



**WillowTree, LLC**  
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January 7, 2020

**VEDP Board of Directors**

Virginia Economic Development Partnership  
901 East Cary Street  
Richmond, VA 23219

To Whom It May Concern:

We are formally requesting an extension to our VJIP Agreement, dated January 1, 2018 and attached for reference, of an additional fifteen (15) months, to April 9, 2022.

I would begin by emphasizing our gratitude for the Commonwealth's support of WillowTree's business, as agreed in 2017. Virginia's support was key to the performance agreement we signed with Albemarle County, and played a key role in WillowTree's growth since then. Prior to the slowdown dictated by the COVID-19 pandemic earlier this year, we had achieved the status of the country's largest independent digital design agency, with over 500 team members, governed from our new headquarters in Virginia at the historic Woolen Mills in Albemarle County, which opened, fully renovated, this spring (just as the COVID-19 crisis hit).

I am pleased to report that we have met the statutory requirements of hiring 5 employees and investing \$100,000 in capital.

However, there is no way to sugarcoat the profound impact of the pandemic on our business this year. In the month after the state of emergency was declared in Virginia, we suffered a 20% decrease in gross revenue due to client cancellation of projects (we have many prominent clients in the hospitality, retail, and food businesses). This led our Board to decide that the best path, to avoid layoffs, was to impose an across-the-board compensation reduction. At the same time, with over 500 employees, we were unfortunately unable to qualify for the Paycheck Protection Program relief grants.

We also have been unable to make full use of our wonderful new headquarters due to the COVID-19 crisis and state-mandated restrictions regarding social distancing and other protections. At any given time, we have generally had only a couple of dozen employees out of hundreds working in the new headquarters. We are, of course, eager to return to work once government policies and public health information enables us to do so.

I am happy to report that due to our nimble and aggressive repositioning of the business over the last nine months, that we have fully returned to financial health. Our Board recently decided to lift the compensation reductions entirely.

Through the combined force of these developments, however, which were entirely out of our control, we needed to pause hiring for a majority of 2020 to survive as a profitable business. Since the majority of our hiring happens in the second and third

quarters of the year, we also were unable to maintain our prior pace of hiring since late 2019.

As our clients and the economy emerge from the pandemic, we are resuming hiring in our Virginia office again to make up for lost time. However, again, due to the out-of-control pandemic, many of our employees have temporarily moved to other states to be near family or assist in adult or child care.

All this means we estimate that we are approximately eighteen (18) months behind our original hiring schedule and under existing headcount until we are able to safely call all employees back to the office (anticipated mid-2021).

Again, we appreciate the Commonwealth's assistance in enabling us to arrive to this point. Unlike many businesses, we not only have survived the COVID-19 crisis, but believe we are positioned for greater success in the future due to our efforts in 2020. However, one cost of those efforts has been on the pace of hiring we had in place prior to the pandemic.

In light of these facts, we hereby kindly request the consideration of an extension. Needless to say, we are looking forward to continuing our partnership with the VEDP.

Sincerely,

A handwritten signature in black ink, appearing to read 'Abby Cook', with a long, sweeping horizontal line extending to the right.

**Abby Cook**  
Controller