



Nonstop

**Terry
McAuliffe's
barnstorming
of Virginia**

By Zach Patton

Photographs by David Kidd

Gov. McAuliffe's days start before dawn and end well into the night. March 9, 2015, was a typical day in the governor's life.



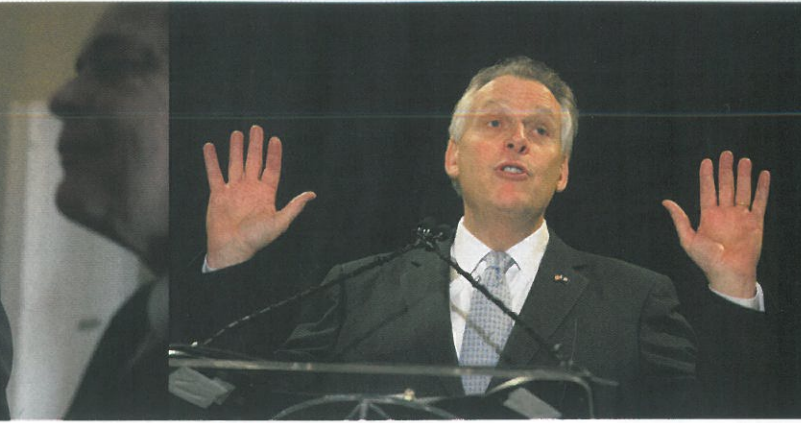
7:17 am McAuliffe has already been up for nearly two hours.



8:22 am En route to Roanoke with Secretary of Commerce Maurice Jones.



9:07 am Meets with officials before his speech at the Patrick Henry Hotel.



9:17 am Announces \$600,000 state grant to renovate a downtown building.

In person, Virginia Gov. Terry McAuliffe is a walking exclamation point: Everything he encounters is “spectacular!” or “tremendous!” Everyone he meets is the “best!” Indeed, McAuliffe’s enthusiasm can seem boundless. Since taking office in January 2014, he has established a reputation in Richmond as a relentlessly energetic executive, a 24/7 leader who’s always available to meet with lawmakers, schmooze over a potential new business deal or chat over beers at the Executive Mansion. (McAuliffe hosts nightly events and parties at the official residence. He has also, famously, restocked the bar with top-shelf liquors and craft beers at his own personal expense.)

That enthusiasm was on display on a recent Monday morning as he bounded out of his plane and onto the tarmac at a small airport in Roanoke, 160 miles west of the state’s capitol in Richmond. It was early—8:45 a.m.—but McAuliffe had already been awake for nearly four hours. Twenty minutes after getting off the plane, he was standing at a press conference in the lobby of the Patrick Henry Hotel. The governor was in town to deliver good news: a \$600,000 grant to the city to renovate a long-vacant building downtown, part of a \$2.3 million statewide revitalization program. He praised the Roanoke mayor—“What you’re doing here

is spectacular!”—before eagerly wading into the scrum of reporters, local officials and business executives gathered for the event.

As the governor stepped into the deafening crowd, state Sen. John Edwards, a Democrat who’s served in public office with six different gubernatorial administrations, summed him up: “He’s by far the most energetic and involved governor we’ve ever seen.”

But McAuliffe’s brio has often been an impediment in Richmond, where the Republican-controlled legislature has bristled at his Democratic policy agenda, as well as his leadership style. “He has a different personality from what we’re accustomed to,” says Senate Majority Leader Thomas Norment. “He’s supremely confident and effusive in that confidence. He’s very affable, but there are those who object to the way he approaches things.”

Those objections came to a head in the 2014 legislative session, when the governor and the legislature faced off over Medicaid expansion. McAuliffe had made it his top policy priority and had warned Republicans that he would not sign any budget that failed to expand access to Medicaid under the Affordable Care Act. A three-month budget stalemate ensued that brought Virginia to the brink of a government shutdown. At one point McAuliffe vetoed parts of the budget and threatened to expand Medicaid

using executive authority; in a press conference, he accused Republicans of “demagoguery, lies, fear and cowardice.” But legislators were able to toss out McAuliffe’s vetoes in a procedural move and pass a budget without Medicaid expansion, a major blow to McAuliffe in his first six months in office.

According to observers, the governor was chastened by the process. After a “painful learning process,” says Stephen Farnsworth, a political science professor at the University of Mary Washington, McAuliffe has since refocused his energy on those things that are achievable within Virginia’s split partisan environment. This year’s budget process was far more collegial. McAuliffe initially made a push for tighter gun control measures, but when it became clear those were going nowhere, he worked with lawmakers on a no-drama budget that passed early for the first time in 15 years. Learning to focus on what’s possible was a major political lesson for the governor, says Farnsworth. “Politics, after all, is the art of figuring out what you can and can’t do.”

Republicans felt like they’d brought the governor in line. “It was a little bit of a tumultuous first year,” says Norment. “His adrenaline was flowing; he’s a very aggressive decisionmaker. But we’ve seen a remarkable maturation by the governor. He’s come

to have a greater appreciation for the separation of powers and for the idea that he has to work collaboratively with the legislative branch as a partner.”

McAuliffe, for his part, doesn’t feel chastened. “I don’t think I’ve changed one iota,” he says. On the plane back to Richmond from the event at the Patrick Henry Hotel, he shrugs off the whole Medicaid fight. “I knew they were never going to pass it. The speaker told me my first week [as governor-elect] they were never going to pass it. But that doesn’t mean that you don’t try, that you don’t fight for the things you believe in.”

The Medicaid standoff may have been the seminal fight of his first year in elected office, but McAuliffe isn’t letting it slow him down. “What can I tell you? These things happen,” he says. “You get up and you keep moving.”

In many ways, McAuliffe can seem like a slightly odd fit for Virginia politics. Born and raised in Syracuse, N.Y.—he still speaks at a rapid clip, with flat, nasal vowels—he earned millions as a banker, real estate developer and venture capitalist. He’s a longtime national Democratic political operative and fundraiser, and a close personal friend of Bill and Hillary Clinton. McAuliffe



9:35 am Takes questions from local Roanoke media.



9:39 am A Roanoke resident takes advantage of a chance meeting.



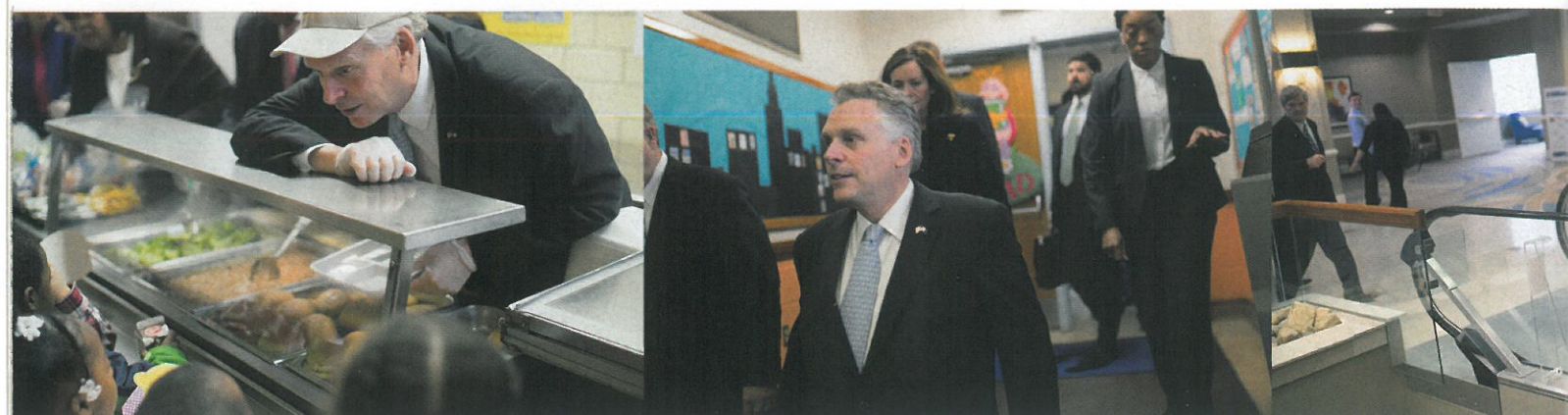
10:39 am Wheels down back in Richmond.



10:48 am Uses time in the car to work on his speech for the next event.



10:52 am Arrives at Woodville Elementary in Richmond.



11:02 am Serves lunch to Woodville students.

11:13 am McAuliffe joins his wife to announce project to reduce childhood hunger.

12:06 pm Arrives at the Governor's Conference on Agricultural Trade.

liffe ran the Democratic National Committee from 2001 to 2005, before co-chairing Hillary Clinton's 2008 presidential campaign.

In purple Virginia, McAuliffe is a Democrat with a capital "D." In addition to his years of helping elect Democrats nationwide, he has presented an unapologetically liberal policy in office. Besides pushing for Medicaid expansion and gun control measures, he supports abortion rights and same-sex marriage. (He's the first Southern governor—and one of only a handful in the country—to have officiated a gay wedding.) He's more liberal than either of his Democratic predecessors, Gov. Tim Kaine and Gov. Mark Warner. But his progressive politics put him at odds with large parts of Virginia—as well as the legislature, which has grown increasingly conservative in recent years.

In 2009, the first time McAuliffe ran for governor of Virginia, he didn't get past the primary. He was perceived as an unserious candidate and a carpetbagger. He lost handily in a three-way race, barely scraping together half the votes of the primary winner, state Sen. Creigh Deeds.

But McAuliffe never stopped campaigning. "Some people say he started running the next day," says Levar Stoney, who now is the secretary of the commonwealth for Virginia but was McAuliffe's campaign manager for the 2013 election. "I was there for a lot of it, and you could definitely say that." McAuliffe began touring the state, building a base and getting to know the rural downstate areas he hadn't visited before. He also cofounded GreenTech Automotive, an electric vehicle manufacturer. It was intended as a way to help McAuliffe establish more of a connection to the state, but that effort backfired somewhat when he announced plans to locate the manufacturing plant in Mississippi and when federal investigators launched a probe into whether the Department of Homeland Security had given the company special treatment regarding visas for foreign investors.

By the time the 2013 election came around, though, Virginia's political landscape had changed. Republican Gov. Bob McDonnell was in the midst of a scandal over accepting gifts—including a Rolex watch, catering for his daughter's wedding, and more than \$150,000 in other gifts and cash—from a Richmond businessman. (McDonnell and his wife were later indicted on corruption charges and earlier this year were sentenced to prison.) The scandal hung like a dark cloud over Republican nominee Ken Cuccinelli, the state attorney general. Cuccinelli was a staunch social conservative with far-right views on gay rights, abortion

access, divorce, global warming and immigration—"basically poison" for voters in Northern Virginia and other urban areas, says Farnsworth. "The main asset [McAuliffe] had going into that race was his opponent."

McAuliffe won by just over two percentage points. In one sense, it was a historic victory. For the first time in 34 years, Virginians elected a governor of the same party as the sitting president. McAuliffe trumpeted it as a sign that Virginia had embraced progressive social values as a key part of making the state business-friendly. Whether that's true—or whether the state may swing back to the right—remains to be seen.

But if McAuliffe's health-care and social policies have rankled some Virginians, there's one aspect of his leadership that's earned some universal praise: his business acumen. He is a ceaseless promoter of Virginia products and exports, and has already brought in billions of dollars of new business to the state. He claims to have landed some 25,000 new jobs. As of last month, according to his office, he had closed 356 economic development deals totaling more than \$6.4 billion in capital investment, more than double what any of his predecessors had done by this point in their administration. He's hopscotched the globe to seal deals and to



12:45 pm Charms employees at the Richmond Marriott Hotel.

12:53 pm Agriculture is key "in my efforts to build a new Virginia economy."

attract businesses, including trips last year to China, Japan, South Korea and the United Kingdom. He's already planned trips this year to Cuba, France, Germany, India, Israel and Sweden. In most cases, these aren't vague "trade missions" but meetings with specific companies. McAuliffe's biggest win so far was finalizing a \$2 billion deal with a Chinese paper company to build a plant outside Richmond, employing 2,000 people. He also, not insignificantly, convinced China to lift a seven-year ban on importing Virginia poultry (put in place after the avian flu was detected at one Virginia farm), a \$20 million annual boon for the state.

It's a skill—and a success rate—that has won over many of his political opponents. "I think he works tirelessly to promote the state and bring in new business," says Norment, the Republican senate majority leader. "I'd give him an A."

It's not just his deal-making that has impressed Virginians. It's his vast list of personal contacts in businesses all over the world. There are countless times in which McAuliffe's personal connections have helped broker a deal, or at least launch discussions. Late last year, for example, Inova Health Systems, Northern Virginia's largest health-care provider, was stuck. The company had been trying to make a deal to acquire a 117-acre campus from Exxon

1:29 pm U.S. Secretary of Agriculture Tom Vilsack stops for an impromptu meeting.



1:32 pm On his way back to the office, he calls in for a radio interview.



2:09 pm The governor's staff runs through the issues of the day.



3:11 pm He returns to the Executive Mansion for more meetings.



3:13 pm Meets with José R. Cabañas, Cuba's top diplomat in the U.S.



4:23 pm McAuliffe says goodbye to Canadian Ambassador Gary Doer.



4:25 pm With staff in tow, he heads back to the office.



4:41 pm Meets with advisers to discuss new legislation.



4:55 pm Signs one of 71 bills that crossed his desk that day.



5:03 pm McAuliffe catches up on some paperwork in his office.

Mobil, and negotiations had been dragging on for years. Finally, the Inova CEO called up McAuliffe and asked, "Any chance you know someone at Exxon Mobil?" As it happened, the governor knew the CEO personally; he flipped open his Rolodex and made a call. The deal was finalized this February. McAuliffe told *The New York Times* in 2012 that his Rolodex included 18,632 names.

That's not to say Virginia's economic picture is rosy. As McAuliffe himself says every chance he gets, the state has been hit especially hard by reduced federal spending. Virginia is the nation's top recipient of Department of Defense dollars; thanks to sequestration in Congress and other federal drawdowns, Virginia lost more than \$9.8 billion from 2011 to 2013. One independent analysis says that equates to a projected job loss of 154,000 positions, about 4 percent of the state's workers. Despite the new jobs McAuliffe has helped bring in, employment is still fairly sluggish. Last year the state's job growth rate was the sixth-slowest in the nation. McAuliffe hopes his economic development blitz can help the state become less dependent on federal funds. "With this dysfunctional Congress, who knows what the future holds when it comes to spending?" he says. "We've got to do everything we can to prepare our economy for the future."

Aside from his jobs push, McAuliffe has managed to enact some of his policy priorities through legislative end-runs. After his Medicaid efforts failed, he successfully peeled off parts of his plan and expanded access through executive order, extending dental care benefits to pregnant women and allowing Medicaid access for people with severe mental illnesses. He's won federal grant dollars for school lunch programs and expanded Supplemental Nutrition Assistance Program benefits, restored civil and voting rights to a record number of ex-offenders, legalized adoption by gay couples, and made in-state tuition available for undocumented students—all through executive action. His very first act upon being sworn in was imposing a \$100 annual gift limit from lobbyists to himself, his cabinet and all family members. He has pushed the legislature to adopt a similar cap, as well as other ethics reforms in the wake of the McDonnell scandal.

A few days after he stood in the lobby of the Patrick Henry Hotel, McAuliffe was at a different hotel, in downtown Washington, as the featured Democratic speaker at the Gridiron Club Dinner, the annual white-tie gala attended by the president and other politicians. It's an evening of toasts, roasts and insider

song parodies about famous pols. One song that night invoked Fleetwood Mac's "Don't Stop" to poke fun at McAuliffe as "the most ambitious man alive" and the widely held belief that his grand intention is to run for higher office:

*Don't stop thinking about McAuliffe
He'd stop at nothing to win
His whole life, American dream
National race his ultimate scheme.*

McAuliffe may well have long-term presidential ambitions. His national profile is certainly on the rise: He'll take over chairmanship of the National Governors Association starting next July. And should Clinton win in 2016, it's highly likely that McAuliffe would see a post in the White House.

But it would be more remarkable if McAuliffe weren't thinking of higher office, says Mary Washington's Farnsworth. Thanks to the state's unique-in-the-nation, one-term limit, "Virginia governors are always looking for the next job." Other than McDonnell, the past six Virginia governors have all sought higher office.

For now, of course, McAuliffe says he's focused on the job in

Richmond and that the only campaigning he's doing is to win the Virginia Senate for Democrats. "I'm actively recruiting people who agree with my social agenda, [and who are] pro-business," he says. "Our political team is on the ground, and I'm going to raise a lot of money." He wants to ensure that his successor is also a Democrat, and he adamantly wants to win Virginia for Clinton. "The best thing I can do for Hillary," he says, "is to make Virginia a blue state by doing a good job here."

Despite his national name, despite his ambition, despite his contacts in Beijing and New Delhi and Silicon Valley and D.C., McAuliffe still somehow manages to come across as an affable, easy-going buddy, a pal-around guy who really just wants to pour a couple drinks and shoot the breeze. When he took the dais at the Gridiron dinner, he introduced himself in a way that made it seem like the most ambitious man alive somehow just couldn't believe he'd ended up here. "Good evening, everybody. I'm Terry McAuliffe, the governor of the Commonwealth of Virginia." He paused. "Terry McAuliffe. The governor of Virginia. Who saw *that* coming?" **G**

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5:16 pm On his way back to the residence for a night of entertaining.



5:32 pm McAuliffe makes his pitch to the next generation.



5:56 pm The family's golden retriever keeps an eye on the front door.



7:36 pm The governor welcomes guests for the second event of the night.



7:48 pm It will be a few more hours before the last guest leaves.