.

A handwritten signature in black ink, appearing to read "Sam Bagley", is written over a horizontal line.

Sam Bagley

Secretary