Board of Directors Joint Meeting
Virginia Innovation Partnership Authority
and the
Virginia Innovation Partnership Corporation
June 21, 2022

Virginia Commonwealth University
Engineering Research Building, East Hall – Room 1313
401 W. Main Street
Richmond, VA 23284-3068
Public Virtual Meeting Link Provided

Directors Present
Barbara Boyan, Chair
The Honorable Caren Merrick, Vice Chair
Monique Adams
Richard Hall
Kurt John (via Zoom)
Andrew Ko
Rob Quartel
Paula Sorrell
Chris Long

Directors Absent
Chiedo John

Others Present
Juan Pablo Segura, Babyscripts President
Bob Stolle, VIPC President & CEO
Susan Aitcheson, VIPC CFO
Joshua Reynolds, OAG Assistant Attorney General
Conaway Haskins, VIPC VP Entrepreneurial Ecosystems (via Zoom)
Sean Mallon, VIPC VP Commercialization (via Zoom)
Tom Weithman, VIPC Chief Investment Officer
Angela Costello, VIPC VP Communications and Marketing
Priscilla Trimble, VIPC Events Director
Kristal Parker, VIPC Human Resources Director (via Zoom)
Leslie Williams, VIPC Staff
Nina Araujo-de-Kobes, VIPC Staff
Marc Jenkins, VCU AV Staff

Call to Order
Dr. Barbara Boyan, Chair of the Virginia Innovation Partnership Authority (VIPA) and Virginia Innovation Partnership Corporation (VIPC) Boards, called the joint meeting of the Boards of Directors to order on June 21, 2022 at 10:00 a.m. While the board physically convened for the meeting, it was noted a virtual link to the meeting was provided for public observation.

Roll Call
Ms. Susan Aitcheson, VIPC CFO and VIPA Secretary and Treasurer, called the roll and stated a quorum was present.

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Public Comment
Ms. Aitcheson reported that no written public comment was received.

Approval of Minutes
Dr. Boyan asked for any comments or corrections to the March 4, 2022 minutes. With no discussion, the Chair requested a motion to approve the minutes. A motion was made by Mr. Rob Quartel and seconded by Mr. Richard Hall; without, nays, the motion passed.

Report from the VIPC Finance Committee
VIPC Finance Committee Chair Mr. Rob Quartel reported the Committee met on June 15, 2022 and reviewed VIPA and VIPC financial information for the period ending March 31, 2022 included in the Board's meeting materials. He reported the organization is in a positive net position and executing consistent with the operating plan approved in June. The Committee reviewed the investment policy for funds in excess of short term operating needs. Reviewed annually, staff presented options to increase the return on funds in excess of short term operating needs and recommended the organization open a Local Government Investment Pool Extended Maturity account and continue to monitor market conditions. The Committee received a detailed report of the FY2023 operating budget, that will be reviewed later with the full Board, and voted to recommend its adoption to the Board. At the conclusion of the meeting, the Committee voted to recommend to the Board to accept the financial report, investment policy, and adopt the FY2023 operating budget. The Finance Committee Chair provided the Board notification of the deficit provision in the appropriation act included in their meeting materials. Dr. Boyan motioned for the Board to accept the Finance Committee Report. Mr. Quartel moved and Mr. Chris Long seconded the motion. By voice vote, without nays, the motion was unanimously approved.

Report from the VIPC Entrepreneurial Ecosystem Committee
VIPC Entrepreneurial Ecosystem Committee Chair Paula Sorrell reported the Committee met on March 10, 2022 and May 12, 2022, and reaffirmed its 4 priorities: Customers, Talent, Technical Assistance, and Marketing. Ms. Sorrell reported VIPC staff is mapping the landscape of services provided by its programs, other state agencies and authorities, and by ecosystem stakeholders to avoid duplication of effort. The Committee reviewed progress on the "c2 Exchange" concept paper that the board approved in March. The ideas from that will fall under the "Customer Development Pilot Project" referenced in the Operating Plan, and VIPC is actively engaging stakeholders to explore what aspects can be addressed at short-term, mid-range, and long-term intervals. Since the concept was developed after the development of the Commonwealth's Budget, VIPC is exploring various options to fund the program in the upcoming fiscal year. Mr. Andrew Ko noted the pilot study success metric, exploring specific outcomes. Mr. Chris Long inquired about funding for unfunded initiatives. Mr. Stolle informed the board that the program is leveraging existing resources for the pilot project and will look to the upcoming budget to request additional funding. For instance, we would like to work within customer development module and existing ICAP funding.

Ms. Sorrell reported the Technical Assistance and Training priorities will be addressed by several VIPC program divisions (Commercialization, Entrepreneurial Ecosystems, Investment, Strategic Initiatives) and their external program partners. For example, VIPC is providing strategic grant funding to the Virginia SBDC Network's ICAP program to address pre-acceleration and mentorship needs of tech startups across the state. VIPC's own Federal Funding Assistance Program provides training, technical assistance and mini-grants to entrepreneurs seeking SBIR and STTR grants and contracts. VIPC continues to engage with Virginia's startup accelerators to support their work with emerging tech entrepreneurs; this includes serving as pitch contest judges, serving as guest speakers for cohort educational activities, providing mini-grants to bolster accelerator marketing and operations, and referring unsuccessful VVP and CCF applicants to accelerators and/or ICAP. Finally, the Committee will continue working with the VIPC Marketing Team to continue advancing the organization's profile following the rebranding campaign and

to better understand how VIPC can be a resource for communicating and promoting the work of ecosystem partners.

Ms. Monique Adams reiterated concern that the Division is underfunded to adequately support regional ecosystems. Subject to continuous improvement, the EEC would like to see long-term regional programs funded for as long as economic intervention is necessary to create a robust high functioning ecosystem.

Dr. Boyan asked for a motion to accept the Entrepreneurial Ecosystem Report. Mr. Quartel motioned to accept the report; Mr. Andrew Ko seconded the motion. By voice vote, without nays, the motion was unanimously approved.

Report from the VIPC Strategy Committee

Strategy Committee Chair Mr. Kurt John reported the Committee met on June 16, 2022. The Committee reviewed the FY2023 operating plan, including organization and division priorities, and received an update on work with the Centers of Excellence to align economic development outcomes that reflect return on the Commonwealth's investment. Upon review and discussion, the Committee voted to recommend the Board adopt the FY2023 operating plan. Dr. Boyan asked for a motion to accept the Strategy Committee report. Mr. Chris Long motioned; Ms. Sorrell seconded the motion. By voice vote, without nays, the motion was unanimously approved.

Report from the VIPC Executive Committee

Executive Committee Chair Dr. Barbara Boyan reported the Executive Committee met on June 20, 2022 to discuss general business matters. The Executive Committee will undertake the Centers of Excellence report. With no further discussion, Mr. Quartel moved to approve; Mr. Richard Hall seconded. By voice vote, without nays, the motion was unanimously approved.

Remarks from the Secretary of Commerce and Trade

Secretary Caren Merrick reported the state budget had been signed that morning. The Secretary expressed the importance of organizational mission in the development of an innovation economy, supporting entrepreneurs and the ecosystem that supports them, noting the organization is the tip of the arrow for the Governor's goal of 10,000 new company startups – recognizing not all will be technology startups. Other administration priorities include: working together to form a best in class government, determining what that looks like for each agency, and measuring for continuous improvement.

Ecosystem Showcase

Dr. Boyan invited the Alliance for Building Better Medicine's Executive Director Jeff Gallagher to discuss this important economic development initiative in the Richmond-Petersburg region. At the conclusion of the presentation, the Board discussed opportunities to help support the mission.

Entrepreneur Showcase

Dr. Boyan invited Embody CEO Jeff Conroy to share his experience with the Board as an entrepreneur who has utilized Commonwealth programs to grow its business – including VIPC's Virginia Venture Partners investment and CRCF grant as well as grants and assistance from VHBRC and job incentive programs and international trade assistance from VEDP.

At the conclusion of the presentation, the Board invited Mr. Conroy's insight into opportunities for improvement. He observed the state does well with downstream activity, he would like to see more investment in early stage activity. There are phases of company growth where every $25k, $50k, $100k makes a difference. The more money the organization can derisk by putting into seasoned hands results in follow on funding, product launches, revenue, and jobs. Secretary Merrick thanked Mr. Conroy for his

Virginia story and asked what we can do to help companies like his succeed. In addition to more resources in early stage company formation and growth, funds available should be spread as broadly as possible as early as possible, noting it may mean 80% may fail for 20% to succeed. After that, how do we avoid unreasonable taxation on growth – BPOL tax, investments and infrastructure that generates revenue; employment credits. Recommending more investment earlier, in Catalyst who funds at $200k-$800k, and in something like Catalyst 2.0; money that goes into the asset being commercialized.

A member asked what kept Embody in Virginia when surrounding states may have what appear to be enticing early stage programs. Mr. Conroy acknowledged companies have left Virginia for higher earlier stage state investment ($2M) and failed. Embody found an environment in Virginia that supported their growth, including $21 per square foot lab space in Norfolk and a steady stream of scientists and manufacturing expertise.

President's Report

Mr. Stolle reported the release of the Joint Legislative Audit and Review Commission (JLARC) Economic Development Incentives Evaluation Series report on Science and Technology Incentives on June 13, 2022. Of the 11 incentive programs to promote science and technology economic activity audited by the Commission, GAP and CRCF programs were commended on program performance noting the GAP program's high economic benefit and return on investment and the CRCF program awards permitting Virginia to remain competitive in federal grant funding for small business innovative research programs.

Mr. Stolle reviewed the FY2023 operating plan. Noting the operating plan does not include unsigned business, Mr. Stolle reviewed current proposal efforts including its support of the Commonwealth's proposal through the Virginia Small Business Financing Authority to the U.S. Treasury Small Business Credit Initiative and to the NSF Regional Innovation Engines program for a Multi-Agency Regional Technology Hub Alliance (MARTHA).

Mr. Stolle informed the Board of the passage of HB444 which amends provisions of the Virginia Freedom of Information Act to expand criteria to permit board participation in meetings through electronic means subject to certain conditions and the establishment of a board policy. Effective September 1, 2022, a policy will be drafted for board approval at its September 8 meeting.

With no further discussion, the Chair asked for a motion to approve the President's Report; Mr. Hall moved and Mr. Ko seconded. By voice vote, without nays, the President's Report was unanimously approved.

Discussion

As the last meeting before the end of his term on June 30, 2022, Dr. Boyan recognized Chiedo John's service and thanked him for his contributions and earnest determination to affect positive change on behalf of the citizens of the Commonwealth.

Next Board Meeting

The Chair reminded members the next meeting was scheduled for September 8, 2022.

Meeting Adjourned

With no further discussion to come before the Board, upon a motion duly made and seconded, the meeting adjourned at 2:00 p.m.