

**Minutes**  
**Board of Directors of the Virginia Economic Development Partnership Authority**  
**June 13, 2024**  
**9:00 a.m.**

**901 East Cary Street**  
**One James Center, Board Room – 9<sup>th</sup> Floor**  
**Richmond, VA 23219**

**Welcome and Call to Order**

The meeting was called to order at 9:10 a.m. by Chair Bill Hayter, who noted that a quorum was present.

In-Person Board Members: Carrie Chenery, Mimi Coles, Stephen Edwards, Rick Harrell, Bill Hayter, John Hewa, Pace Lochte, Secretary Caren Merrick, Anne Oman, Marianne Radcliff, Nick Rush, Will Sessoms, and Steven Stone

Board Members Absent: Nancy Agee, Secretary Stephen Cummings, and April Kees

**Public Comment Period**

Chair Hayter solicited public comments. There were none.

**Approval of Minutes for 03.07.24 Meeting**

Chair Hayter asked for approval of the minutes from the March 7, 2024, meeting. A motion was made by Mimi Coles and seconded by Carrie Chenery and the minutes were unanimously approved as presented.

**Chair's Report**

Chair Hayter thanked everyone who participated in Board Committee meetings the previous day and the Board dinner the previous evening.

Chair Hayter recognized outgoing Board members, Carrie Chenery and Marianne Radcliff whose terms are concluding at the end of June 2024. He spoke about their many contributions to the Board, thanked them for their service, and wished them well in their future endeavors.

Chair Hayter congratulated Board member Nancy Agee who was recently presented with a Centennial Lifetime Achievement Award by the Virginia Chamber of Commerce, honoring a lifetime of exemplary leadership in healthcare and economic development in the Commonwealth.

Chair Hayter shared that VEDP, and its International Trade team recently received this years' E Star award from the U.S. Department of Commerce. He explained that the award is the highest national honor given to providers of services to exporters, noting that this is VEDP's second time receiving this award. Chair Hayter added that he and the Board are very proud of the achievements of VEDP's International Trade team led by Stephanie Agee, particularly in the last few years as they have developed innovative new programs and expanded existing services with the new funding provided by the General Assembly and Governor for implementation of the International Trade Plan (ITP). Attendees offered the International Trade team a round of applause.

Chair Hayter welcomed guest presenter Dr. David Doré, Chancellor, Virginia Community College System and thanked him for attending the meeting and joining the Board for dinner the previous evening.

Chair Hayter welcomed summer interns from VEDP and other agencies who were observing the meeting. He spoke about the importance of internship programs in raising awareness about careers in the field of economic development. Chair Hayter thanked the Human Resources and Organizational Development teams who designed VEDP's summer internship program and all of the divisions at VEDP that are participating in hosting interns.

Chair Hayter thanked the VEDP staff for the tremendous work they have done not only in preparing for the Committee and Board meetings, but in advancing economic development across every region of Virginia on many different fronts since the last Board meeting.

Chair Hayter thanked Administration and General Assembly partners for their support of VEDP and its priorities. He emphasized the support and new resources the General Assembly and Governor Youngkin provided to VEDP to expand its activity and impact in the year ahead.

Chair Hayter concluded his remarks by reviewing the meeting agenda, including topics that would be discussed during closed session.

### **President's Report**

Chair Hayter introduced Jason El Koubi to deliver his report.

Mr. El Koubi stated that VEDP's International Trade division met its goal of enrolling 495 companies in trade-related programs in FY24. The team will end the fiscal year with more than \$1B in International Trade sales and over 13,000 trade supported jobs.

Mr. El Koubi reviewed progress toward VEDP's capital investment and job creation goals. He noted that VEDP has substantially exceeded its capital investment goal through a combination of data center and non-data center projects. He said VEDP is finishing short on jobs, with two thirds of the goal being met. He cited the loss of the 7,500 job FBI project and a slowdown in the second half of the fiscal year as factors contributing to the shortfall.

Mr. El Koubi reviewed VEDP's FY24 Major Initiatives and progress to date on each, noting that VEDP is on track to complete all of its Major Initiatives. He highlighted implementation of the Innovative Framework, the Strategic Plan refresh, and site development efforts. He also mentioned the Virginia Talent Accelerator Program led by Mike Grundmann, noting that it is the top program of its kind in America. Mr. El Koubi said that Virginia will see more project wins as a result of the efforts of Mr. Grundmann and his team.

Mr. El Koubi spoke about VEDP's Organizational Development team led by Laura Boone and how the work they are doing is helping staff to see that VEDP is committed to investing in their success and career goals.

Mr. El Koubi expressed gratitude to Governor Youngkin, Secretary Caren Merrick, Anne Oman, April Kees, and their teams for prioritizing economic development in the Administration and General Assembly.

Mr. El Koubi spoke about the new MEI Commission and leadership. He shared that VEDP conducted an orientation for new members in partnership with money committee staff at the spring MEI meeting. Mr. El Koubi said that VEDP recently brought two projects to the Commission for consideration and both proposals were unanimously approved.

Mr. El Koubi shared notable developments since the last Board meeting in March, including steady project activity, including several high-profile site visits, despite a slowdown in the project pipeline; successful administration of this year's Virginia Business Ready Sites Program by VEDP's Site Development team; and positive results in staff and partner surveys, despite a significant time of change and growth at VEDP.

Mr. El Koubi spoke about Virginia Office of Education Economics (VOEE) stakeholder engagement on identifying VOEE's next Executive Director.

Mr. El Koubi shared that the Joint Legislative Audit and Review Commission (JLARC) issued a positive report on VEDP's custom performance grants. He noted that this is the first time JLARC has reviewed these custom grants, finding that the grants are well designed, well targeted, and influential in business decisions. Mr. El Koubi thanked Katherine Goodwin and Stephen Hartka for their leadership in this area.

Mr. El Koubi shared his top priorities for the coming months, including emphasis on lead generation efforts through VEDP's Sector Teams; building relationships with General Assembly members; and several important staff engagement priorities.

Chair Hayter thanked Mr. El Koubi for his report and for all that VEDP has accomplished.

### **Guest Presentation: Dr. David Dore, Virginia Community College System**

Jason El Koubi introduced Dr. David Doré, Chancellor, Virginia Community College System (VCCS) and invited him to share his presentation.

Dr. Doré shared that he has just completed his first year with VCCS. He spoke about the great partnership he and VCCS have enjoyed with VEDP. He said VCCS is in sync with VEDP's goals and thanked Mr. El Koubi and team for the work the organization is doing.

Dr. Doré said that his goal is unlocking the potential of people, adding that workforce development and education are tied together. He shared a short video on VCCS.

Dr. Doré provided an overview of VCCS's Strategic Plan, which is a six-year plan that has been shared with Governor Youngkin and the money committees. He said the plan is ultimately about talent and is aligned to the workforce needs of every region and every sector in Virginia. VCCS campuses have aligned regionally by GOVA region which has fostered a collaborative approach among them.

Dr. Doré spoke about VCCS's plans to scale up in-demand programs, which are nuanced by region with some common denominators. He said that technical and soft skills are imbedded in all programs.

Dr. Doré reviewed the different types of learners that VCCS aims to serve and plans for reaching them. He spoke about ensuring that the credentials VCCS offers are meaningful and helping to fill the skills gaps.

Dr. Doré explained that the value proposition of attending VCCS, which is to spend the first two years at a community college to decrease the cost of a 4-year degree.

Dr. Doré shared VCCS's mission: "We give everyone the opportunity to learn and develop the right skills so lives and communities are strengthened."

Dr. Doré recognized the Virginia Office of Education Economics (VOEE), which he said was critical and essential to VCCS's Strategic Plan.

Dr. Doré shared the five big strategic objectives outlined in VCCS's Strategic Plan: Developing Virginia's Workforce; Reaching More Virginians; Delivering Education to Today's Learners; Supporting Today's Learners; and Investing in Virginia's Workforce.

Dr. Doré spoke about the shift from "just in case education" to "just in time education." He said there is a new focus on skills that can be implemented today to make students more marketable tomorrow. He highlighted game-changing Virginia programs such as G3 and FastForward.

Dr. Doré commended Mr. Grundmann and the Virginia Talent Accelerator Program team for the incredible partnership with VCCS.

Steve Stone thanked Dr. Doré for everything he is doing for the Commonwealth.

Dr. Doré concluded his remarks by providing some specific examples of how VCCS is working with employers on career pathways. John Hewa emphasized that employers are feeling the difference and seeing the flexibility, adding that he appreciates VCCS's responsiveness.

### **VEDP Staff Spotlight**

Mr. El Koubi and Anita Begnaud introduced Chip Knighton, Senior Marketing Manager, Marketing and Communications (M&C). Ms. Begnaud explained that Mr. Knighton is the architect of VEDP's *Virginia Economic Review* (VER) publication. She also shared comments from Mr. Knighton's M&C teammates on his kindness, accessibility, and collaborative approach to the division's work.

Mr. Knighton provided information on his background and his career at VEDP. Mr. Knighton shared that he feels fulfilled working at VEDP and creating a tangible product, *Virginia Economic Review*, which is contributing to awareness about Virginia.

Secretary Caren Merrick said that VER is a beautiful and world-class publication, which Mr. Hewa seconded.

Pace Lochte said that she enjoys learning about the VEDP team through VEDP Staff Spotlights.

Chair Hayter thanked Mr. Knighton for his presentation and for his contributions at VEDP.

### **Update on VEDP's Advisory Committee on Business Development and Marketing**

Board liaison to VEDP's Advisory Committee on Business Development and Marketing, Pace Lochte, provided an update on the Committee's recent activity.

Ms. Lochte said that the Committee met in person on February 12 and virtually on April 17 to discuss a variety of topics.

Ms. Lochte reviewed the composition of the Committee and its purpose.

Ms. Lochte said that throughout the first half of 2024, the Committee has appreciated the opportunity to participate in the development of VEDP's FY25 Marketing Plan, updates to Partner Protocols, and enhancements to the lead generation process.

Ms. Lochte shared that John Kilgore, Executive Director of Scott County Economic Development and Committee member was recently appointed Vice Chair of the Committee by unanimous vote of the members.

Ms. Lochte said that the Committee's next meeting has not yet been determined, but they anticipate convening again before the end of the year to discuss implementation of the FY25 Marketing Plan and any Marketing & Communications-related priorities and/or budget requests for the 2025 General Assembly session.

Ms. Lochte invited the Board members to reach out to her with any items they would like for her to discuss with the Committee at their next meeting.

Chair Hayter thanked Ms. Lochte for her involvement on the Committee and for keeping the Board informed of the Committee's activities.

### **Legislation and Policy Committee Report**

Legislation and Policy Committee Chair Marianne Radcliff provided an update on the topics discussed during the Committee's meeting on June 12, 2024.

Ms. Radcliff said that Nicole Riley provided an update on this year's federal elections. Ms. Riley highlighted that Senator Tim Kaine is up for re-election and will face one of the five hopeful Republican candidates. She added that 9 of Virginia's 11 members of the U.S. House of Representatives are seeking re-election.

Ms. Radcliff said that Ms. Riley also shared the final outcome of legislative and budget items related to VEDP and economic development in general. Ms. Riley's General Assembly update highlighted VEDP priority proposals that were signed into law. She also spoke about another bill of interest that was approved by the Governor which establishes the Virginia Business Ready Expedited Permitting Program. Ms. Riley explained that the program allows VEDP to designate up to two sites and four projects for expedited permitting. The legislation sets timelines for agency review, protects public comment, and sunsets after 3 years. Ms. Radcliff noted that VEDP will be working through the first half of FY25 to get the program set up by January 1, 2025.

Ms. Radcliff shared that the final compromise budget included \$20 million in each year of the budget for the Virginia Business Ready Sites Program and additional funding to support several of VEDP's operations such as the Innovative Framework, VOEE, and sites administration.

Ms. Radcliff stated that the Committee also received an update on VEDP's continued outreach to General Assembly members, which aims to keep members apprised of VEDP activities and impact as well as to secure advocates for top VEDP priorities, including site development and marketing funding.

Chair Hayter thanked Ms. Radcliff for her report.

### **Finance and Audit Committee Report**

Finance and Audit Committee Chair Rick Harrell provided an update on the topics discussed during the Committee meeting on June 12, 2024.

Mr. Harrell said that Staci Henshaw, from the Auditor of Public Accounts (APA), gave a report on VEDP's recently completed financial audit for FY23. She stated that VEDP received a clean audit opinion for its financial statements for the year ended June 30, 2023, and that there were no significant audit adjustments, disagreements with management, or difficulties encountered with the audit. Mr. Harrell said the APA has also issued a report on VEDP's compliance with internal controls, with two repeat findings related to Information Technology security and governance, and service provider oversight. There were no material internal control weaknesses identified.

Mr. Harrell said that Bob Grenell presented VEDP's financial results for the nine-month period ended March 31, 2024. Mr. Grenell reported that all divisions are close to or below budget, and spending is expected to increase in the fourth quarter to close out the fiscal year. Mr. Harrell said that VEDP's proposed FY25 Operational Plan budget was also reviewed, including new funding received, expenditure detail by division, and carryforward revenue items.

Mr. Harrell stated that the Committee received an update from Randy Sherrod with FORVIS and his team on VEDP's audit function.

FORVIS reported on two recently completed audit reports for the Human Resources (HR) and Information Technology (IT) divisions. Mr. Harrell said that the HR audit had one medium finding, and the IT audit was limited in scope to assessing progress made in addressing the FY23 APA audit findings. The IT audit report had no findings with current efforts completed to date.

Mr. Harrell said that FORVIS also presented the annual risk assessment and proposed five-year audit plan. FORVIS explained that each VEDP division will be audited at least once with some

divisions receiving two audits during the five-year period. FORVIS will provide an updated risk assessment at the next FAC meeting based on input from the Committee.

Mr. Harrel said the status of open audit issues since the March Committee meeting were reviewed. He noted that all remaining open audit issues have been resolved.

Mr. Harrell shared that the FY25 proposed audit contract with FORVIS was also reviewed.

Mr. Harrell said that Chris Hughes provided an IT security update, including the five-year IT audit plan, audit findings status, and the quarterly vulnerability management program results.

Mr. Harrell said that Katherine Goodwin presented an update on incentive-related extension requests and clawback activity.

Mr. Harrell reviewed the following consent agenda items, which were brought to the Board for a vote:

- Accept: FY2023 Financial Audit Results
- Accept: VEDP FY24 quarterly financial results for the nine-month period ended March 31, 2024
- Accept: VEDP FY25 Operational Plan budget
- Accept: FORVIS Human Resources and Information Technology limited-scope audit reports, FY25 Risk Assessment and Audit Plan, and FY25 audit contract
- Approve: 3 Extension Requests
  - Fastech (Harlow) – City of Danville – Manufacturer and fabricator of sheet metal – 1<sup>st</sup> extension for \$147,000 COF grant
  - Oransi – City of Radford – Manufacturer of air purification equipment – 1<sup>st</sup> extension for \$50,000 COF grant and \$70,700 VJIP grant
  - Phoenix Infrastructure (formerly Cyxtera Communications) – Loudoun County – Data center – 2<sup>nd</sup> extension for Data Center Retail Sales and Use Tax Exemption
- Accept: Clawback Update
  - No new items referred to the Office of Attorney General
  - No past due clawbacks
  - Two COF clawbacks requested but not past due yet
  - Two COF clawbacks closed out since the March Board meeting
  - One COF closeout in process
  - No VJIP clawbacks requested
  - One data center clawback closeout in process



Mr. Harrell moved to approve the consent agenda. Mr. Sessoms seconded the motion, and the motion was approved.

Chair Hayter thanked Mr. Harrell for his report.

### **Rural Virginia Action Committee Report**

Chair Nick Rush provided an update on the topics discussed during the Committee meeting.

Mr. Rush said the Committee received a presentation on the Virginia Talent Accelerator Program and participated in a tour of the program's Experience Center.

Mr. Rush said the Committee learned more about how this program is helping Virginia businesses meet their goals and why it is recognized as the top customized workforce training program nationally by *Business Facilities*.

Mr. Rush thanked Mike Grundmann and the entire Talent Accelerator team for the incredible work they do and for the opportunity to learn more about the program.

Chair Hayter thanked Mr. Rush for his report.

### **Survey Update**

Chair Hayter introduced Stephen Hartka to provide an update on the results of recent surveys administered by VEDP.

Mr. Hartka explained that the common thread for these surveys is that they are critical feedback mechanisms for VEDP.

Mr. Hartka spoke about the **Pulse Survey**, which is a monthly survey sent to all VEDP staff. He explained that the Pulse Survey is designed to supplement the in-depth annual staff survey. He added that these monthly surveys are helping to foster dialog with staff members, allowing the organization to get constant feedback and work to respond in real time to challenges. Mr. Hartka said that VEDP leadership has already implemented several staff suggestions from the survey findings.

Next, Mr. Harka shared an update on the **Internal Support Function Survey** which provides critical feedback to VEDP's support teams. He explained that the survey was overhauled and conducted this year for the first time since 2019. He said that the survey will be conducted annually going forward. Mr. Harka noted that the survey is designed to provide critical feedback to internal support team and act as a performance metric. Mr. Hartka said the survey showed high marks for the 12 teams assessed, with overall satisfaction scores ranging from 82% to 98%.

Finally, Mr. Hartka reviewed preliminary analysis from the 6<sup>th</sup> **Annual Partner Survey**, which is sent to a broad spectrum of partners. Mr. Hartka said that despite significant organizational changes and growth, overall partner satisfaction remained consistent with previous years. He noted that satisfaction increased in all surveyed areas, except in ecosystem-building, which was a new category added in 2024.

Mr. Hartka said VEDP wants to see the results improve and build on this foundation year.

Mr. Hartka highlighted the excellent 93% satisfaction score for VEDP's Regional Talent Solutions and Business Outreach Team (RTSBO).

Mr. Hewa commended VEDP staff for having the courage to ask the survey questions and deal with the responses.

### **Closed Meeting**

A motion was made by Ms. Coles and seconded by Mr. Stone to move into a closed meeting. The motion shown below was unanimously approved by the members.

I move that the Board of the Virginia Economic Development Partnership Authority convene a closed meeting to discuss (1) elements of VEDP's Strategic Plan, Marketing Plan, and Operational Plan pursuant to Subdivision A 50 of §2.2-3711 of the Code of Virginia, which allows for the discussion of such activities that would reveal to Commonwealth's competitors for economic development projects the strategies intended to be deployed, thus adversely affecting the financial interests of the Commonwealth and (2) personnel issues pursuant to Subdivision A 1 of §2.2-3711 of the Code of Virginia, which allows for the discussion of the assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific employees of the Board.

Mr. El Koubi asked that VEDP staff be allowed to stay for the closed meeting for all matters, with the exception of personnel and Chair Hayter agreed.

### **Back in Open Meeting, Certification of Closed Meeting – Followed by a Roll Call vote:**

Ms. Wallmeyer read the following certification and then conducted a roll call vote:

Do you certify, that to the best of your knowledge, (i) only public business matters lawfully exempted from the open meeting requirements of FOIA were discussed in the closed meeting, and (ii) only such matters as were identified in the motion to go into the closed meeting were heard, discussed, or considered during the closed meeting?

Upon the vote:	Chair Hayter	Aye
	Ms. Chenery	Aye
	Ms. Coles	Aye

Mr. Edwards	Aye
Mr. Harrell	Aye
Mr. Hewa	Aye
Mr. Hayter	Aye
Ms. Lochte	Aye
Secretary Merrick	Aye
Ms. Oman	Aye
Ms. Radcliff	Aye
Mr. Rush	Absent for the vote
Mr. Sessoms	Aye
Mr. Stone	Aye

### **Vote on Closed Session Items**

Chair Hayter made a motion for approval of the Strategic Plan, Operational Plan for Fiscal Year 2025, and Marketing Plan for Fiscal Year 2025 in accordance with the discussion of the Board. The motion was seconded by Ms. Coles, and the motion was unanimously approved.

Mr. Hewa made a motion that the Board adopt the compensation and retention actions for the CEO as discussed in closed session and that the Board authorize the Chair of the Board to discuss such measures with the CEO and take any action necessary to effectuate such measures on behalf of the Board. Ms. Chenery seconded the motion, and the motion was unanimously approved.

Mr. Hewa thanked Mr. El Koubi and his entire team for his performance and all he is doing.

Ms. Chenery and Ms. Radcliff offered parting words to the meeting attendees and spoke fondly of their experience serving on the Board.

### **Anticipated topics for the September 2024 Board meeting**

Chair Hayter shared anticipated topics for the next Board meeting and asked for additional suggestions.

### **Adjournment**

There being no further business, Chair Hayter adjourned the meeting at 1:00 p.m.

Respectfully submitted,

Jason El Koubi  
Secretary