



VIRGINIA INITIATIVE FOR
**GROWTH &
OPPORTUNITY**
IN EACH REGION

Virginia Growth and Opportunity Board

Business Meeting
June 13, 2023
Virtual



Stafford middle school students attend summer to explore engineering, IT, and cyber careers as part of Region 6's Germanna Community College Tech Talent Pipeline project. *(Photo courtesy of GO Virginia Region 6 Annual Report)*



VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities



Agenda

- I. Opening
- II. Consent Agenda
- III. Special Presentations
- IV. Deputy Director's Report
- V. Chair's Report
- VI. Information Items
- VII. Adjournment



VIRGINIA DEPARTMENT OF HOUSING
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Partners for Better Communities

COgro Labs at Virginia Tech Corporate Research Center (Source: GO Virginia Region 2 Annual Report)



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I. Opening

- Call to Order
- Roll Call
- Public Comment

*Staff requests that the items be taken out of order due to scheduling needs of our presenter, Amy Paul with the Virginia Health Workforce Development Authority.

Public Comments will be read immediately after Ms. Paul's presentation.



VHWD HEALTH WORKFORCE STUDY

PHASE 1 COMPLETE



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III. Special Presentation:

Amy Paul

Director of Data, Impact and Engagement
Virginia Health Workforce Development Authority



Health Workforce Study

Virginia Health Workforce Development Authority

June 13, 2023.

Virginia Health Workforce Study

- A study to examine primary care, behavioral, and nursing health care workforce issues and potential solutions.
- This was directed to the Authority by the Appropriations Act, (Chapter 2, Item 292, H1-2) to establish a workgroup to review current and projected health care workforce shortages, as well as clinical and preceptor shortages, and offer recommendations to address these issues.
- The need for this work was established by the Healthcare Workforce Advisory Council in 2020, which called for the creation of a Virginia Healthcare Workforce Innovation and Investment Fund to be administered by the Authority in partnership with the AHEC's and various partners statewide.

The study is broken out into three Phases.

- **Phase 1**, the Initial Report (concluded in February 2023) assessed the current state, strengths, gaps, and obstacles for the Commonwealth's health workforce and included key deliverables such as funding streams and workforce data gaps.
- **Phase 2**, (currently underway) continues with a data-driven approach to examine current resource streams from Commonwealth, federal and private entities as well as investigate regulations as barriers to entry. Will conclude with a Resources and Regulation Report including alternative licensure requirements and a gap analysis for funding
- **Phase 3**, will be a comprehensive final report with any updates to the previous two reports plus a strategic implementation plan. This will include goals and objectives with measurable outcomes, an implementation timeline and proposed executive, legislative, agency or budgetary action.
- Final report is due to the Governor's office on October 1st 2023.

Link to Phase 1 Initial Report - <https://acrobat.adobe.com/link/track?uri=urn:aaid:scds:US:0ba57665-5746-38f1-a9e4-083bf7badb06>

Phase 1

Deloitte.

- Completed in February 2023



State AHEC Comparison 2022

Virginia lags behind its peer states in total funding and staff assigned to program and regional AHECs, even relative to peers with smaller population.

	Population	HRSA Funding	State Contribution*	Total Funding*	AHEC Program Office FTEs	AHEC Regional FTEs
Georgia	11,019,186	\$ 1,265,290	\$ 1M	\$ 4M	3	6
Indiana	6,876,047	\$ 1,184,000	\$ 2.3M	\$ 3.4M	8	2-3
Maryland	6,298,325	\$ 444,000	\$ 500K	\$ 2.5M	3	6-30
North Carolina	10,710,558	\$ 1,332,000	\$ 55M	\$ 90M	40	9-25
Pennsylvania	13,092,796	\$ 1,036,000	\$ 903K	\$ 4M	7	3-5
South Carolina	5,266,343	\$ 843,154	\$ 12M	\$ 13M	18	9-11
Virginia	8,820,504	\$ 1,184,000	None	\$ 1.2M	1	1

* State contributions and total funding are approximations quoted from state AHEC director interviews. In some cases, states receive private grants, additional HRSA grants, and state funding appropriated directly to individual centers which make up the delta between total funding and the state and HRSA funding listed above.

Phase 2

- Currently underway



For further information

- Harrison Hayes

Executive Director

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- Amy Paul MD,

Director, Data, Impact and Evaluation

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II. Consent Agenda – Action Item

- March 14, 2023 Meeting Minutes
- FY24 Regional Per Capita and Statewide Competitive Allocation
- FY24 Capacity Building Allocation
- Technical Amendment – Board Policy #12 Use of Tobacco commission Funds as Match
- Region 3 Extension Request– Statewide MBC Middle Mile Fiber Expansion Project




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III. Special Presentation:

Jason El Koubi

President and CEO

Virginia Economic Development Partnership



AN INNOVATIVE FRAMEWORK FOR ECONOMIC GROWTH

June 13, 2023

TRANSFORMATIONAL GOALS FOR THE COMMONWEALTH

- 1 Robust State Growth**
Position Virginia to achieve a growth rate among that of the top 5-10 states in the U.S.
- 2 Every Region Wins**
Ensure that every region participates in the growth of the Commonwealth
- 3 Best State for Business**
Restore Virginia to its previous leadership position near the top of the national business climate rankings
- 4 Top State EDO**
Reestablish VEDP as one of America's most effective state economic development organizations
- 5 Super Collaborator**
Exhibit collaboration and coordination as hallmarks of VEDP (i.e., place a central focus on the "P" in VEDP)

IN THE PAST FIVE YEARS WE HAVE MADE MARKED IMPROVEMENTS, YIELDING STRONG RESULTS

Better capabilities

- Established new capabilities / teams (Talent Accelerator, VOEE, Real Estate Solutions)
- Enhanced lead generation and FDI attraction offices
- Improved project management in Research
- Developed strong Value Proposition research and materials for target industries
- Implementation of Virginia's first-ever comprehensive International Trade Strategic Plan
- Accelerated the Regional Talent Solutions and Business Outreach team



Better collaboration

- Provided regular VEDP updates to partners ('VEDP updates', activity reports, etc.)
- Partnered with Virginia Chamber Foundation to launch Team Virginia
- Engaged site selection consultants (e.g., marquee events, outreach)
- Strengthened External Affairs team
- Accelerated the Virginia Business Ready Sites Program w/ stronger funding
- Launched the \$2B Tech Talent Investment Program





Better results


- Secured transformational project wins (e.g., HQ2, LEGO, DroneUp, Morgan Olson, Micron, AWS)
- Achieved notable rankings: CNBC No. 1 State for Business
- Improved economic outlook in a material way
- Navigated the economic challenges of a global pandemic
- Launched distinctive marketing campaigns: strong marketing brand reinforced by distinctive collateral (e.g., *Virginia Economic Review*)


PROGRESS HAS BEEN MADE ON ALL FIVE GOALS

Transformational goal	Progress to-date	Outlook
1. Robust state job growth	<ul style="list-style-type: none"> Improved 10-year job forecast growth rank from No. 28 in 2017 to No. 23 today¹ (peaked in 2020 at No. 14) Forecast to rank No. 20 in 10-year job growth relative to pre-pandemic levels; bold action required to reach growth goals² 	
2. Every region wins	<ul style="list-style-type: none"> The number of marketing regions projected to grow jobs increased from 4 in 2017 to 15 today (18 total regions)¹ Expected to grow jobs in 11 regions relative to pre-pandemic levels by 2026² 	
3. Best state for business	<ul style="list-style-type: none"> Improved roughly two spots on average across the top state business climate rankings; trailing in perception-based rankings 	
4. Top state EDO	<ul style="list-style-type: none"> Named most competitive state EDO (<i>Site Selection</i>, 2019) Developed Virginia Talent Accelerator Program, International Trade Plan, Virginia Office of Education Economics (VOEE), <i>Virginia Economic Review</i>, best-in-class site intelligence, and incentives administration 	
5. Super collaborator	<ul style="list-style-type: none"> Improved communication through Quarterly Partner Reports, prospect protocols, and post-project surveys 	

 On track to achieve long-term goals with no major concerns

 Will likely not meet goal (typically due to lack of funding)

 Will make progress against long-term goals but concerns

 Not started

¹2017 forecast reflects then-current 2017-2026 job growth predictions, present 10 year-job forecasts reflect 2022-2031 job growth

²December 2019 used as baseline to account for impacts of the pandemic

PRIORITY SECTORS ARE CRITICAL TO EMPLOYMENT GROWTH, YET VIRGINIA IS FORECASTED TO HAVE AVERAGE PERFORMANCE

Cluster	Virginia			U.S.		VA projected 2022-30 growth ranking
	Employment, thousands (2022)	Employment growth, CAGR (2022-30)	Share of tradable sector growth	Employment growth, CAGR (2022-30)	Share of tradable sector growth	
Knowledge work	719.6	1.0%	51.4%	1.3%	46.0%	31
Manufacturing	108.0	1.3%	9.7%	0.7%	8.0%	13
Logistics	85.2	0.5%	3.1%	1.4%	10.4%	37
Total priority sectors	912.8	-	64.2%	-	64.4%	24

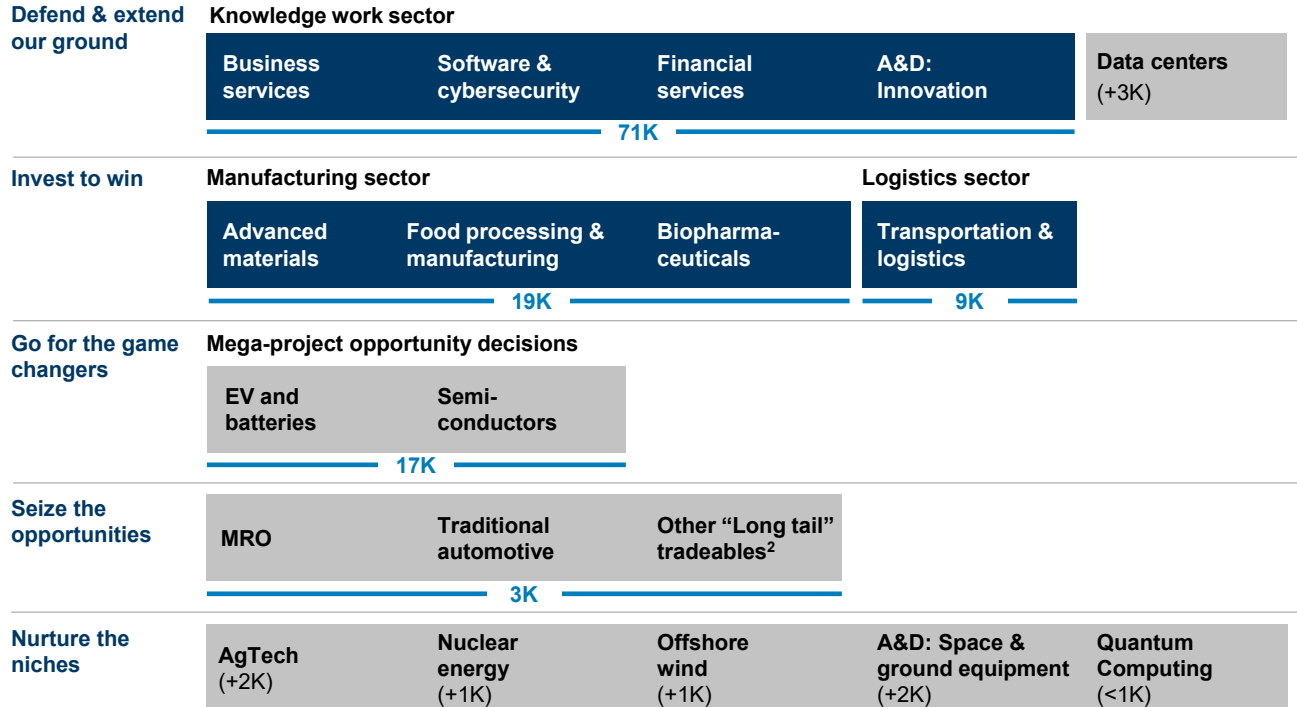
AN INNOVATIVE FRAMEWORK FOR ECONOMIC GROWTH



CORE SECTORS UNDER THE FRAMEWORK ARE BASED ON POTENTIAL JOB GROWTH AND ALIGNMENT WITH VIRGINIA'S STRENGTHS

Priorities for go-to-market action planning
(upper range estimate for total additional employment by 2025¹)

■ Combined cluster employment estimate
 ■ Core sector focus
 ■ Traditional approach



¹ Includes direct, indirect, and induced jobs

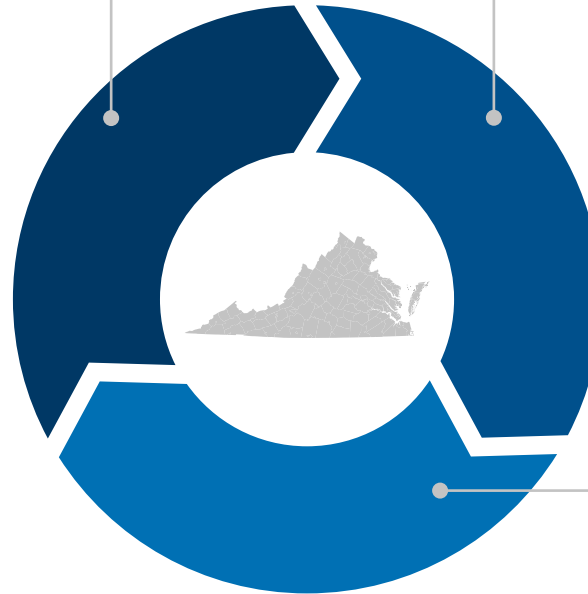
² Other "Long tail" tradeables includes: tradeable portions of construction, hospitality and tourism, education, misc. wholesale
Source: Lightcast; McKinsey analysis

THIS INNOVATIVE FRAMEWORK WOULD PUSH THE BOUNDARIES OF “TRADITIONAL” ECON DEV TO FOCUS ON BUILDING ECOSYSTEMS

Deal Excellence

- Better leads
- Improved yield (i.e., project win rate)
- Greater volume of project wins (e.g., jobs, capex)
- Customized comprehensive solutions (e.g., workforce, talent pipeline, sites, incentives)

Traditional VEDP focus



Ecosystem Building

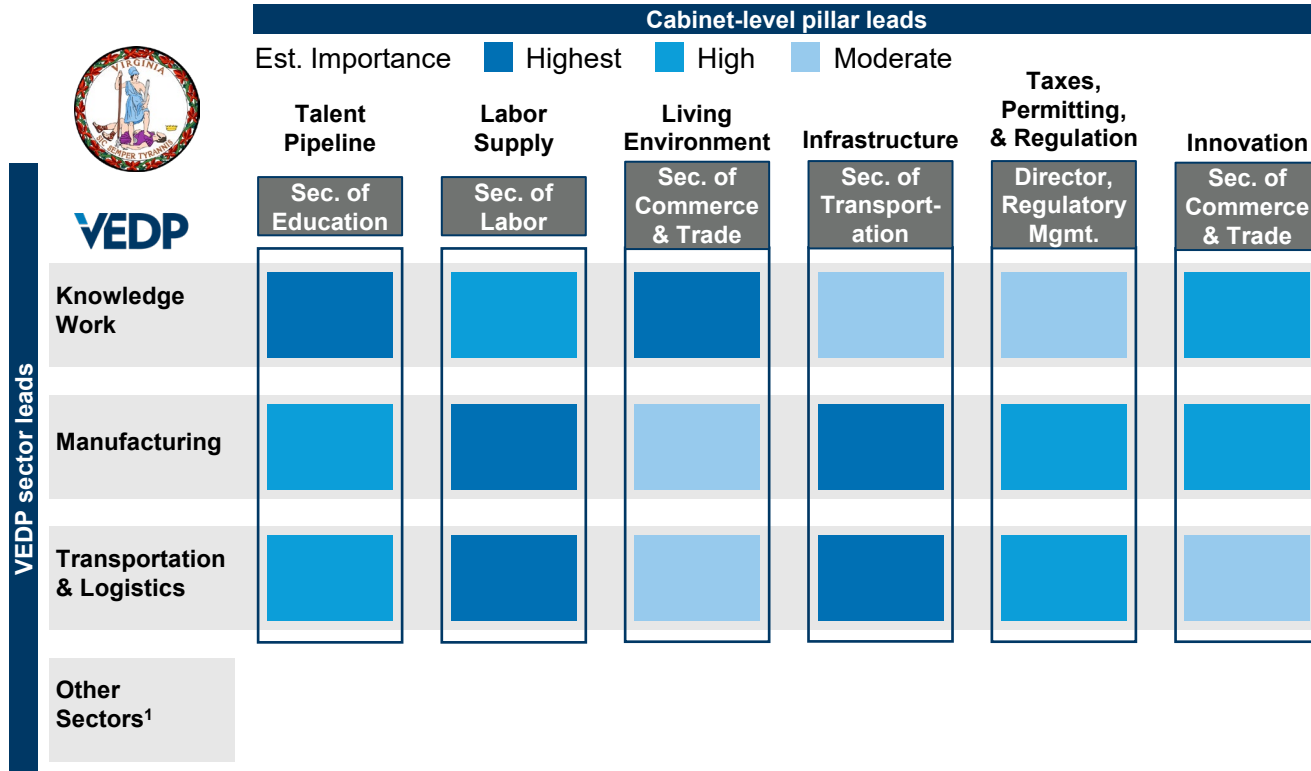
- Enhanced competitiveness (e.g., more/ better talent, infrastructure, connectivity)
- Start-up formation
- Homegrown companies becoming anchors
- Organic employment growth

Priority for accelerating economic growth;
Requires new ways of thinking and working

Economic Performance

- VA leads nation in employment growth (%)
- Growth led by core sectors – from middling (~25th)...to top tier (<10th)...to top of nation (1st)
 - Knowledge work
 - Manufacturing
 - Logistics

VEDP AND PARTNERS WILL COLLABORATE TO BUILD ECOSYSTEMS IN CORE SECTORS THROUGH PILLAR-SPECIFIC INITIATIVES



¹Includes EV and Batteries, Data Centers, Semiconductors, Traditional Automotive, Headquarters, Maintenance/Repair/Operations (MRO), Ag Tech, Nuclear Energy, Offshore Wind, Aerospace and Defense Space and Ground Equipment, Quantum Computing, Wood Products, other long-tail tradables

INTERIM SECTOR LEADS HAVE ENGAGED PILLARS TO ALIGN ON PILLAR OBJECTIVES, PRIORITY INITIATIVES, AND METRICS

- ▶ Complete
- ▶ Upcoming
- ▶ In progress

	Introduce: Framework and role within clarified	Identify & Align: Identify in-flight initiatives	Develop: Confirm pillar objectives and metrics	Prioritize: Prioritize initiatives to advance pillar metrics	Launch & Execute: Execute initiatives, develop supporting budget, policy proposals	
	3/24-4/11	4/17-5/19	5/15-5/26	5/29-6/9	6/14-6/30	
Talent pipeline	Pillar leads familiarized with their role	Prelim. Initiatives received	Objective and initiatives confirmed; preliminary metrics identified (need to finalize)		Budget, policy coordination	6/29: Init. Owner Kickoff
Labor supply	Pillar leads familiarized with their role	Prelim. Initiatives received	Objective, metrics, & primary initiatives confirmed		Budget, policy coordination	6/29: Init. Owner Kickoff
Living environment	Pillar leads familiarized with their role	Prelim. Initiatives received	Objective, metrics, & primary initiatives confirmed		Budget, policy coordination	6/29: Init. Owner Kickoff
Infrastructure	Pillar leads familiarized with their role	Prelim. Initiatives received	Objective, metrics, & primary initiatives confirmed		Budget, policy coordination	6/29: Init. Owner Kickoff
Taxes, permitting, & regulation	Pillar leads familiarized with their role	Prelim. Initiatives received	Objective, metrics, & primary initiatives confirmed		Budget, policy coordination	6/29: Init. Owner Kickoff
Innovation	Pillar leads familiarized with their role	Prelim. Initiatives received	Objective and initiatives confirmed; preliminary metrics identified (need to finalize)		Budget, policy coordination	6/29: Init. Owner Kickoff
Steerco*	N/A	Kickoff held 5/10 (11 AM)	Align on metrics (pillar designee and pillar lead)	Prioritize initiatives (pillar designee and pillar lead)	Meeting #2: 6/14	Meeting #3: 6/28

THE ULTIMATE GOAL IS TO DEVELOP INITIATIVES TO ENHANCE VIRGINIA'S EFFECTIVENESS IN EACH PILLAR, FOR EACH SUBSECTOR

		Pillars							
		Talent	Labor Supply	Living Environment	Infrastructure	Taxes, Permitting, & Regulation	Innovation		
Sectors & Sub-sectors	Knowledge Work	Business Services		Knowledge Work Sector Labor Supply Initiatives				Business Services Innovation Initiatives	
		Software & Cyber Security						Software & Cyber Innovation Initiatives	
		Financial Services						Financial Services Innovation Initiatives	
		Aerospace & Defense (Innovation)						Aerospace & Defense Innovation Initiatives	
	Manufacturing	Advanced Materials		Manufacturing Labor Supply Initiatives	Living Environment Initiatives (Generally cross-cutting, sector impact will vary by geography)				Advanced Materials Innovation Initiatives
		Food Processing & Manufacturing							Food Processing Innovation Initiatives
		Biopharmaceuticals							Biopharmaceutical Innovation Initiatives
	Logistics	Transportation & Logistics		Transportation & Logistics Labor Supply Initiatives					Transportation & Logistics Initiatives

*Note: Some initiatives will impact multiple subsectors or sectors

VEDP'S CORE INDUSTRIES AND THE GOVA REGION TARGET INDUSTRIES SHOW BROAD ALIGNMENT

VEDP Core Sector ¹		GOVA 1	GOVA 2	GOVA 3	GOVA 4	GOVA 5	GOVA 6	GOVA 7	GOVA 8	GOVA 9
Manufacturing	Advanced Materials	X	X			X	X		X	X
	Food & Beverage	X		X			X		X	X
	Pharmaceuticals		X	X	X				X	X
Knowledge Work	Software & Cybersecurity	X	X			X	X	X	X	X
	Business Services			X	X	X	X	X	X	X
	Financial Services			X	X	X	X	X	X	X
	A&D Innovation		X			X			X	
Logistics	Transportation & Logistics				X	X	X	X	X	

Crosswalk from VEDP Core Sectors¹ to GOVA Target Industry Classifications²

Advanced Materials = Chemical Products, Metalworking Technology, Advanced Materials, Plastics and Rubber Products

Food & Beverage = Animal Processing, Beverage (Alcoholic and Non-Alcoholic), Food Processing

Pharmaceuticals = Pharmaceuticals Manufacturing

Software & Cybersecurity = Computer Systems and Software Design, Cybersecurity

Business Services = Computer Services, Consulting Services, Engineering Services, Marketing, Design, and Publishing

Financial Services = Financial Services

A&D Innovation = Autonomous Systems

Transportation & Logistics = Shipping Services, Transportation, Warehousing

¹These follow the classifications laid out in the Industry to NAICS crosswalk produced by McKinsey

Source: [GO Virginia 2021 Growth and Diversification Plan](#)

STRONG COLLABORATION AND ALIGNMENT ALREADY EXISTS BETWEEN GOVA AND THE INNOVATIVE FRAMEWORK

GO Virginia's funding priorities align with pillars in the Innovative Framework

GOVA funding area	Applicable Innovative Framework pillar
Workforce & Credentialling	Labor Supply
Talent Pathways	Talent Pipeline
Commercialization	Innovation
Site & Infrastructure Development	Infrastructure
Cluster Scale-Up	Overall Ecosystem Building

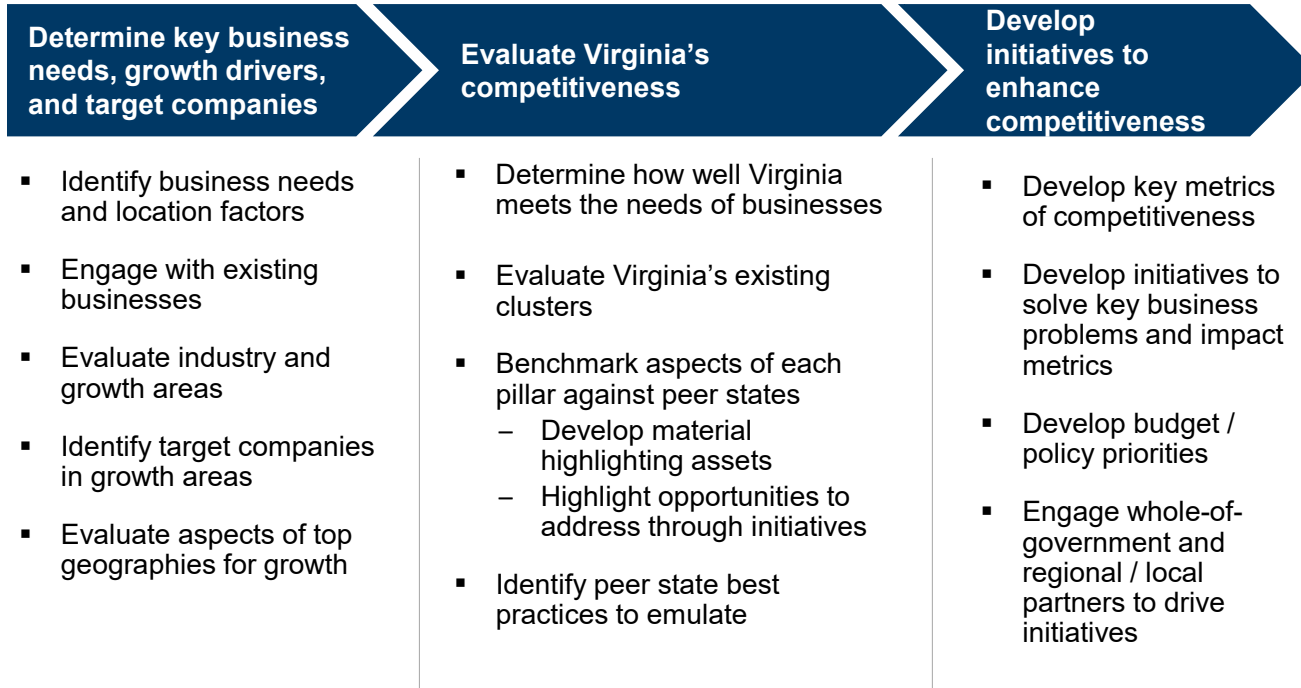
VEDP and DHCD / GOVA already work closely together, including:

- Bryan Horn has a leading role in the Living Environment pillar for DHCD / Virginia Housing
- Sara Dunnigan is a key participant in the Site Development Taskforce, and developed an induced housing demand model for key sites
- VEDP serves as subject matter expert on many GOVA applications and partners often engage VEDP for support in developing applications

The Innovative Framework will create opportunities for more direct collaboration

- VEDP will work with partners to help them understand how to improve their region's industry ecosystems; GOVA will be an important source of support and funding to build ecosystems
 - GOVA and VEDP will be in close coordination regarding engagement with regional partners and recommendations for ecosystem building

SECTOR STRATEGIES WILL FOCUS ON KEY BUSINESS DRIVERS AND CHALLENGES, AND INITIATIVES TO ENHANCE COMPETITIVENESS



HOW YOU CAN ENGAGE / NEXT STEPS

General Feedback

Provide your input and feedback as we translate our vision into reality

Sector Depth

Think about how your activities align with sector-team focus areas, and consider ideas and tactics

Robust Ecosystems

Begin considering things you can do in different regions to build a more robust ecosystem for these sectors

Commonwealth Collaboration

Consider ways to deepen collaboration between GO Virginia, VEDP, and other partners in this Framework



THANK YOU

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IV.a. Deputy Director's Report



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IN EACH REGION

- Action Items:
 - i. Per Capita Applications (6)
 - ii. Talent Pathways Initiative Planning Applications (2)

IV.a. Per Capita Applications

- 6 Proposals to Take Action On
- 5 out of 9 Regions Participated
- *Industry cluster targets:* Biosciences / life sciences, Manufacturing, Advanced Manufacturing, Light Manufacturing, Information Technologies, Food Processing, Information Technology, Biomedical & Biotechnology; Financial & Business Services, Materials and Machinery, High Value Natural Resources, Distribution and Logistics
- *Investment Strategies:* 2 Workforce Development Projects, 2 Startup Ecosystem Projects, and 2 Site Development and Infrastructure Projects



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IN EACH REGION

GO Virginia
Request:
\$2,911,573

Total Match:
\$6,113,338

Local Match:
\$5,012,017

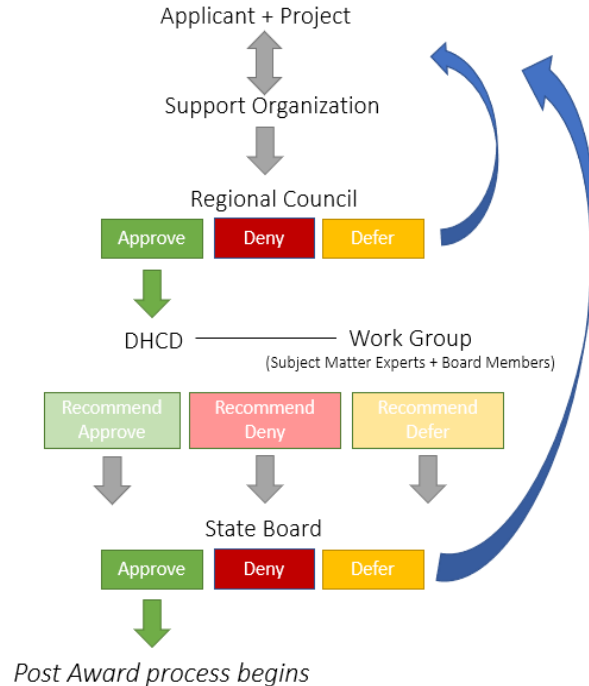


Application Process



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IN EACH REGION

GO Virginia Application Review



- Applications are submitted to Regional Councils
- Approved applications are advanced to DHCD
- Technical review by DHCD staff
- Workgroup review and project pitch calls
- Staff prepares recommendations for Board
- Presented for Board consideration
 - *Approve*
 - *Defer*
 - *Deny*
- Approved projects go to contract



Evaluation Criteria

- **Regional Collaboration**
 - Meaningful participation of 2 or more localities
 - Collaboration with industry and other partners
- **Economic Impact**
 - Target Industry Focus
 - Leveraged Nonstate Resources and/or Cost Savings
 - Well Defined Outcomes and Products
- **Project Readiness**
 - Partner Commitments, Match Resources, and Milestones
- **Sustainability**



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Region 4: Advancing a Regional Skilled Ecosystem (ARISE) for Life Sciences

Participating Localities: Richmond City, Goochland County, Henrico County

Applicant:  Reynolds *Reynolds Community College*
COMMUNITY COLLEGE

Targeted Industry Cluster(s): Pharmaceutical manufacturing (biosciences/life sciences)

Investment Strategy: Workforce Development

Goal: To grow the pharmaceutical manufacturing cluster by increasing the pool of qualified workers. This project will create a fully -equipped learning laboratory, develop and launch a laboratory technician major in the Associate of Science degree pathways, and work with industry partners to develop entry-level employees.

Outcomes:

- New AS Degree program
- 65 jobs created
- 83 students trained



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**GOVA
Request:**
\$253,500

Total Match :
\$167,000
Local Match:
\$5,000

Project Budget:
\$420,500

GO Virginia funds
Purchase equipment, provide project management services

Matching funds:
Complete curriculum development, marketing and recruitment strategies

Region 4: GO TEC Region 4 Career Connections Labs

Participating Localities: Petersburg City, Colonial Heights City, Hopewell City, Dinwiddie County, Surry County

Applicant:  Commonwealth Center for Advanced Manufacturing (CCAM)



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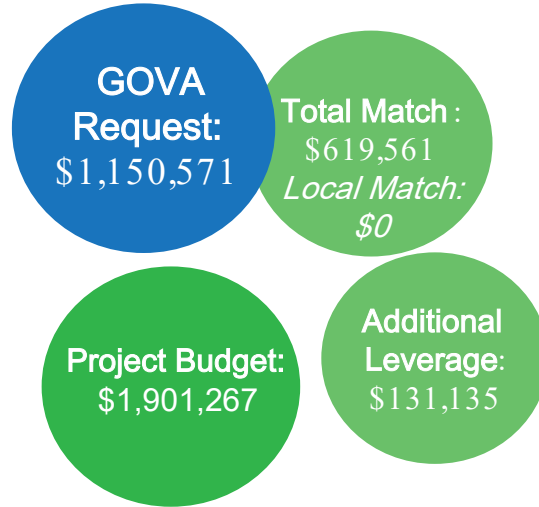
Targeted Industry Cluster(s): Manufacturing, Information Technologies, Bio/Life Sciences

Investment Strategy: Workforce Development

Goal: To create work-based learning opportunities and jobs in targeted industries across Region 4 by creating Career Connections Labs as part of the GO TEC hub-and-spoke model to allow middle schoolers to explore career pathways.

Outcomes:

- 50 new internships created
- 15 new apprenticeships created
- 70 jobs created/filled by the end of Year 3 performance period



GO Virginia funds Purchase equipment, conduct student outreach, data tracking, project management
Matching funds: STEM education equipment and supplies, CCAM administration

Region 8: Capacitor Incubator

Participating Localities: Shenandoah County, Staunton City, Harrisonburg City, Augusta County, Waynesboro City, Winchester City, Warren County

Applicant:



Shenandoah Community Capital Fund

Targeted Industry Cluster(s): Food Processing, Light Manufacturing, Information Technology, and Transportation Logistics

Investment Strategy: Startup Ecosystem

Goal: To address a gap in the Region 8 entrepreneurial ecosystem by providing a regional incubator program serving early-stage startups.

Outcomes:

- 54 jobs created
- 14 businesses expanded
- 12 businesses created
- 24 businesses served
- 24 entrepreneurs engaged
- 20 mentors engaged
- 6 new products launched



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**GOVA
Request:**
\$395,067

Total Match :
\$201,402
Local Match:
\$81,642

Project Budget:
\$596,469

GO Virginia funds Coaching and professional development services

Matching funds: coaching and mentor services, legal expenses, fees and licenses, portion of staff salaries, administration, and outreach efforts

Region 9: Regional Entrepreneurship Initiative (REI)

Participating Localities: Albemarle County, Charlottesville City, Orange County, Culpeper County, Fauquier County, Fluvanna County, Louisa County, Madison County, Nelson County, Town of Culpeper

Applicant:



Community Investment Collaborative

Targeted Industry Cluster(s): Biomedical & Biotechnology; Financial & Business

Services; Food & Beverage Manufacturing; IT & Communications; Light Manufacturing

Investment Strategy: Startup Ecosystem

Goal: To develop a strategy for defining and implementing recommendations to further grow the Region 9 entrepreneurial ecosystem.

Products:

- REI Strategy and Report
- Actionable Strategies Plan
- List of potential GO Virginia project applications



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**GOVA
Request:
\$300,000**

**Total Match :
\$165,375
Local Match:
\$165,375**

**Project Budget:
\$465,375**

GO Virginia funds Hire consultants, pay for staff salaries and fringe, travel expense, event costs, administration
Matching funds: *Staff salaries, contract services, advisory board time*

Region 2: Falling Branch Corporate Park Regional Site Development



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Participating Localities: Montgomery County, Town of Christiansburg

Applicant:  MONTGOMERY COUNTY VIRGINIA EST. 1776 Montgomery County

Targeted Industry Cluster(s): Life Sciences, Materials and Machinery, and Transportation

Investment Strategy: Site Development and Infrastructure

Goal: To advance an industrial site in an existing corporate park from Tier 4 to Tier 5 along the Virginia Business Ready Site Program (VBRSP) scale. This effort will assist in promoting the availability of shovel-ready sites to prospective businesses, which would in turn help to create higher paying jobs in GO Virginia Region 2.

Outcomes:

- 35 acres elevated from Tier 4 to Tier 5 on the Virginia Business Ready Sites Program site characterization scale
- 2,800 linear feet of waterline constructed
- 1,400 linear feet of sewer constructed

**GOVA
Request:**
\$324,000

Total Match :
\$4,585,000
Local Match:
\$4,585,000

Project Budget:
\$6,909,000

**Additional
Leverage:**
\$2,000,000

*GO Virginia funds
Extend water and sewer
Matching funds:
Utilities and site work*



Region 3: Virginia Growth Alliance Site Development Project

Participating Localities: Brunswick County, Lunenburg County, Greenville County, Charlotte County

Applicant:  Virginia's Growth Alliance



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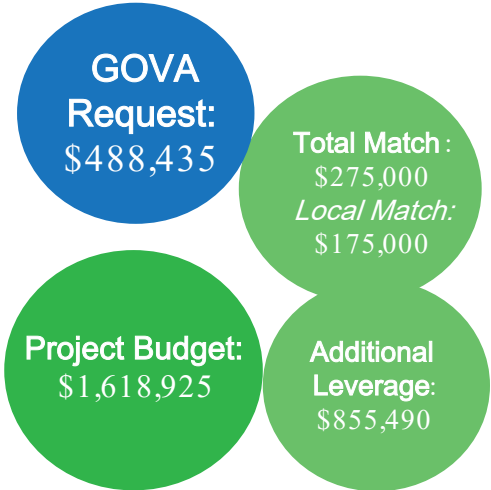
Targeted Industry Cluster(s): Advanced Manufacturing, High Value Natural Resources, Distribution and Logistics, and IT and Data

Investment Strategy: Site Development and Infrastructure

Goal: To increase the number of shovel ready sites in go Virginia Region 3.

Outcomes:

- 73 acres elevated from Tier 2 to Tier 5 (2 sites) on the VEDP Virginia Business Ready Sites (VBRS) scale
- 362 acres elevated from Tier 2 to Tier 4 (2 sites) on the VEDP VBRS scale
- 29 acres elevated from Tier 2 to Tier 3 (1 site) on the VEDP VBRS scale
- 20 acres characterized and elevated to Tier 3 (1 site) on the VEDP VBRS scale
- 42 acres retaining Tier 4 (1 site) on the VEDP VBRS scale



GO Virginia funds Architectural and engineering services, marketing materials, website updates

Matching funds: Architectural and engineering services, demolition, construction, abatement fees

IV.a. Talent Pathway Planning Initiative Applications

- 2 Proposals to Take Action On
- 2 out of 9 Regions Participated



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Total Request:
\$383,000

Total Match:
\$297,539

Local Match:
\$0

Region 2: Region 2 Talent Pathways Initiative (TPI)

Participating Localities: Botetourt County, Campbell County, Montgomery County, Pulaski County, Roanoke County, Lynchburg City, Roanoke City

Applicant:



Virginia Tech Center of Economic and Community Engagement

Targeted Industry Cluster(s): Life Sciences & Healthcare and Transportation

Manufacturing & Autonomy

Investment Strategy: Workforce Development

Goal: To define the talent pathway and develop strategies to grow the pool of qualified workers for two of Region 2's targeted industry clusters.

Products:

- Region 2 Talent Pathway Initiative Plan for Life Sciences & Healthcare and Transportation Manufacturing & Autonomy



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**GOVA
Request:**
\$250,000

Total Match :
\$230,039
Local Match:
\$0

Project Budget:
\$490,029

**Additional
Leverage:**
\$10,000

*GO Virginia funds Salaries, contract services, coordination of steering committees, access to databases
Matching funds: Project management*

Region 3: TPI Planning 2023 - SoVa Partnership for Health Science Careers



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IN EACH REGION

Participating Localities: Amelia County, Brunswick County, Buckingham County, Charlotte County, Cumberland County, Halifax County, Henry County, Lunenburg County, Mecklenburg County, Nottoway County, Patrick County, Pittsylvania County, Prince Edward County, Danville City, Martinsville City
Applicant: Southern Virginia Partnership for Health Science Careers (SOVAPHSC)

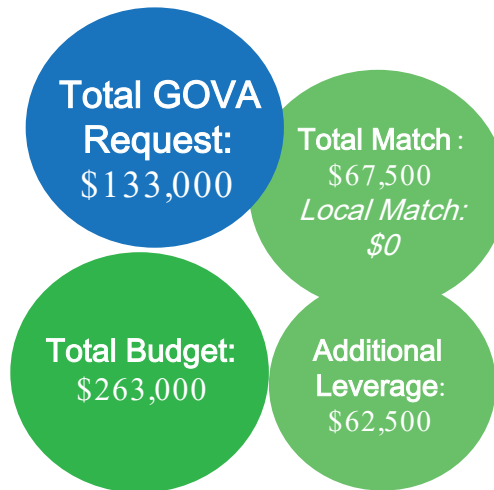
Targeted Industry Cluster(s): Healthcare

Investment Strategy: Workforce Development

Goal: To have a skill-ready and health-ready workforce that advances Southern Virginia's economy.

Products:

- Region 3 Talent Pathway Initiative Plan for Healthcare



GO Virginia funds Grant management activities and contract services
Matching funds: Contract services related to project management



VIRGINIA INITIATIVE FOR
**GROWTH &
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IN EACH REGION

IV. b. GO Virginia Match Requirements – Per Capita Funds

- Action Item
 - Board Policy #11: Per Capita Match Requirements– Per Capita Funds



VIRGINIA INITIATIVE FOR
**GROWTH &
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IN EACH REGION

IV. b. GO Virginia Match Requirements – Per Capita Funds

- History
 - April 2020, Board eased match requirements due to the fiscal/economic distress caused by the pandemic.
 - Staff issued administrative guidance on Meaningful Local Participation
 - Relaxed Match policy extended in Sept 2020 and again in April 2021
- Chair and Vice Chair directed staff to collect written comments regarding the match policy from regional leaders and program stakeholders.



IV. b. GO Virginia Match Requirements – Per Capita Funds



VIRGINIA INITIATIVE FOR
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TOTAL MATCH - § 2.2-2489. Award of grants to regional councils.

K. (Effective until July 1, 2023) Any grant awarded from the Fund to a regional council shall require matching funds at least equal to the grant, provided, however, that the Board shall have the authority to reduce the match requirement to no less than half of the grant upon a finding by the Board of fiscal distress or an exceptional economic opportunity in a region. Such matching funds may be from local, regional, federal, or private funds. Matching funds may also be from grants awarded to a locality by the Tobacco Region Revitalization Commission but shall not include any other state general or nongeneral funds, from whatever source.



IV. b. GO Virginia Match Requirements – Per Capita Funds



VIRGINIA INITIATIVE FOR
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LOCAL MATCH - In September 2017, the State Board established the local match requirement to reinforce the importance of regional collaboration and commitment to the project through demonstration of cost sharing. The guidance states ***“Those matching funds should include a local contribution of not less than 20% of the required \$1:1 match, or \$50,000 whichever is greater.”***

The Virginia Growth and Opportunity Act defines “regional activity” as follows:

“Regional activity” means an economic or workforce development-focused collaborative project or program that is (i) endorsed by a regional council, (ii) consistent with the economic growth and diversification plan developed by the regional council, and (iii) carried out, performed on behalf of, or contracted for by two or more localities, political subdivisions, or public bodies corporate and politic within a region.

GO VIRGINIA Per Capita Fund Match Requirements by Project Type



VIRGINIA INITIATIVE FOR
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Project Type	Original		Modified (EXP 6.30.23)	
	Total Match	Local Match	Total Match	Local Match
Enhanced Capacity Building (planning, pilots and feasibility studies)	1-1	No Local Match Required	2-1	No Local Match Required
Regional Entrepreneurship Initiative	2-1	No Local Match Required	2-1	No Local Match Required
Sites (planning)	1-1	No Local Match Required	2-1	No Local Match Required
Sites (implementation)	1-1	20% or \$50,000, whichever is greater.	2-1	No Local Match Required
Broadband (planning)	2-1	No Local Match Required	2-1	No Local Match Required
Broadband (implementation)	1-1	20% or \$50,000, whichever is greater.	2-1	No Local Match Required
Project Implementation	1-1	20% or \$50,000, whichever is greater.	2-1	No Local Match Required



VIRGINIA INITIATIVE FOR
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IV. b. Director's Report

- Written Comments Received from 7 of 9 Regional Councils
- Staff Reviewed Enabling Legislation and Discussed with State Board Members
- Staff Conducted Data Analysis on Match Trends by Region and Investment Strategy
- The Board Has Two Match Decisions
 - Total Match Requirements
 - Local Match Requirements (contributed by participating localities)
- Prepared Staff Recommendations (3) for Consideration



VIRGINIA INITIATIVE FOR
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IN EACH REGION

IV. b. Director's Report

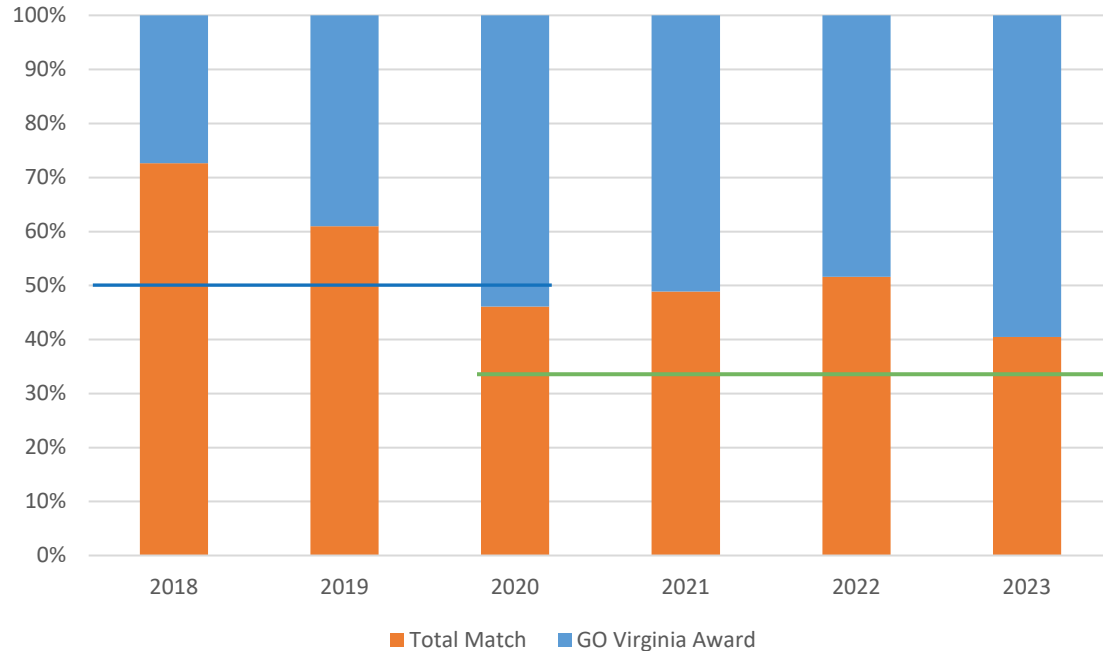
Key Findings

- \$111M in GO Virginia awards has attracted \$123M in Total Match
- This includes \$48 Million in Local Match has been contributed, or 44% of the Total Match
- There have been > 167 Units of Local Government (40 Cities, 25 Towns and 102 Counties) who have participated in one or more collaborative regional projects
- Different Investment Strategies Attract Different Levels of Local Match
 - Sites/Infrastructure, Workforce Development, Cluster Scale Up, Start Up Ecosystem
- Regional Variations



VIRGINIA INITIATIVE FOR
**GROWTH &
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IN EACH REGION

GO Virginia Awards and Total Match by FY of Award



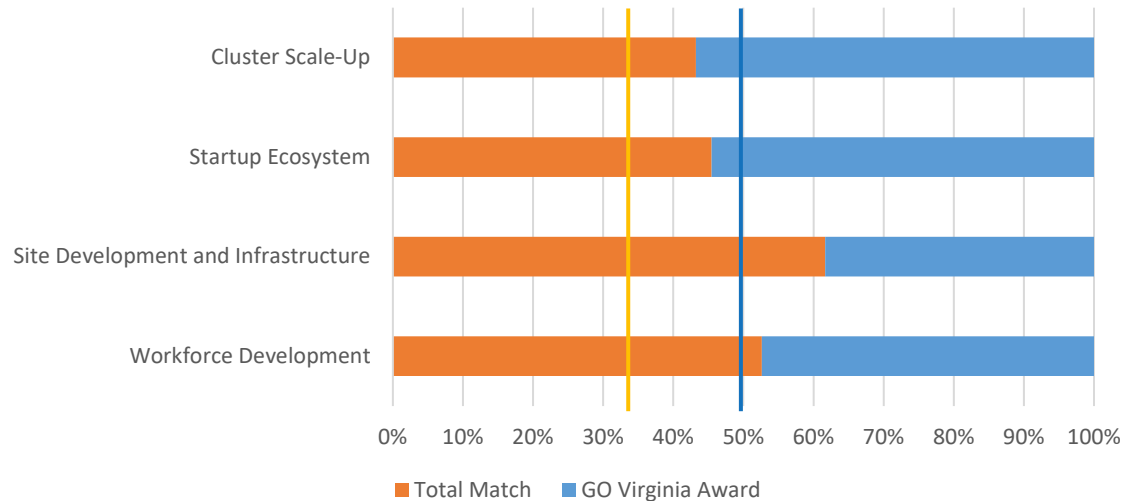
Blue Represents
1:1 Match

Green Represents
2:1 Match



VIRGINIA INITIATIVE FOR
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IN EACH REGION

GO Virginia Award and Total Match By Investment Strategy (All Project Types FY18-FY23)



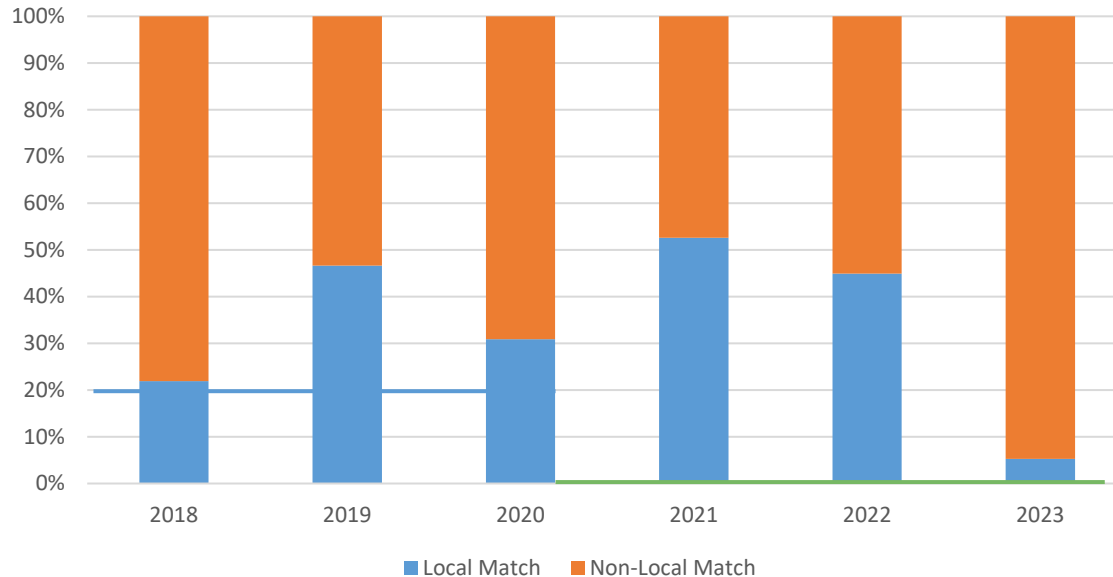
Blue Represents
1:1 Match

Green Represents
2:1 Match



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IN EACH REGION

Local Match and Non-Local Match by FY of Award



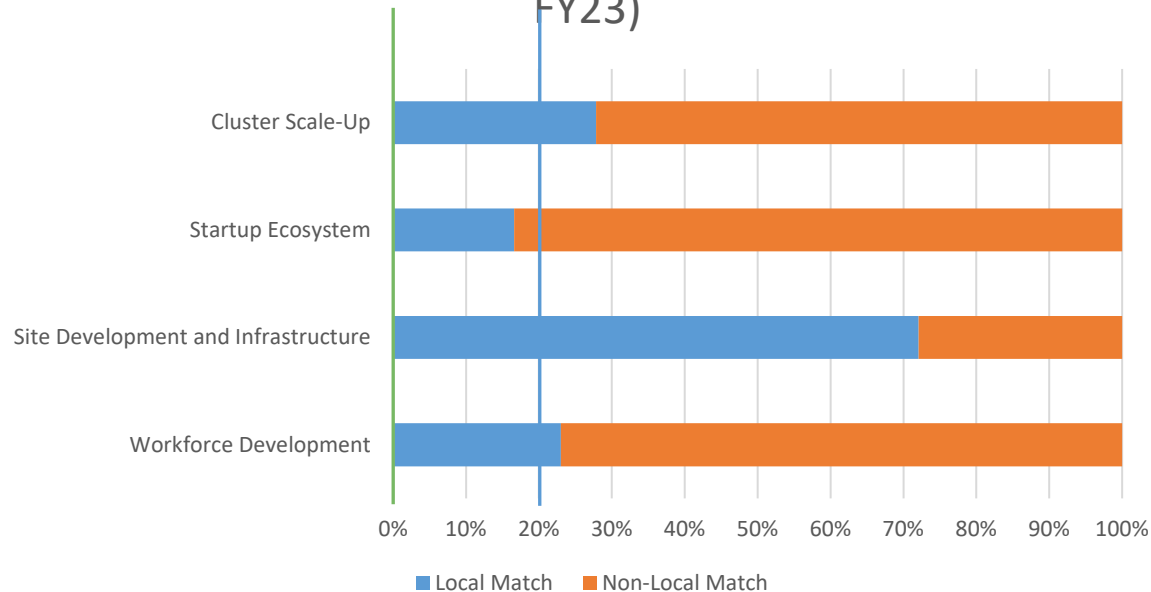
Blue Represents
20% Local Match
Threshold

Green Represents
No Local Match
Required



VIRGINIA INITIATIVE FOR
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Local Match and Non-Local Match by Investment Strategy (All Project Types FY18- FY23)



Blue Represents
20% Local Match
Threshold

Green Represents
No Local Match
Required



VIRGINIA INITIATIVE FOR
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IV. b. GO Virginia Match Requirements – Per Capita Funds – OPTION ONE

Project Type	Total Match	Local Match
Enhanced Capacity Building (planning, pilots and feasibility studies)	2-1	No Local Match Required
Regional Entrepreneurship Initiative	2-1	No Local Match Required
Sites (planning)	2-1	No Local Match Required
Sites (implementation)	2-1	No Local Match Required
Broadband (planning)	2-1	No Local Match Required
Broadband (implementation)	2-1	No Local Match Required
Project Implementation	2-1	No Local Match Required

Extend modified match policy through FY24.

- 2-1 Total Match for all Project Types
- Waives Local Match



VIRGINIA INITIATIVE FOR
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 IN EACH REGION

IV. b. GO Virginia Match Requirements – Per Capita Funds – OPTION 2

Project Type	Total Match	Local Match
Enhanced Capacity Building (planning, pilots and feasibility studies)	1-1	No Local Match Required
Regional Entrepreneurship Initiative	2-1	No Local Match Required
Sites (planning)	1-1	No Local Match Required
Sites (implementation)	1-1	20% or \$50,000, whichever is greater.
Broadband (planning)	2-1	No Local Match Required
Broadband (implementation)	1-1	20% or \$50,000, whichever is greater.
Project Implementation	1-1	20% or \$50,000, whichever is greater.

Return to original match policy

- 2-1 Total Match for most planning grants
- 1-1 Total Match for implementation projects
- Local Match required for implementation projects.



VIRGINIA INITIATIVE FOR
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IV. b. GO Virginia Match Requirements – Per Capita Funds - OPTION 3

Project Type	Total Match	Local Match
Enhanced Capacity Building (planning, pilots and feasibility studies)	1-1	No Local Match Required
Regional Entrepreneurship Initiative	2-1	No Local Match Required
Sites (planning)	1-1	No Local Match Required
Sites (implementation)	1-1	20% of required match
Broadband (planning)	2-1	No Local Match Required
Broadband (implementation)	1-1	20% of required match
Project Implementation	1-1	20% of required match

Return to original Total Match requirements by project type

Reinstate Local Match requirement, but eliminate the \$50,000 min.

- 2-1 Total Match for most planning grants
- 1-1 Total Match for implementation projects
- Local Match required for implementation projects.

Implement Waiver request Process for Total and Local Match



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IV. b. GO Virginia Match Requirements – Per Capita Funds – OPTION 3 Implementation Strategy

1. Enact a Waiver Process for TOTAL MATCH
 1. Objective criteria - “Fiscal Distress” or “Extraordinary Economic Opportunity”
2. Enact a Waiver Process for LOCAL MATCH
 1. Objective criteria - localities ability to contribute

Delay enactment – Oct 1

Waiver process would be developed with stakeholder input and presented to the Board at Sept 12, 2023 meeting.



Proposed Waiver Process for TOTAL Match Reduction – *Fiscal Distress*



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Enact an objective waiver process for “fiscal distress” to reduce match required to 2-1 for projects where:

Majority of the participating localities are experiencing “fiscal distress” as measured by VEDP’s definition for Economic Distress (Double Distress).

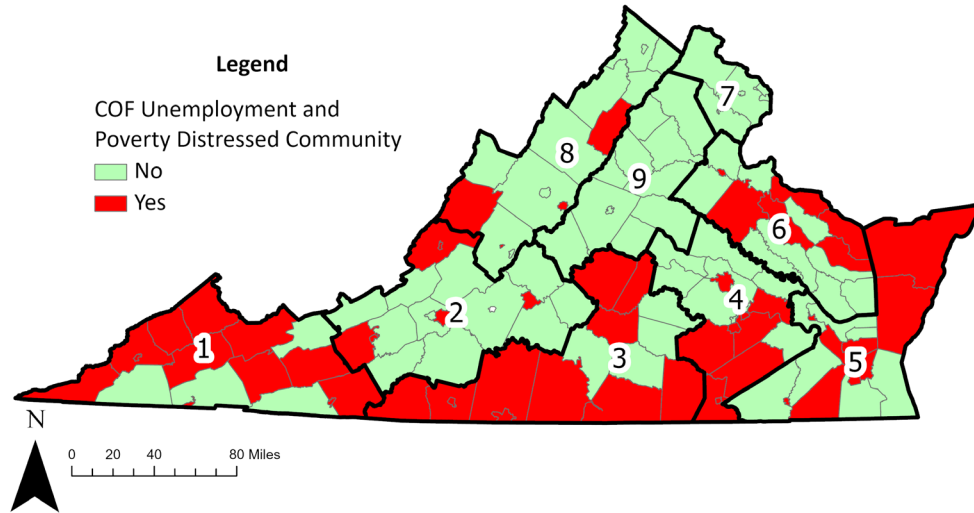
Evaluates UNEMPLOYMENT and WAGES



GO Virginia Regions: Localities and Economic Distress



VIRGINIA INITIATIVE FOR
GROWTH & OPPORTUNITY
IN EACH REGION



Source: VEDP Thresholds for Localities with Above-Average Unemployment or Above-Average Poverty





Proposed Waiver Process for TOTAL Match Reduction *Extraordinary Economic Opportunity*



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Enact an objective waiver process for “extraordinary economic opportunity” to reduce match required to 2-1 for projects meeting one or more of the following conditions.

- GO Virginia Goals – Super Collaborator(regional and industry)/Super Job Creator/Transformation
- State/Regional Strategic Alignment Goals
- Resource Development/Leverage Goals



Proposed Waiver Process for LOCAL Match Waiver



VIRGINIA INITIATIVE FOR
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IN EACH REGION

Enact a waiver process for the Local Match requirements consistent with the original board guidance, but with an objective assessment of locality's ability to contribute using the **Fiscal Stress Index**.

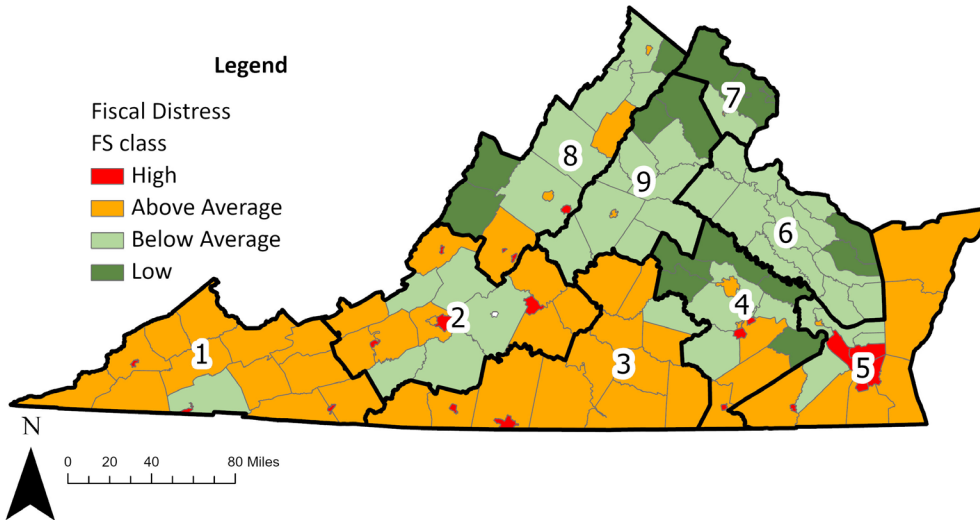
- Staff recommends that the Local Match Waiver be granted if 50% or more of the participating localities are experiencing rates High or Above Average using the Fiscal Stress Index.
- The Fiscal Stress Index is done annually by the Commission on Local Governments and considers 3 factors – Revenue Capacity, Revenue Effort and Median Household Income.
- Local Match may also be waived at the discretion of the Board if the participating localities can demonstrate that the applicant has attempted to solicit the local contribution and describe why the participating localities have been unable to provide the local contribution.



GO Virginia Regions: Localities and Fiscal Distress



VIRGINIA INITIATIVE FOR
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IN EACH REGION



Source: DHCD Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Cities and Counties, FY2020



GO VIRGINIA Per Capita Fund Match Requirements by Project Type



VIRGINIA INITIATIVE FOR
GROWTH & OPPORTUNITY
IN EACH REGION

Project Type	Original		Option 3	
	Total Match	Local Match	Total Match	Local Match
Enhanced Capacity Building (planning, pilots and feasibility studies)	1-1	No Local Match Required	1-1	No Local Match Required
Regional Entrepreneurship Initiative (planning)	2-1	No Local Match Required	2-1	No Local Match Required
Sites (planning)	1-1	No Local Match Required	1-1	No Local Match Required
Sites (implementation)	1-1	20% or \$50,000, whichever is greater.	1-1	20% of Total Match
Broadband (planning)	2-1	No Local Match Required	2-1	No Local Match Required
Broadband (implementation)	1-1	20% or \$50,000, whichever is greater.	1-1	20% of Total Match
Project Implementation	1-1	20% or \$50,000, whichever is greater.	1-1	20% of Total Match



VIRGINIA INITIATIVE FOR
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IV. c. Delayed Implementation – Board Policy #14

- Action Item
 - Delayed Implementation – Board Policy #14 – Maximum Regional Per Capita Carryover Allowance and Establishment of Regional Performance Pool



V. Chair's Report

a. Bylaws Review and Proposed Changes



VIRGINIA INITIATIVE FOR
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IN EACH REGION



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IN EACH REGION



VI. Information Items

- a. GO Virginia Program Performance Dashboard
- b. DHCD Approved Enhanced Capacity Building Projects & Site Development Planning Projects
 - o Region 6– West Point Airport Industrial Site Evaluation
 - o Region 6– Expanding Smart Community Tech Entrepreneurship Across Region 6
- c. Funded Project Summary
- d. Match Policy Feedback – Regional Letters
- e. Current GO Virginia State Board Bylaws



Adjournment

Future Meeting Schedule

- Sept 12, 2023– In Person
- December 12, 2023- VIRTUAL



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