

**Innovation and Entrepreneurship Investment Authority
Board Meeting**

**Location: Center for Innovative Technology, 2214 Rock Hill Road, Suite 600, Herndon, Virginia 20170
May 24, 2018**

Directors Present

Michael Steed, Chairman
Duffy Mazan, Vice Chairman
Bernard Mustafa
Tim Sands
Ángel Cabrera
Teresa Sullivan
Stephen Chapin
Jonathan Aberman
Marilyn Crouther

Directors Absent

The Honorable Brian Ball
The Honorable Atif Qarni
Angela Kellett
The Honorable Rob Quartel (by phone)

Others Present

Ed Albrigo, President and CEO, CIT
Susan Aitcheson, Chief Financial Officer, CIT
Bob Stolle, SVP, Policy and Regional Initiatives, CIT
Nina Araujo-de-Kobes, CIT Staff
Leslie Williams, CIT Staff

Call to Order

Chairman Michael Steed called the meeting of the Innovation and Entrepreneurship Investment Authority Board of Directors to order on May 24, 2018 at 9:10 a.m. The Board discussed the following items, took a short break at 9:45 a.m., and reconvened at 10:21 a.m. to recap the discussion and vote.

Approval of Minutes

The Board by voice, without nays and with one abstention from Mr. Cabrera who was not in attendance at the December 2017 meeting, approved the minutes of the December 7, 2017 meeting.

Resolution to Defer Election of Officers

The Chairman informed the Board the election of officers was scheduled for this meeting. Since the Board is awaiting appointment of six new or reappointed members, the Board agreed to defer election to the September 2018 meeting and ratify the current slate of officers. Mr. Steed asked the Board for a motion to approve a ***Resolution to Defer the Election of Officers*** (attachment 1). By voice vote, without nays, the Board approved the Resolution.

Resolution to Acknowledge Deficit Provision

The Chairman reminded the Board the Commonwealth had not passed the 2018 Appropriation Act (FY2019-2020 biennium budget) at the time of the meeting. Upon passage of the Act, the Department of Planning and Budget requires the agency head to notify board members of legislation associated with the deficit provision. The Board was provided and reviewed the Department of Planning and Budget 2017 guidance and legislation related to the Deficit Provision. The Provision prohibits agencies from obligating or expending general fund amounts in excess of appropriation. Mr. Steed asked the Board for a motion to pass the ***Resolution to Acknowledge Deficit Provision*** (attachment 2). By voice vote, without nays, the Resolution was unanimously approved.

Property Update

The Chairman informed the Board that the property had been included by the Virginia Department of Economic Development (VEDP) in at least one proposal to attract a large company to the Commonwealth. As a result, the Department of General Services (DGS), the party responsible through legislation for disposition of the property, has paused marketing the property for disposition.

The Board discussed its liability. Since neither the Board nor management is involved in discussion or process related to disposition, the Board received OAG guidance related to its liability in the Board's December 2017 meeting. OAG guidance stated the surplus designation protects the Board and liability resides with the Governor. The Chairman sought OAG guidance related to VEDP's disposition of the property, in the event a VEDP proposal is successful and the VEDP process may differ from surplus disposition. Preliminary OAG guidance suggests the Board enjoys the same protection whether disposed by DGS or VEDP.

The Board also discussed financial outlook. Significantly reduced revenue to support operations of the property, due to early termination of tenant leases by DGS, is expected to result in an operating loss for FY2019. Funds to cover this operating loss will be drawn from the Building Reserve comprised of IEIA profit from the property. In the 2018 Appropriation Act, the Governor introduced language that permits use of the IEIA Building Reserve to cover DGS' expenses related to property disposition, and CIT relocation and first year of rent. The Chairman received OAG guidance stating this language is not restrictive and permits the building to recover operating losses related to surplus disposition actions. Ms. Aitcheson reviewed the FY2019 building budget outlook with the Board.

General Business

Mr. Albrigo informed the Board that in cooperation with UAS stakeholders within the Commonwealth, specifically the Virginia Tech Mid-Atlantic Aviation Partnership, IEIA received an award to participate under the Federal Aviation Administration (FAA) Unmanned Aircraft Systems Integration Pilot Program. The Program provides opportunities for new and expanded commercial UAS operations, fosters a meaningful dialogue on the balance between local and national interests related to UAS integration, and provides actionable information to the Department of Transportation on expanded and universal integration of UAS into the national airspace system (NAS). Mutually beneficial partnerships will be fostered with government, UAS operators, and other stakeholders to accelerate the safe integration of UAS into the NAS. Information and data gained through these partnerships will be used to enable the FAA to more rapidly authorize operations that currently require special permission and will inform future policy development to expand this growing industry.

Meeting Adjourned

With no other business to come before the Board, Mr. Steed adjourned the meeting at 11:35 p.m.