



Virginia Israel Advisory Board

Office of the General Assembly

Minutes of Board of Directors' Meeting

November 27, 2018 10:00 AM, House Room 1, Richmond, Virginia

Attended in Person: Ellen Rene Adams, Aliza Asher, Irv Blank, Jeff Brooke, Bob Budoff, Jerome Chapman, Mel Chaskin, Mark Dreyfus, Don Ferguson, Aviva Frye, Dov Hoch, Sam Kaufman, Larry Krakover, Chuck Lessin, Daniel Staffenberg, Julie Strauss, Turner Widgeon (representing Sec Commerce and Trade)

Attended Via Conference Call: Michael Gillette, Tom McCracken, Jay Meyerson

1. Mel Chaskin, Chairman, called the meeting to order at 10:10. There was no quorum.
2. The Board Minutes of our last meeting were presented and reviewed. No corrections. VIAB will post them for public access as presented.
3. The Chairman updated the board on administrative items: the VIAB office is in Richmond now in the Pocahontas Building on the 3rd floor. VIAB's functions and responsibilities are the same. Legislative Services has been very helpful in getting us acclimated and the transition has gone very smoothly. VIAB now reports to the Speaker, Chairman of the Senate Rules Committee, and the Governor. We must meet with the Governor at least once a year, as has always been the case, and any trips to Israel will now be organized by VIAB, on the business end. The Speaker has mentioned to us that his conference room on the 6th floor is available to us as needed, and we thank him for his cooperation.
4. Annual report was sent out via email and hard copies are in front of those in attendance. This will be distributed to the Governor and Speaker and Senator McDougle on Thursday. Any changes that board members see that need to be made can still be implemented before it is published by LS. Other senators who show interest also receive this report and some other individuals who have shown VIAB support will receive a copy as well.

5. Executive Director, Dov Hoch, shared that many of the ecosystems in the VA business community here, particular in Norfolk/Tidewater, have embraced VIAB. The JCC established many key connections through effective meetings. There is a nice momentum in the area due to the Chambers of Commerce. There is a trip to Israel being planned that Mr. Hoch is involved in organizing... naval defense industry. Mr. Hoch has found that everyone he has met has been willing to help and is receptive to VIAB's needs.

6. VIAB's approach is really many-to-many. We don't have the bandwidth to hand hold each venture independently so we are focusing on sectors that have synergies in Israel and VA and putting many-to-many together, i.e. Defense & Security. We will do a pairing exercise online and then bring the Israel tech companies here for an event. R&D ventures, adapt and mature an Israeli technology to suit the needs to a VA company, using Israeli funding.

7. Also trying to invest more time in companies that are multi-site ventures. Example- several companies involved in solar energy now that have 3 or 4 sites, several hundred acres of land. Cost benefit to work with companies who can be successful in more than one locale (wave technology will work anywhere with a coastline).

8. Just under 1 billion dollars of American defense money being spent in Israel. That has been terminated and now needs to be spent in the US. 20K people who have jobs on the line and these companies are highly motivated to have this money utilized for Israel technology in the US. OSG has a model that gets the manufactured product back into Israel.

9. Vegan non-meat product produced in Israel, starting to supply to the US and they wanted to outsource the manufacturing and packaging to a company in the US without creating a new plant and having to go through FDA regulations. We looked at every Economic Development organization and Chamber of Commerce to help us find an existing plant that could adopt this product. This helped set up a model of how we can partner with regions in the future and for making this matching process work for another company. Julie Strauss just brought another company like this one to my attention and it's an exciting way to get a company here incrementally- without a big investment on a building, etc. One in the pipeline in Lawrenceville which is very exciting because it's extremely depressed. EcoWave falls into this category. Also a Ballistic counter- keeps track of how many bullets shot and who shot what, which helps with longevity of the equipment. Beginning market research in VA Beach and now they want to build a facility because they've gained some traction regular. 6-9 month facility, 10 workers- small scale.

10. Project Recycle- this company takes garbage and recycles it; everything except metal and glass for which there is already a market. They are looking to set up in Virginia to create this new material they've developed using trash. The product can be used to make almost anything that plastic can make, including building materials. They plan to have their US headquarters here.

150 jobs in the near term. Vice Chairman Chuck Lessin added that VIAB has met with this company at least 20 times. We have been to their facility in Israel and they have visited here. They believe they can set up a facility in every city in the world... wherever there is trash. They have developed a resin type pellet that is formed of dried, shredded garbage. They have applications for the product from A to Z. They were not sure where to set up first in the US. We've been working with them for a long time and that is what it takes sometimes. I expect within a year or so they will announce an opening here. But they will be everywhere as the potential is tremendous.

11. There are multiple avenues to success. Our internal process is to focus our attention on all of them- short term, high touch- and everything in between. For now, all of our models are working very well.

12. Julie Strauss asked if we know if this company is being wooed by other states and how can specific board members help? We have to build a platform of how to engage our board, share what's going on the business end, and make a plan for communication with companies.

13. Caden Energix is currently operating. Parent company on the Israeli side is a major real estate company, their subsidiary is a half billion dollar publicly traded company in Israel dealing with renewable energy. They are the second largest windfarm in Poland. They partner with external developers (Caden), build the facilities, and then funding managing and interfacing with local power companies to reach purchasing agreements. Already happening. 6 or 7 functioning and breaking ground on another. The will ultimately invest up to 100M in the next 18 months in VA by ramping up their construction and then creating management jobs for their facilities. They will build a US headquarters in VA as this is their first US project. This particular company is enabling data centers to land here... Google and Amazon will only come to a place that has renewable energy available to them. This is a high leverage value, greater than just the money coming directly into the state. It's very attractive in the long run.

14. We are marketing ourselves in Israel, created a brochure. Leveraging United airlines direct flight. Using mass media organizations. We are focused on doing a campaign geared to the Kibbutz industry. A lot of innovation in water and technology has come from that niche (i.e. Drip Irrigation and desalinization). We have one kibbutz business that came to Virginia, Oran Safety Glass in Emporia, currently employing 150 people. They sell their glass to the military and Caterpillar tractor, they sell back to Israel through foreign military funding, and to the civilian market. A tiny Kibbutz company has expanded exponentially. Sometimes it takes a known person that is trusted to guide these small companies to take interest in the US.

15. Working on our communications; focusing on outbound only. We are going to build a platform where service providers in Virginia, and companies in Israel can both come and enter information regarding their need, and we can then present this information to directed contacts. We are looking for someone to build that platform and hope to choose a supplier in January.

16. Board involvement: part of our communication strategy is attending events and making contacts. There are companies that have needs for certain innovations and technologies and will look for it elsewhere, ie. Outside their company. This is Open Innovation/External Innovation. More than likely, an Israeli company offers these technologies. We are working on a model that will select the Israeli company to match the need locally and make it an obvious match. Fast, funded, turnkey opportunity. For instance, Coca Cola was using Israeli technology for several years and eventually opened their own accelerator in Israel in order to find their own innovators in Israel.

17. A special thanks to board member Robin Mancoll who has been a big help out in Virginia Beach.

18. A board member asked: What are Israelis worried about in coming to the US? And stands out as the difference between picking North Carolina, or Indiana over Virginia? The Executive Director answered: money. It is not a politics issue, rather incentives since companies are really shopping for dollars. As seen in the annual report, we are doing several things to bring non-financial benefits- emphasizing the long term benefits of choosing Virginia, like we did with Energix. For Israelis, a concern is also where to live with an Israeli/Jewish family and Virginia has several communities to offer. The Chairman agreed and added that generally Virginia doesn't compete very well using just incentives or money up front. VIAB tends to win over the visiting companies with our communities, for example: Emporia is just 30 minutes outside Richmond, access to a Jewish family-friendly community. We also focus on the stability of the workforce here which is very strong compared to other states.

19. The chairman will meet with the Governor's staff in the next couple weeks to discuss a trip to Israel. Initial talks with his staff looked at early 2019, an off-year for elections. The Governor has expressed his desire to visit Israel. Once it is on his schedule it takes about 6 months to coordinate with his other trips. Danny Staffenberg added that Federation has scheduled a trip for May 2020 and there has been mention of inviting the Governor to be there at the same time. The Chairman will mention it to his staff.

20. Next board meetings are scheduled for March 26, 2019 and July 23, 2019. Mel invited everyone to lunch.

21. Meeting was adjourned at 11:20 am.