

**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, November 21st, 2024 at the Henrico EDA offices at 4300 East Parham Road, Henrico, VA 23228.

DIRECTORS PRESENT

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

DIRECTORS ABSENT

Philip C. Strother, Treasurer

DIRECTORS PARTICIPATING ELECTRONICALLY

Travis Pearson

OTHERS PRESENT

Ryan Murphy, Deputy County Attorney
Anthony Romanello, Executive Director
Andrew Larsen, Managing Director
Wendy Miller, Managing Director
Jason Smith, Business Manager
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 due to business travel that prevents his physical attendance. Mr. Pearson wishes to participate remotely from San Francisco, California. The Board has arranged for Mr. Pearson 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. Pearson's electronic participation in the meeting. With a second by Mr. Bagley, the electronic participation was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Soundararajan, and Whitlock all voting "aye."

APPROVAL OF MINUTES

Mr. Whitlock asked if there were any corrections or additions to the minutes for the October 17th, 2024 regular meeting. Hearing none, on a motion by Mr. Mays and seconded by Mr. Bagley, the October 17th, 2024 regular meeting minutes were approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

ECONOMIC DEVELOPMENT AGREEMENT FOR STRIKERS PARK

Mr. Romanello informed the Board that the project for the Striker Park project would include the following: new offices and meeting rooms to equal around 5,000 feet; new storage space for training and locker rooms to equal around 3,000 feet; two outdoor futsal courts; and new paved parking with 55 additional new parking spaces aimed to reduce the parking congestion at the rear of the park. Mr. Romanello explained that this project would benefit the club in several ways, including improvements to membership engagement and experience; organizational and financial efficiency; and enhanced opportunities for hosting and play,

The agreement outlines that after the capital investment of \$5.5 million and the completion of the improvements, the Strikers would be given a sports tourism grant of \$1.75 million in five equal installments of \$350,000. Mr. Romanello recommended the agreement for approval. On a motion by Mr. Whitlock, seconded by Mr. Mays, the agreement was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

FY24 AUDIT

Mr. Berman informed the Board that Chris Banta and Danielle Nikolaisen from Brown Edwards presented the results of the FY24 audit to the Finance Committee prior to the regular meeting. The EDA earned an unmodified “clean” opinion with no audit findings. Mr. Romanello added that the EDA’s unassigned fund balance sits at \$31,619,145, an increase of over \$6,175,086 over FY23. This increase is due to the proceeds from the sale of White Oak Technology Park Sites 1, 3, 4, and 5, the second reimbursement from the County for the St. Gertrude’s acquisition, and the positive results of operations contributed to the increase.

Mr. Romanello attributed the EDA’s financial success to the diligent cash management strategy executed by Steve Gow and the team at Truist Wealth and the sale of the parcels at White Oak Technology Park. Mr. Romanello highlighted earning the Government Finance Officers Association Certificate of Achievement for Financial Reporting for FY23. Henrico is one of only three economic development organizations in the country to achieve the designation and complimented Ms. Kubat for her leadership in this effort. Mr. Berman reported that the Finance Committee found the audit results acceptable and recommended the audit for approval. On a motion by Mr. Whitlock, seconded by Mr. Mays, the FY24 audit was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting “aye.”

OFFICE RENOVATION INCENTIVE GRANT

Mr. Romanello reviewed the Office Renovation Grant, a key part of the EDA’s new multipronged strategy for office called “Henrico Tomorrow.” The grant program offers property owners a unique opportunity to invest in upgrades with up to 50% reimbursement of their incurred renovation costs, up to \$500,000. The program is designed to assist property owners who are looking to enhance their building’s appeal, boost employee productivity, or attract or retain tenants to their buildings. The grant program carries a minimum investment of \$250,000 which provides the perfect opportunity for local property owners to elevate their properties while strengthening Henrico’s economy. The program’s application period opens January 1st, 2025 and runs through March 15th, 2025, aiming to give applicants ample time to compile their submission packages.

Mr. Romanello informed the Board that once the results were in, the EDA staff would bring the selection before the Board in April to review the winners. Mr. Romanello recommended the program requirements for approval. On a motion by Mr. Mays, seconded by Mr. Soundararajan, the requirements were approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting “aye.”

**RESOLUTION – SIGNATORY AUTHORITY – VIRGINIA HOUSING STRATEGIC
INITIATIVES FUNDING FOR GLENWOOD FARMS**

Mr. Romanello reviewed the Glenwood Farms housing crisis, stating that the housing complex had received over 2,200 individual building code violations since 2018, including violations for electrical hazards, sewer line backups, plumbing leaks, rodent and insect infestations, broken or nonfunctioning doors and windows, and repair work done without the proper permitting. The EDA and the developer entered into a redevelopment agreement in August for the redevelopment of the housing community into a mixed-income community with 950 dwelling units, to include multifamily, age-restricted multifamily, townhomes, and certain commercial uses. The loan agreement was created in order to assist the developer with financial assistance to stimulate the rapid and successful completion of the redevelopment.

Mr. Romanello stated that the County partnered with the Developer on an application to the Virginia Housing Development Authority for grant funding to reimburse construction, renovation, clean-up, security, and relocation expenses incurred in connection with the redevelopment of Glenwood Farms. The EDA's role in the incentive agreement is specifically preconditioned upon payment of the necessary grant funds by Virginia Housing to the County pursuant to the VHDA agreement and the EDA's receipt of the necessary appropriations from the County's Board of Supervisors.

Mr. Romanello explained that approval of the current resolution would provide approval from the EDA's Board of Directors that the grant funds will promote safe and affordable housing in the County and the safety, health, and welfare of County residents, for the Executive Director to authorize and sign the Memorandum of Understanding, and finally to authorize the Executive Director to execute the incentive agreement. Mr. Whitlock asked if there were any questions. Hearing none, on a motion by Ms. Mallory, seconded by Mr. Brown, the resolution was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

PPD #3 EXTENSION

Mr. Romanello stated that the Henrico incentive agreement with PPD was originally signed on March 5th, 2024 to support PPD in creating 400 jobs and investing approximately \$92 million in the county. The incentives include the following: reimbursement of local permit fees at 2250 Dabney Road, up to \$185,410; waiver of local permit fees for 8700 Quioccasin Road, up to \$225,590; infrastructure improvements; reimbursement of on-site improvements up to \$300,000; and reduction of biotechnology equipment tax rate valued at \$989,000. While some progress has been made toward meeting the targets, PPD has encountered unforeseen delays due to several factors including but not limited to market demand, COVID reduced requirements, and overall economic conditions. The company has created 14 new jobs and invested \$71 million in

building upfits and capital expenditures. As a result, PPD has requested an additional 15 months to get closer to the metrics outlined in the agreement.

The amended agreement will provide a 15-month extension to the existing agreement, set to expire no December 31st, 2024. Mr. Romanello explained that the extension would not only assist PPD in fulfilling its contractual commitments but also continue to foster the positive economic impact Henrico has already begun to experience. The additional time requested will provide the necessary flexibility to approach the remaining milestones, ensuring that both parties can achieve the full benefits originally envisioned.

Mr. Berman questioned if there was a plan in place in order to ensure that the metrics would be met in the future. Mr. Romanello replied that the life sciences sector slowed down significantly during the pandemic, and while they are always looking for new contracts, it cannot be guaranteed. PPD is proactive and certainly trying to ensure the metrics will be met. Mr. Whitlock asked if there is a downside to granting it. Mr. Romanello replied that there is not due to the fact that the EDA would not distribute any funding if the metrics were not met. The downside exists in failing to grant the extension because it would send a message of nonsupport to our major employers. On a motion by Mr. Mays, seconded by Mr. Pearson, the agreement was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting “aye.”

RESOLUTION – SIGNATORY AUTHORITY – CONVEYANCE OF RIGHT-OF-WAY- 7500 STAPLES MILL ROAD

Mr. Romanello explained that the EDA and Lee Hall Plaza, Inc. entered into a purchase agreement in May of 2021 for an EDA-owned property located at 7500 Staples Mill Road. The company obtained a plan of development approval for the property, and the approval requires the conveyance of right-of-way along Staples Mill Road to the Virginia Department of Transportation prior to the issuance of permits. The company has requested that the EDA convey the necessary right-of-way to the Virginia Department of Transportation while the parties continue to satisfy preconditions to closing the sale of the property by the EDA to the company, and the EDA is willing to do so.

The resolution would authorize the Executive Director to execute a deed of gift and donation to convey the necessary right-of-way along Staples Mill Road to the Virginia Department of Transportation and any other documents required to complete the transaction. On a motion by Mr. Mays, seconded by Ms. Custer, the resolution was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting “aye.”

WHITE OAK MEMORIAL CONSTRUCTION

Mr. Romanello stated that the Board approved a budget increase of \$425,000 for the memorial construction project at the June 30th, 2024 meeting. The EDA has since met with Timmons to discuss the project's scope and cost. Timmons has proposed to oversee the project and to hire Blakemore Construction for the building of the memorial. The contract proposal from Timmons totals \$200,460. If the Board decides to proceed with the proposal from Timmons, a separate proposal from Blakemore Construction for the building of the memorial will be submitted for Board approval at a later date. The total cost of the project is not anticipated to exceed the approved budget of \$425,000.

Mr. Romanello informed the Board that the court hearing is set for January 17th, 2025 and that the EDA has received 14 signatures (out of the 19 total from the original order). The EDA feels confident that the judge will approve the amendment. Mr. Whitlock asked if anyone contacted has declined to sign or if the EDA has simply been unable to locate them. Mr. Murphy answered that no one has disagreed, it has just proven difficult to locate them. On a motion by Mr. Mays, seconded by Ms. Mallory, the construction was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

COMMITTEE REPORTS

Finance: Ms. Kubat stated that the EDA currently has six laddered Treasury bills earning between 4.57% - 5.24% interest. The money market account with Truist investments has a balance of \$11,927,538, with the Hillwood money accounting for \$11,832,766. The Virginia LGIP account has a balance of \$1,150,247 and the Truist checking account has a balance of \$976,532.

Marketing: Ms. Miller reported that the logo/ branding for Henrico Tomorrow was successfully developed and subsequently, the press release package for Henrico's CATALYST Business Academy and Henrico Tomorrow were deployed. The corporate services one-pager was updated, and two new grant brochures were created. Social posts were made for hurricane relief with Coca-Cola Consolidated, Veteran's Day, PUMP reminders, and the announcement of Henrico's CATALYST program.

Nominating: Mr. Mays stated that the next Nominating Committee meeting will be held before the December meeting.

Personnel: Mr. Bagley reported that the Executive Director's evaluation survey would be sent out shortly and remain active for two weeks.

Strategic Planning: Ms. Custer stated that the companies have been successfully identified for the internal analysis stakeholder interviews and interviews with links to schedule have been sent out. Approximately half of the interviews have been scheduled. The staff has met with SIR to review industry clusters and identify any further research needs. The next meeting is scheduled for 12/3/24. The new plan is still on schedule to be fully in place for FY26.

TEAM REPORT

Mr. Romanello informed the Board that Project Quarter Sink has been cancelled. The decision was made to not proceed with the acquisition. The EDA has provided the owners with the completed due diligence to provide to any other prospective buyers. The earnest money deposit of \$100,000 was refunded to the EDA on November 15, 2024.

The Fisher-Garthright Memorial is progressing with the 0.26 acres from VDOT soon to be conveyed to the EDA. The conveyance will include the land-owned fee simple and old roadbed no longer in use. The EDA has conducted an appraisal on the property and has determined its value to be \$10,000. With Board approval, the EDA will proceed with the acquisition. On a motion by Mr. Mays, seconded by Mr. Pearson, the acquisition was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting “aye.”

Mr. Romanello reviewed the data from the White Oak Technology Park sales, stating that from 1996-2018, 39% of the total acreage, 859.22 acres, was sold. From 2019-2024, 61% of the total acreage was sold, equal to 1,342.20 acres. Since 1996, that resulted in \$138.1 million in gross revenue, with \$86.9 million going to the State of Virginia, \$38.7 million to the EDA, \$11.3 million to the VEDP fund, and \$1.2 million to broker commissions. Mr. Romanello reminded the Board that up until 2017, the state of Virginia received all of the revenue from any sale in White Oak Technology Park. Mr. Romanello informed the Board that the EDA is in the process of closing the book on sales in White Oak Technology Park, and that he has asked Mr. Hall and Ms. Powell to work on creating a white paper on the history of the Tech Park.

Mr. Larsen provided an update on the Dragway property, stating that the EDA continues to submit the site for high-impact projects. Four of those projects have been within the past six months. The EDA has also submitted a pre-application for the Virginia Business Ready Sites grant, which will request \$11.6 million to extend gravity sewer lines to the site. The grant would require a dollar-per-dollar match by the EDA, but the amount already spent on the lease would apply.

OLD/NEW BUSINESS

Mr. Whitlock asked if there was any old business. Mr. Romanello stated that the EDA has an updated document for the Regency agreement from the previous Board meeting. The appropriate lending institutions had not reviewed the document when it was approved by the EDA. As of the Friday prior to the meeting, the agreement was not in a position to move forward, so it was not included in the Board package. Mr. Murphy said that counsel for the client tried to remove the clawback provision because the banks wanted to use the agreement as collateral, but the final form will allow the lenders to step in in the event of a default. The EDA can suspend payments in the event of a default as well, which is very similar to the previous version of the agreement.

The agreement has now been approved by all relevant parties, so the amended agreement with minor changes is ready for approval. Mr. Romanello confirmed that all necessary signatures have been received. On a motion by Mr. Soundararajan, seconded by Ms. Bagley, the amended agreement was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting “aye.” 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: a) concerning four proposed real property acquisitions by the Economic Development Authority for purposes of economic development, including discussion of proposed terms regarding timing, price, preconditions, and due diligence activities and the Economic Development Authority’s planned uses for the properties, where discussion in an open meeting would adversely affect the bargaining position and negotiating strategy of the Economic Development Authority, and b) consideration of the proposed conveyance of real property owned by the Economic Development Authority, including discussion of proposed terms regarding price, preconditions, and conditions subsequent and the proposed development of the property, 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. Bagley, and 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. Bagley 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. Mr. Bagley seconded the motion. With a second by Mr. Bagley, and with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting "aye," the Board certified the closed meeting.

Once the Board had certified the closed session, on a motion by Ms. Mallory, seconded by Ms. Custer, the resolution for the sale of a portion of White Oak Technology Park was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting "aye." On a motion by Mr. Mays, seconded by Ms. Custer, the due diligence work up to \$225,000 for the Charles City Road property was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

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



Sam Bagley

Secretary