

**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, January 16th, 2025 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, Treasurer
Suresh Soundararajan, Secretary
Robert W. Brown, Jr.
William A. Gordon
Tyee D. Mallory
S. Floyd Mays, Jr.
Travis Pearson

DIRECTORS ABSENT

None

DIRECTORS PARTICIPATING ELECTRONICALLY

Susan W. Custer

OTHERS PRESENT

Reginald L. Staples, Jr., Partner, Dinsmore & Shohl LLP
Rhodes Ritenour, Vice President, External and Regulatory Affairs, Bon Secours Mercy Health System
Brandon Hinton, Deputy County Manager for Administration, Henrico County
Michael Feinmel, Deputy County Manager for Public Safety, Henrico County
Sara Maynard, Assistant County Attorney
Anthony Romanello, Executive Director
Andrew Larsen, Managing Director
Wendy Miller, Managing Director
Ebonie Atkins, Managing Director
Jason Smith, Business Manager
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 Susan Custer is unable to attend the meeting in person due to personal travel that prevents her physical attendance. Ms. Custer wishes to participate remotely from her lodgings in Raleigh, North Carolina. 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. Bagley, the electronic participation was approved, with Ms. Mallory and Messrs. Bagley, Berman, Brown, Gordon, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

REPORT OF NOMINATING COMMITTEE

Mr. Mays reported that the Nominating Committee, consisting of Ms. Custer, Mr. Mays, Mr. Pearson, and Mr. Whitlock, met at 5:00 p.m. on December 19th, 2024. The Committee discussed a slate of officers for the EDA for the calendar year 2025. The committee recommended the following appointments:

- Edward S. Whitlock, III – Chair
- Dennis Berman – Vice Chair
- Sam Bagley – Treasurer
- Suresh Soundararajan - Secretary

ELECTION OF OFFICERS

Mr. Mays moved to elect the recommended slate of officers. On a second by Mr. Pearson, the 2025 appointments were approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Gordon, 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 November 21st, 2024 regular meeting. Hearing none, on a motion by Mr. Bagley and seconded by Ms. Mallory, the November 21st, 2024 regular meeting minutes were approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Gordon, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

Mr. Whitlock asked if there were any corrections or additions to the minutes for the December 19th, 2024 special meeting. Hearing none, on a motion by Ms. Mallory and seconded

by Mr. Mays, the December 19th, 2024 special meeting minutes were approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Gordon, Mays, Pearson, Soundararajan, and Whitlock all voting “aye.”

INDUCEMENT RESOLUTION WITH RESPECT TO THE PROPOSED ISSUANCE OF REVENUE BONDS BY THE ECONOMIC DEVELOPMENT AUTHORITY OF HENRICO COUNTY, VIRGINIA FOR BON SECOURS MERCY HEALTH, INC. AND ITS NONPROFIT AFFILIATES

Mr. Romanello introduced Mr. Gordon, the recently appointed EDA Board member, Mr. Hinton, Mr. Feinmel, and Ms. Maynard, who is filling in for Mr. Murphy. Mr. Romanello also introduced Mr. Ritenour and Mr. Staples, who are attending on behalf of Bon Secours Mercy Health Systems, as well as Mr. Kusniers, Mr. Emmett, and Mr. Tharp who are joining remotely also on behalf of Bon Secours Mercy Health. Mr. Romanello explained that the Board would go into closed session after the Bon Secours bond item.

Mr. Romanello stated that Bon Secours Mercy Health is requesting to issue up to \$600 million in industrial revenue bonds for healthcare infrastructure improvements in 12 Virginia localities including Henrico. Another public hearing will be held at the February meeting to clarify that financing is set at no more than \$600 million. The advertisement in the Richmond Times-Dispatch stated \$500 million.

The Henrico Board of Supervisors will be asked to approve the financing as will the governing bodies of the other 11 jurisdictions. Bon Secours could have selected any of the 12 jurisdictions for the financing, so their choice of Henrico is a significant endorsement. This will be the largest industrial revenue bond financing in Henrico’s history.

Mr. Romanello reminded the Board that in 2022, the EDA amended its bond financing policy to allow bond financing fees to be paid in the traditional manner of 0.05% of principal annually over the life of the loan or a new alternative to allow a one-time payment of 0.25% of principal at the closing of the financing. Bon Secours selected the latter option which will result in a fee of \$1,500,000 paid to the EDA. The County Attorney’s Office has reviewed the resolution and found it to be in order. Mr. Romanello recommended the resolution for approval and gave the floor to Mr. Ritenour and Mr. Staples for additional comment.

Mr. Staples stated that a public hearing for the bond financing is required by federal tax law and provided a brief overview on the structure of bond financing, explaining that the EDA is not responsible for repayment on behalf of Bon Secours Mercy Health. Mr. Staples asked if there were any questions. Mr. Bagley asked what the Henrico facility was going to be. Mr. Ritenour responded that they are financing an expansion project at St. Mary’s Hospital.

Mr. Whitlock opened the public hearing. Hearing no public commentary, Mr. Whitlock closed the public hearing. On a motion by Mr. Mays, seconded by Mr. Pearson, the Bon Secours Mercy Health bond financing was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Gordon, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

CLOSED SESSION

Mr. Whitlock moved that the Board go into a closed session pursuant to

1. Virginia Code Section 2.2-3711(A)(3) for a briefing of the Board members and a discussion concerning the proposed acquisition of real property by the Economic Development Authority and subsequent lease of such real property to a business interested in locating its facilities in Henrico County, including discussion of terms regarding development, use, and rent, where discussion in an open meeting would adversely affect the bargaining position and negotiating strategy of the Economic Development Authority.
2. Virginia Code Section 2.2-3711(A)(3) for a briefing of the Board members and a discussion concerning the acquisition of two additional parcels of real property by the Economic Development Authority for public purposes, including discussion of terms regarding price, timing, and use of the parcels, where discussion in an open meeting would adversely affect the bargaining position and negotiating strategy of the Economic Development Authority.
3. Virginia Code Section 2.2-3711(A)(5) for a briefing of the Board members and a discussion regarding the expansion of an existing business in Henrico County where no previous announcement has been made of the business's interest in expanding its facilities in the county, including the amount of investment proposed by the business.

With a second by Mr. Soundararajan, and Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Gordon, 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, Gordon, 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, Gordon, 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 Mr. Mays, seconded by Mr. Pearson, the resolution for the acquisition of real property from White Oak Realty Associates was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Gordon, Mays, Pearson, Soundararajan, and Whitlock all voting "aye." On a motion by Mr. Pearson, seconded by Ms. Mallory, the resolution to approve the acquisition of real property for the purpose of subsequently leasing such property to a business willing to operate a detoxification, treatment, and recovery center on such property was approved, with Ms. Mallory and Messrs. Bagley, Berman, Brown, Gordon, Mays, Pearson, Soundararajan, and Whitlock all voting "aye." Ms. Custer abstained from voting.

HIP ZONE GRANT APPROVAL

Mr. Romanello informed the Board that the Diamond Hotel, LLC has conducted site improvements at their property located at 8008 West Broad Street. The total cost of qualifying improvements was \$200,295 and they are requesting a HIP building grant of \$30,000. Any payments made by the EDA over \$25,000 require Board approval. The HIP zone grants are fully reimbursed by the County once paid. Mr. Romanello recommended the grant for approval. On a motion by Mr. Pearson, seconded by Ms. Mallory, the grant was approved, with Ms. Custer, Ms. Mallory, and Messrs. Bagley, Berman, Brown, Mays, Pearson, Soundararajan, and Whitlock all voting "aye."

VBRSP GRANT PURSUITS

Mr. Romanello introduced Mr. Smith to provide an update on the Virginia Business Ready Sites Program. Mr. Smith explained that the Virginia Business Ready Sites Program (VBRSP) is a discretionary grant program used to promote the development and characterization

of sites to enhance the Commonwealth's infrastructure and promote its competitive business environment. The program's goal is to identify and assess the readiness of potential industrial sites of at least 100 acres in the Commonwealth for marketing in alignment with the goals outlined in the Governor's economic development plan.

Mr. Smith stated that the EDA has submitted VBRSP applications for the Dragway site located at 1955 Portugee Road and the Beulah site located at 6201 Beulah Road. The EDA has requested \$9.4 million for the Dragway to extend the gravity sewer to the site, and \$320,000 for the Beulah site to complete the necessary due diligence to move the site from Tier 2 to Tier 3 status. Mr. Romanello added that the grant is a soft match and that no Board approval is required but wanted to make the Board aware that the EDA is working at every opportunity to get industrial sites ready.

Mr. Smith informed the Board that both applications were submitted on Wednesday, January 8th, 2025, for initial review by VEDP. Virtual site visits will be scheduled by VEDP towards the end of January to discuss applications and work to be completed for each site before VEDP moves to the next steps. Site tours will be conducted through April 14 – May 2, 2025, and grant award offers will be announced in June of 2025.

COMMITTEE REPORTS

Finance: Ms. Kubat stated that the EDA currently has seven laddered Treasury bills earning between 4.22% - 5.24% interest. The money market account with Truist investments has a balance of \$12,482,918, with the Hillwood money accounting for \$11,832,766. The Virginia LGIP account has a balance of \$1,159,332 and the Truist checking account has a balance of \$209,688.

Marketing: Mr. Pearson reported that a press release package was created for the Henrico Small Business Boost program, and the Henrico Tomorrow program was advertised in the *Virginia Business* December issue and weekday emails. The EDA team held a marketing/communications strategy discussion with SIR. Social posts were created for the Kinsale Center update, Lewis Ginter's recognition by *USA Today*, the Henrico Small Business Boost announcement, a reminder for the Henrico CATALYST program, RVA Small Business Network interview, *Virginia Business Facilities* 2024 State of the Year, a spotlight for the CEO of Kai Bear's Popcorn: *Virginia Business*' 100 People to Meet in 2025, and 2024 holiday wishes. The EDA began discussions around the issuance of the RFP for marketing services later this year and released a *PropertyNow* featuring 4101 Carolina Ave. January social posts included New Year's wishes, a notice for the Henrico water crisis, cancellation of the January 8th, 2025 PUMP event, a reminder for the January 9th, 2025 CATALYST program, and the Henrico Office Renovation Incentive Program.

Nominating: Mr. Mays provided the report earlier in the meeting.

Personnel: Mr. Bagley reported that he and Mr. Whitlock met with Mr. Romanello to discuss the results of the 2024 Executive Director evaluation. Mr. Bagley stated that there was little change from the previous year and the EDA remains in good hands.

Strategic Planning: Ms. Custer stated that the EDA has a half-day workshop scheduled for review of the staff research and the EDA's current vs. future activities, tactics, and initiatives. The first round of stakeholder interviews has been completed, and SIR has reserved time for secondary interviews to gain additional insight. The EDA plans to schedule a meeting with the Strategic Planning Committee for a project update in the near future. The new plan is still on schedule to be fully in place for FY26.

TEAM REPORT

Mr. Romanello introduced Ms. White to provide an update on the Q2 metrics. Ms. White stated that there were four small changes to note this quarter. The unemployment rate decreased from 3.2% to 2.9%. The average annual income increased from \$66,200 to \$67,700. The median home price decreased from \$415,000 to \$400,000. The total jobs, based on a four-quarter moving average, increased from last quarter, from 198,158 to 198,642.

Ms. White said that job productivity, calculated by real GCP divided by the number of jobs, has decreased from last year. The decrease from 2021 to 2022 is due to an increase of 5,000 jobs from 2021 to 2022 and the GCP remaining stable. The decrease from 2022 to 2023 was due largely to Capital One moving to Goochland causing a reduction of employees and bank deposits in Henrico. Ms. White highlighted that these two events were anomalies in an otherwise healthy, upward trajectory.

Mr. Romanello added that the EDA is working with Mangum Economics to determine the reason for the drop last year. The GCP was relatively flat outside of the finance and insurance sector. Consumption activity has been robust, but it is just under the national trend, so it remains flat. Studying the job productivity report provides the EDA with a good sense of the area's macroeconomic activity.

Mr. Romanello provided a brief overview of the Q2 workplan update, highlighting the metrics. Year to date, the EDA has \$7.6 billion in capital investment, 1,048 jobs, \$101 million in wages, and four million square feet, far exceeding the yearly goals. Mr. Romanello introduced Ms. Miller to provide an update on the Henrico Tomorrow program.

Ms. Miller stated that the EDA has approved four submissions for the architectural services grant, also known as the Henrico Tomorrow Reimagining Grant. The companies that have been approved so far are Thalhimer, Virginia Bankers Association, Westmark Building, and St. Joseph's Villa. The total amount of grant money approved is \$84,700. The Henrico Tomorrow Renovation Grant went into effect January 1st, 2025, and has not yet received any submissions, but has generated a lot of interest and good conversation.

Ms. Miller provided an update on the Fisher-Garthright memorial, stating that the last meeting with the family was held on December 4th, 2024. The meeting included staff from Henrico Recs and Parks to discuss historical artifacts. Timmons has already begun the preliminary site work, and the court case is scheduled for Friday, January 17th, 2025. The next family meeting is scheduled for Tuesday, January 21st, 2025. The construction contract for the structure will be brought to the EDA Board in February.

Mr. Pearson asked if there was a possibility that the judge would deny the relocation request. Ms. Maynard replied that a denial would be highly unlikely. Mr. Murphy will present the oral argument and the EDA has the majority of the family's consent. Mr. Romanello reminded the Board to please file their yearly COIA forms with Ms. Brackett by February 3rd, 2025.

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 adjourned the meeting.

There being no further business, the meeting adjourned at 8:36 p.m.

A handwritten signature in black ink, appearing to read 'Suresh Soundararajan', is written over a horizontal line.

Suresh Soundararajan

Secretary