

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY 2019 OPERATIONAL PLAN: EXECUTIVE SUMMARY**

July 1, 2018

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## INTRODUCTION

- The Virginia Economic Development Partnership Authority (VEDP) was established by the General Assembly in 1995 (Code of Virginia, § 2.2-2234).
- VEDP is given broad powers in its enabling legislation “...to encourage, stimulate, and support the development and expansion of the economy of the Commonwealth.”
- This operational plan has been prepared in accordance with the Virginia Budget, which requires that an operational plan be completed and submitted to the Chairmen of the House Appropriations and Senate Finance Committees and to the Director of the Department of Planning and Budget prior to July 1, 2018.
- The FY19 Operational Plan marks the first full year of implementation of the Strategic Plan for Economic Development of the Commonwealth of Virginia (FY19-FY23), approved by the VEDP Board of Directors in late 2017 pursuant to the Code of Virginia, §2.2-2237.1. The 15 Major Initiatives contained in the FY19 Operational Plan are largely derived from the initiatives outlined in the Strategic Plan.

# THE OPERATIONAL PLAN GUIDES VEDP'S ACTIONS THROUGHOUT THE YEAR

- **This FY19 Operational Plan primarily is based upon the goals, strategies, and initiatives outlined in the FY19-23 Strategic Plan.** The annual plan is the result of a four-month, VEDP-wide effort which identified improvement areas and new ideas for the coming year and translated those ideas into a plan for action.
- **The goals of the FY19 Operational Plan include the following:**
  - Build clarity and alignment regarding VEDP's strategic direction
  - Outline major priorities with deliverables and deadlines for the year
  - Ensure improved accountability for performance
  - Deliver upon numerous improvement opportunities identified by VEDP team members
- **Progress against the operational plan will be reviewed throughout the year through the following activities:**
  - Weekly updates at senior team meetings
  - Regular internal meetings of each VEDP division (e.g., BI, Workforce, Trade)
  - Quarterly update meetings between each division head (e.g., Vice Presidents and Managing Directors) and their respective reports
  - Ongoing updates to the operational plan tracker

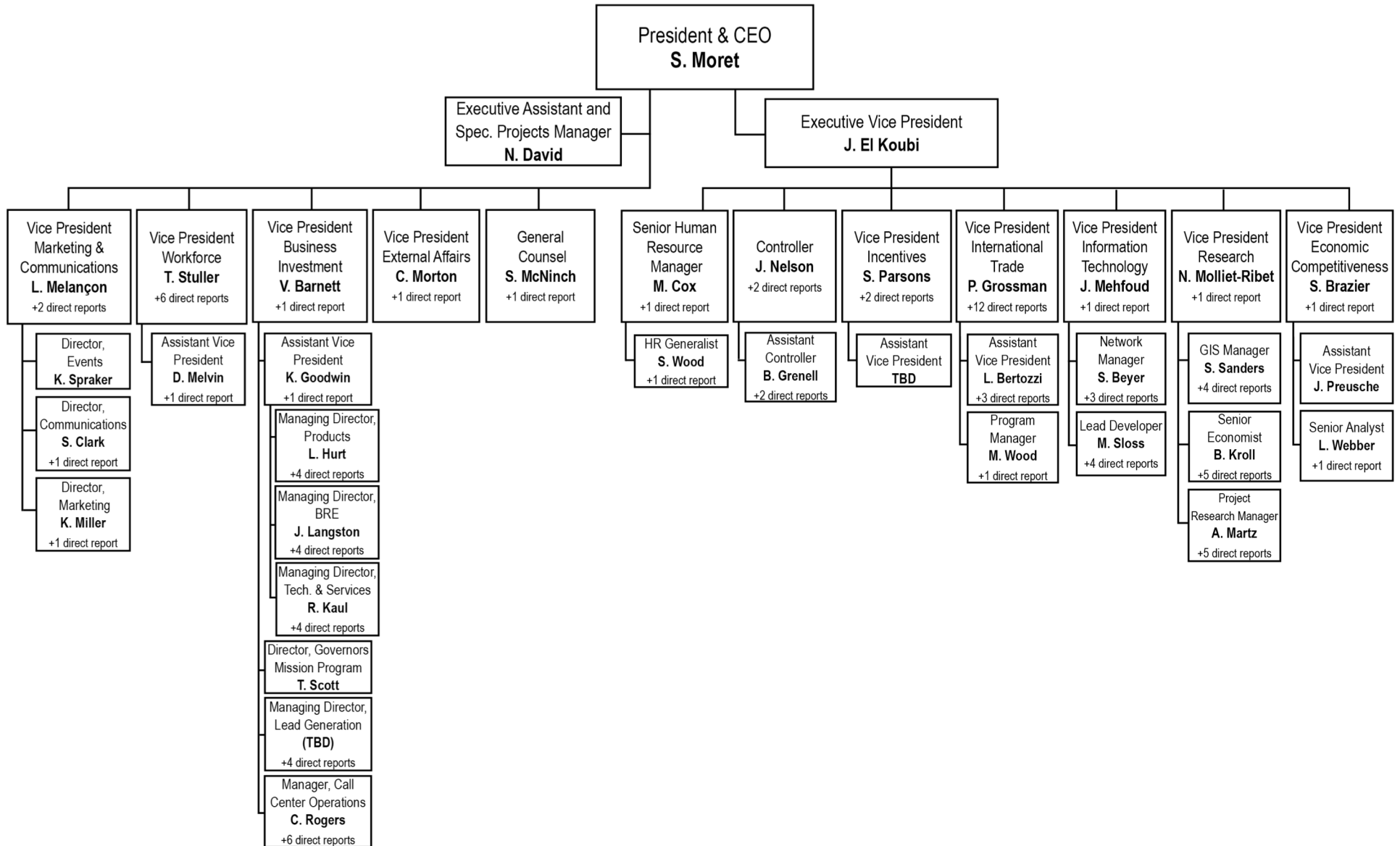
# VEDP ORGANIZATIONAL OVERVIEW (1 OF 2)

Division	Overview
<b>Business Investment</b>	<ul style="list-style-type: none"><li>▪ Collaborates with regional and local partners to identify and convert high-potential leads and prospects into project opportunities, as well as support the retention and growth of existing Virginia employers</li></ul>
<b>Marketing and Communications</b>	<ul style="list-style-type: none"><li>▪ Manages Virginia's business brand (and VEDP's) and builds awareness of the Commonwealth's advantages among C-level executives nationally and globally</li></ul>
<b>Research</b>	<ul style="list-style-type: none"><li>▪ Creates customized, relevant, and insightful analysis and data visualizations that facilitate understanding of Virginia's full value proposition, with a central focus on fast-turn, high-priority, customized client service (e.g., preparing RFP responses)</li></ul>
<b>Incentives</b>	<ul style="list-style-type: none"><li>▪ Reviews, vets, tracks, and coordinates economic development incentives administered by VEDP and those offered by the Commonwealth or a locality in conjunction with VEDP</li></ul>
<b>Workforce Solutions</b>	<ul style="list-style-type: none"><li>▪ Supports the human capital needs of new and expanding businesses by delivering world-class, customized, turnkey, workforce recruitment and training solutions in partnership with VCCS; developing systemic talent pipeline initiatives to address regional or statewide talent shortages; and managing the Virginia Jobs Investment Program (VJIP)</li></ul>
<b>International Trade</b>	<ul style="list-style-type: none"><li>▪ Supports growth and expansion of Virginia's local firms seeking international markets through the administration of targeted programs to increase managerial capabilities and improve networks in key countries and regions</li></ul>
<b>External Affairs</b>	<ul style="list-style-type: none"><li>▪ Cultivates relationships with local, state, and federal elected officials, as well as manages relationships with VEDP's economic development partners across the Commonwealth</li></ul>

# VEDP ORGANIZATIONAL OVERVIEW (2 OF 2)

<b>Division</b>	<b>Overview</b>
<b>Economic Competitiveness</b>	<ul style="list-style-type: none"><li>▪ Develops and incubates medium-to-long-term strategies to improve the foundations for state, regional, and local economic growth</li></ul>
<b>Information Technology</b>	<ul style="list-style-type: none"><li>▪ Maintains and updates all internal, web-based applications, provides support for teams working with outside web applications, such as Salesforce, and supports VEDP network services and devices</li></ul>
<b>Fiscal and Support Services</b>	<ul style="list-style-type: none"><li>▪ Manages all accounting and budget-related work and provides facilities, fleet management, and procurement services</li></ul>
<b>Human Resources</b>	<ul style="list-style-type: none"><li>▪ Manages employee payroll and benefits and coordinates employee hiring, training, and performance reviews</li></ul>
<b>Legal Services</b>	<ul style="list-style-type: none"><li>▪ Advises on legal aspects of legislation, rules, contracts, and other issues; manages legal activities for VEDP</li></ul>
<b>Internal Audit</b>	<ul style="list-style-type: none"><li>▪ Performs periodic audits on operations, accounts, and transactions and reports findings to the VEDP Board</li></ul>

# VEDP ORGANIZATIONAL CHART



# VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP BOARD OF DIRECTORS

**The Honorable Brian Ball, Vice Chair**

Secretary of Commerce and Trade, Commonwealth of Virginia

**Carrie Hileman Chenery**

Executive Director, Shenandoah Valley Partnership

**C. Daniel Clemente**

Chair and CEO, Clemente Development Company, Inc.

**Heather Engel**

CSO and Partner, Sera-Brynn

**Gregory B. Fairchild**

Isidore Horween Research Associate Professor of Business Administration and Academic Director of Public Policy and Entrepreneurship, Darden School of Business, University of Virginia

**William “Bill” Hayter**

President and CEO, The First Bank & Trust Company

**April Kees and Jason Powell**

Co-Interim Directors, Finance Committee, Virginia Senate

**The Honorable Aubrey Layne**

Secretary of Finance, Commonwealth of Virginia

**[VACANCY – formerly held by Chris Lumsden]**

**Ned W. Masee**

Croatan Advisors

**Vincent J. Mastracco, Chair**

Partner, Kaufman & Canoles PC

**Dan M. Pleasant**

COO, Dewberry

**John F. Reinhart**

CEO and Executive Director, The Port of Virginia

**Xavier R. Richardson**

President, Mary Washington Hospital & Stafford Hospital Foundations, Mary Washington Healthcare

**Carlos Tapias**

CEO USA, Phoenix Packaging Group

**Robert Vaughn**

Director, Appropriations Committee, Virginia House of Delegates

**John O. “Dubby” Wynne**

Chairman, Virginia Growth and Opportunity Board



# OVERVIEW OF THE STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF VIRGINIA (FY19-23)

- On December 1, 2017, VEDP produced its “strategic plan for specific economic development activities for the Commonwealth as a whole” in accordance with § 2.2-2237.1 of the Code of Virginia
- As required by Code, the Strategic Plan identifies specific goals and objectives for VEDP, as well as quantifiable metrics and performance measures for each goal and objective. The Plan also includes a systematic assessment of how VEDP can best add value in carrying out each of its statutory powers and duties
- As required by Code, the Strategic Plan was crafted to be responsive to the Governor’s Economic Development Strategy, called for in § 2.2-205. In addition, VEDP is supporting the development of Governor Northam’s new economic development strategy in Fall 2018, ensuring continued alignment between VEDP’s Strategic Plan and the Governor’s economic development priorities
- Key economic development partners were integrally involved in the strategic planning process, including state, regional, and local economic development agencies and organizations and international trade organizations
- As noted above, there is also considerable alignment between the FY19 Operational Plan and VEDP’s Strategic Plan as this year’s operational plan marks the first full year of strategic plan implementation. The 15 Major Initiatives contained in the FY19 Operational Plan are derived from the initiatives outlined in the Strategic Plan

# FRAMEWORK FOR IMPLEMENTING VEDP'S STRATEGIC PLAN

- Economic development is a combination of activities intended to create jobs, increase wages, and/or achieve industry diversification
  - VEDP will primarily focus on growing the Commonwealth's economy and bringing the greatest number of high-quality jobs to Virginia's regions
  - VEDP will typically avoid actively recommending incentives or investments in projects that grow a region, community, or business at the expense of other regions, communities, or businesses
- Creating a new Virginia economy requires aggressive, focused leadership from VEDP in three broad areas of activity:
  - "Business development" aims to influence the investment and location decisions of corporate leaders (e.g., marketing, business attraction and recruitment)
  - "Product development" aims to increase Virginia's attractiveness for business investment and economic opportunity (e.g., public policy efforts, community development, site development)
  - "Trade development" aims to encourage exports of Virginia products and services\*
- Much of economic development is done at the regional or local level (e.g., site selection process, marketing leverage, business environment, economic relationships)
- VEDP will strive to make its incentive and investment recommendations based on public return-on-investment (ROI) analyses

\*Efforts to increase business investment also contribute significantly to trade development in Virginia.

## PREPARING FOR STRATEGIC PLAN IMPLEMENTATION

- The Strategic Plan for Economic Development of the Commonwealth of Virginia adopted by the VEDP Board last year is a five-year plan (FY19-FY23) for which implementation begins on July 1, 2018
- The Strategic Plan includes five transformational goals, the achievement of which requires the implementation of 40 new initiatives
- Some of the initiatives in the Strategic Plan will require new funding to implement
- VEDP's FY19 Operational Plan is based on the initiatives outlined in the Strategic Plan and focuses on those initiatives scheduled for implementation in the first year for which sufficient funding has been secured
- Some of the strategic plan initiatives scheduled for implementation in FY19 will not be funded, slowing progress toward achieving the transformational goals
- VEDP is preparing for the first year of implementation of the Strategic Plan, including developing the final metrics to track performance

# TRANSFORMATIONAL GOALS FOR THE COMMONWEALTH AND VEDP

The following five transformational economic development goals were identified for both VEDP and the Commonwealth of Virginia as part of VEDP's strategic planning process completed in FY18

1. Over the next several years, position Virginia to achieve a growth rate (measured by employment and median earned income of workers) among that of the top 5-10 states in the U.S.
2. Ensure every region participates in the growth of the Commonwealth (i.e., all with positive growth in employment and median earned income of workers)
3. Restore Virginia to its previous leadership position near the top of the national business climate rankings (i.e., average position among the top 3-5 states)
4. Reestablish VEDP as one of America's premier state economic development organizations (principally to better enable accomplishment of the top three transformational goals)
5. Exhibit collaboration and coordination as hallmarks of VEDP (i.e., place a central focus on the "P" in VEDP)

# FIVE TRANSFORMATIONAL GOALS CAN BE ACHIEVED VIA THE EXECUTION OF 14 STRATEGIES OVER THE NEXT 5-7 YEARS

**A**

**Cultivate target industry growth clusters**

- Push new boundaries as a U.S. leader in information technology
- Assemble a world-class transportation and logistics hub
- Position Virginia's manufacturing base to be future-ready
- Create bus. services and ops. centers of excellence (e.g., HQs)
- Capitalize on Virginia's unique assets to become a leader in promising disruptive technologies (e.g., unmanned systems, genomics, personalized medicine)

**B**

**Enhance VA's economic competitiveness**





- Strengthen Virginia's human capital development engine
- Assemble an ample, strategic portfolio of project-ready sites and buildings across Virginia
- Rigorously assess and steadily improve Virginia's state, regional, and local economic competitiveness
- Leverage public-private partnerships to strengthen Virginia's digital infrastructure (i.e., broadband)
- Place a special focus on achieving growth in Virginia's rural regions and small metros






**C**

**Enhance VEDP's capabilities**

- Cultivate world-class execution at VEDP
- Implement robust marketing/branding, lead generation, and site consultant cultivation programs
- Strengthen and expand business and international trade development programs
- Become a national leader in incentives administration

# UPDATE ON FIVE TRANSFORMATIONAL GOALS FOR VIRGINIA AND VEDP FROM THE STRATEGIC PLAN

-  On track to achieve long-term goals with no major concerns
-  Will make progress against long-term goals but concerns (typically due to funding challenges)
-  Will likely not meet goal (typically due to lack of funding)
-  Not started

Transformational goals	Description	Outlook
<div style="border: 1px solid black; padding: 5px; display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">1</div> <div style="flex-grow: 1;"> <p><b>Robust state job growth</b></p> </div> </div>	<p>Over the next several years, position Virginia to achieve a growth rate (measured by employment and median earned income of workers) among that of the top 5-10 states in the U.S.</p>	
<div style="border: 1px solid black; padding: 5px; display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">2</div> <div style="flex-grow: 1;"> <p><b>Every region wins</b></p> </div> </div>	<p>Ensure that every region participates in the growth of the Commonwealth (i.e., all with positive growth in employment and median earned income of workers)</p>	
<div style="border: 1px solid black; padding: 5px; display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">3</div> <div style="flex-grow: 1;"> <p><b>Best state for business</b></p> </div> </div>	<p>Restore Virginia to its previous leadership position near the top of the national business climate rankings (i.e., average position among the top 3-5 states)</p>	
<div style="border: 1px solid black; padding: 5px; display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">4</div> <div style="flex-grow: 1;"> <p><b>Top state EDO</b></p> </div> </div>	<p>Reestablish VEDP as one of America’s premier state economic development organizations (principally to better enable accomplishment of the top three transformational goals)</p>	
<div style="border: 1px solid black; padding: 5px; display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">5</div> <div style="flex-grow: 1;"> <p><b>Super collaborator</b></p> </div> </div>	<p>Exhibit collaboration and coordination as hallmarks of VEDP (i.e., place a central focus on the “P” in VEDP)</p>	

# COMPONENTS OF THE FY19 OPERATIONAL PLAN REQUIRED BY THE CODE OF VIRGINIA

**This section of the FY19 Operational Plan contains the two components required by statute, itemized below:**

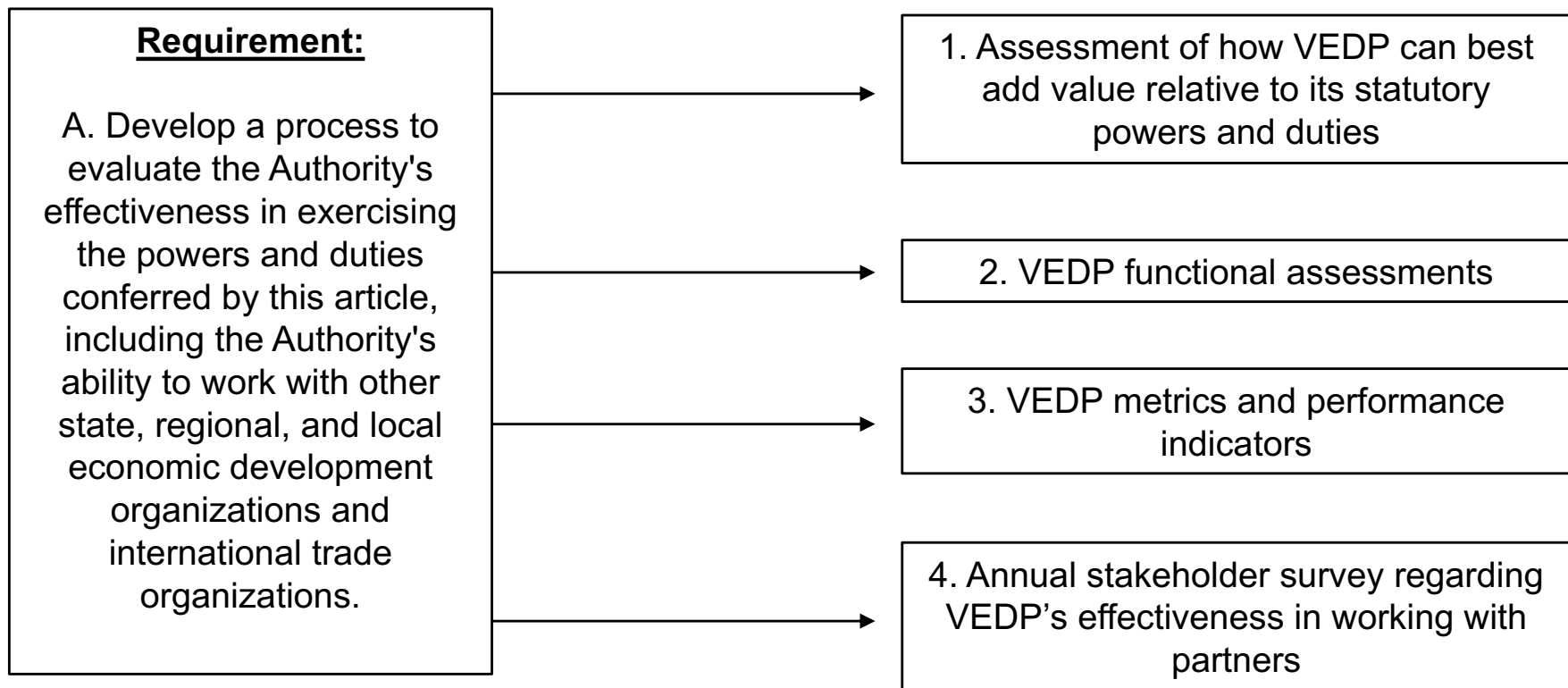
## **Va. Code Ann. § 2.2-2237.1. Board of directors to develop strategic plan for economic development; marketing plan; operational plan; submission**

2. An operational plan for carrying out the powers and duties of the Authority. The operational plan of the Authority shall, at a minimum, include:

- a. A process to evaluate the Authority's effectiveness in exercising the powers and duties conferred by this article, including the Authority's ability to work with other state, regional, and local economic development organizations and international trade organizations; and
- b. A strategy for coordinating with state agencies that administer economic development incentive programs and relevant executive branch committees, councils, authorities, and commissions to maximize the effectiveness of state economic development programs and activities.

# VEDP DEVELOPED AND WILL CONTINUE TO EXECUTE AN ANNUAL PROCESS TO EVALUATE ITS EFFECTIVENESS IN EXERCISING ITS POWERS AND DUTIES

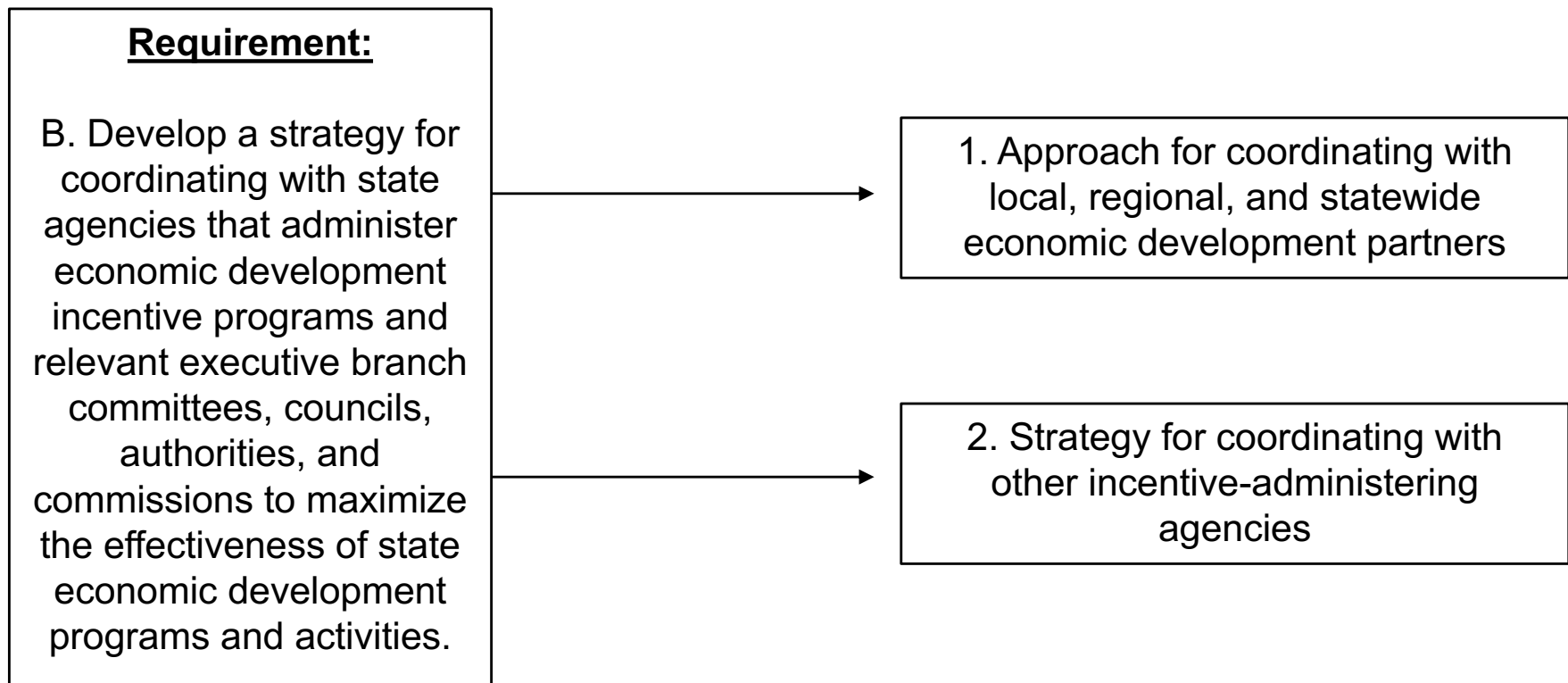
VEDP’s approach to addressing this statutory requirement includes four components:





# VEDP DEVELOPED A COMPREHENSIVE STRATEGY FOR COORDINATING WITH KEY STAKEHOLDERS, INCLUDING INCENTIVE-ADMINISTERING AGENCIES

VEDP's approach to addressing this statutory requirement includes two components:



# FY19 MAJOR INITIATIVES

# MAJOR INITIATIVES

- | #   | Initiative  |
|-----|---|
| 1.  | Develop and execute a comprehensive strategy to cultivate rural technology centers  |
| 2.  | Create a turnkey, customized workforce recruitment and training incentive program in collaboration with VCCS                                      |
| 3.  | Work with key partners to identify opportunities to expand supply of high-demand degrees and credentials in critical fields                       |
| 4.  | Develop a strategy to enhance Virginia's portfolio of development ready sites   |
| 5.  | Develop targeted strategies to address key elements of local competitiveness  |
| 6.  | Assess Virginia's state and local tax burdens and propose targeted solutions to improve overall tax competitiveness                               |
| 7.  | Pending sufficient funding, implement a comprehensive talent management program and improve internal collaboration and communication              |
| 8.  | Build a best-in-class lead generation capability  |
| 9.  | Implement a robust inbound and outbound site consultant cultivation program   |
| 10. | Execute and expand VEDP's Business Retention and Expansion (BRE) program  |
| 11. | Strengthen VEDP's approach to project management by developing a repeatable process, focusing on communicating Virginia's total value proposition |
| 12. | Develop a transformational projects matrix, including top targets and anticipated investment packages by region                                   |
| 13. | Identify top opportunities to expand trade and trade-related jobs in Virginia   |
| 14. | Implement a comprehensive partner relations program   |
| 15. | Deepen understanding of and summarize Virginia's value proposition for each target sector and region  |

# FY19 PERFORMANCE METRICS

# PERFORMANCE METRICS FOR FY19

## Performance Metrics and Goals

	<u>FY19</u>
<b>VEDP-assisted project announcements: capital investment</b>	<b>\$2.5B</b>
<b>VEDP-assisted project announcements: direct jobs</b>	<b>13,000</b>
<b>VEDP-generated leads: number</b>	<b>350</b>
<b>VEDP-generated leads: number converted</b>	<b>125</b>
<b>Virginia companies enrolled in International Trade programs</b>	<b>320</b>
<b>Projected international sales from Virginia companies participating in International Trade programs</b>	<b>\$768MM</b>
<b>Projected trade-supported jobs* from Virginia companies participating in International Trade programs</b>	<b>6,900</b>

\* Includes direct, indirect, and induced jobs

# FY19 OPERATIONAL PLAN APPENDICES

# **APPENDIX A**

## **FY19 BUDGET SUMMARY**

# VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2019 BUDGET SUMMARY

## Revenue Sources

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	<u>FY2019</u>	<u>FY2018</u>	<u>Change</u>
<b>Revenue</b>			
COV Appropriations	\$ 32,097,198	\$ 27,995,883	\$ 4,101,315
Carry Forward Funds	1,455,565	5,785,308	(4,329,743)
Other Revenue	390,255	2,075,229	(1,684,974)
<b>Total Revenue</b>	<b><u>\$ 33,943,018</u></b>	<b><u>\$ 35,856,420</u></b>	<b><u>\$ (1,913,402)</u></b>



# VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2019 BUDGET SUMMARY (CONT'D)

## Expenditure Summary

	FY2019		FY2018		\$ Change	% Change
	Dollars	Staff	Dollars	Staff		
<b>Division Budgets</b>						
Workforce Solutions	\$ 3,578,419	29	\$ 1,245,078	9	2,333,341	187%
International Trade	7,149,157	19	6,943,171	19	205,986	3%
Business Investment	6,010,282	30	6,033,080	30	(22,798)	0%
Research	2,293,894	18	2,289,830	18	4,064	0%
Marketing & Communications	3,354,372	8	2,684,557	8	669,815	25%
Economic Competitiveness	936,300	5	892,170	5	44,130	5%
Information Technology	1,495,427	11	1,562,253	11	(66,826)	-4%
Incentives	581,121	4	613,334	4	(32,213)	-5%
Administration	3,648,042	16	3,675,533	16	(27,491)	-1%
<b>Total Division Budgets</b>	<b>\$ 29,047,014</b>	<b>140</b>	<b>\$ 25,939,006</b>	<b>120</b>	<b>3,108,008</b>	<b>12%</b>
<b>Pass Throughs, Grants and Projects</b>	<b>4,896,004</b>	<b>-</b>	<b>9,917,414</b>	<b>-</b>	<b>(5,021,410)</b>	<b>-51%</b>
<b>Total VEDP Budget</b>	<b>\$ 33,943,018</b>	<b>140</b>	<b>\$ 35,856,420</b>	<b>120</b>	<b>(1,913,402)</b>	<b>-5%</b>

Note: FY2019 Operational Plan division budgets include a 3.9% expected vacancy rate.

**APPENDIX B**

**REFERENCES TO JLARC  
RECOMMENDATIONS**

# REFERENCES TO JLARC RECOMMENDATIONS\*

JLARC Recommendation	Division(s) Maintaining Recommendation
<p>1. The General Assembly may wish to consider amending the Code of Virginia to require the Virginia Economic Development Partnership (VEDP) board of directors to develop and regularly update a strategic plan for VEDP. At a minimum, the process to develop and revise VEDP’s strategic plan should occur every three years and should include a systematic assessment of how VEDP can best add value through each of its statutory responsibilities. The strategic planning process should include VEDP’s key economic development partners, including state, regional, and local organizations with economic development programs. The strategic plan should include specific goals, objectives, and strategies, and quantifiable metrics for each goal and objective. VEDP should report on its progress toward meeting its goals and objectives annually through its operating plan, as required by Item 125 B of the Appropriation Act.</p>	<p>CEO Economic Competitiveness</p>
<p>2. The Virginia Economic Development Partnership (VEDP) should ensure that all staff receive formal onboarding training within 30 days of their start date. VEDP should collect feedback through annual staff evaluations on the types of skills training that staff need, and provide such skills training annually.</p>	<p>Human Resources</p>
<p>3. The Virginia Economic Development Partnership (VEDP) should develop and implement formal, written policies and procedures that outline (i) what services staff are expected to provide, (ii) the steps staff should take to provide them, and (iii) under what circumstances staff should coordinate with other VEDP staff or external entities.</p>	<p>Business Investment</p>
<p>4. The Virginia Economic Development Partnership (VEDP) should incorporate an expectation into supervisors’ annual evaluations that they (i) provide new staff with their job expectations within 30 days of their start date and (ii) provide existing staff with their job expectations by October 1st of each fiscal year. VEDP should report annually to its board the percentage of staff that receive their job expectations within the established deadlines.</p>	<p>Human Resources</p>

\*Note: JLARC’s report entitled “Management and Accountability of the Virginia Economic Development Partnership” contains a total of 34 recommendations. However, only 27 of those recommendations are directed toward VEDP itself. Accordingly, only those 27 recommendations are referenced in VEDP’s FY19 Operational Plan.

## REFERENCES TO JLARC RECOMMENDATIONS (CONT'D)

JLARC Recommendation	Division(s) Maintaining Recommendation
<p>5. The Virginia Economic Development Partnership (VEDP), in collaboration with its board, should establish new, more accurate agency-wide performance metrics that better reflect VEDP’s economic development activities, service quality, and impact.</p>	Economic Competitiveness
<p>6. The Virginia Economic Development Partnership (VEDP) should develop standard definitions for all data fields in its system and implement mechanisms to restrict incorrect data entry. VEDP should ensure that staff receive data entry training at onboarding and at least once every two years.</p>	Information Technology
<p>7. The Virginia Economic Development Partnership should track when staff arrive and depart every day and establish a warning system and penalties for staff who do not report to work on time or do not work the hours prescribed in agency policy</p>	Human Resources
<p>8. The Virginia Economic Development Partnership should (i) use the time allocation system that is managed by the Department of Human Resource Management; (ii) require staff to use the system to report their time worked and activities performed each day; and (iii) use the data collected to assess the allocation of staff resources and redirect as appropriate to efficiently and effectively meet agency objectives.</p>	Human Resources
<p>9. The Virginia Economic Development Partnership (VEDP) should request a review by the International Economic Development Council of staff performance metrics to ensure they are measurable and appropriate to hold staff accountable. VEDP staff should report the results of the review, and any changes made, to the VEDP board of directors for their review.</p>	Business Investment
<p>10. The Virginia Economic Development Partnership (VEDP) should revise its performance evaluation process to include an assessment of staff adherence to agency policies and statutory requirements. VEDP should establish and enforce penalties for staff who do not follow agency policies or statutory requirements.</p>	Human Resources

# REFERENCES TO JLARC RECOMMENDATIONS (CONT'D)

JLARC Recommendation	Division(s) Maintaining Recommendation
<p><b>11.</b> The Virginia Economic Development Partnership (VEDP) board of directors should require staff to systematically collect and assess the perspectives of VEDP’s economic development partners on how VEDP could more effectively coordinate its services with other organizations and encourage coordination within the broader economic development system. The survey should be conducted at least once every two years. VEDP should report the results of all surveys to its board and use the results to tailor its future services and program offerings.</p>	<p>Research Business Investment</p>
<p><b>12.</b> The Virginia Economic Development Partnership (VEDP) should develop and adhere to a written annual marketing plan that includes, at a minimum, (i) an identification of VEDP’s specific and measurable marketing goals; (ii) specific activities and timetables to achieve the goals; (iii) the resources and staff allocated to the marketing activities; and (iv) how VEDP will evaluate the effectiveness of its marketing activities. The plan should concentrate goals and activities on marketing to industries that align with the statewide economic development strategy, the state’s available economic development assets, and the priorities of other state, regional, and local economic development entities. The plan should include strategies for how VEDP will accomplish its goals in coordination with state, regional, and local marketing organizations.</p>	<p>Business Investment</p>
<p><b>13.</b> The Virginia Economic Development Partnership (VEDP) should establish and require marketing staff to attend an annual training that provides instruction on VEDP’s marketing message, how staff should communicate this message to customers, and the process for getting marketing materials approved. VEDP should include a measure of whether staff have complied with training requirements and the approval process in their performance evaluations.</p>	<p>Business Investment</p>

## REFERENCES TO JLARC RECOMMENDATIONS (CONT'D)

JLARC Recommendation	Division(s) Maintaining Recommendation
<p>14. The Virginia Economic Development Partnership (VEDP) should develop and implement a formal process to regularly and systematically evaluate the effectiveness of its marketing initiatives, and use this information to redirect resources away from ineffective activities as appropriate. VEDP should provide its board of directors with a report on the effectiveness of its marketing initiatives at least once per quarter.</p>	<p>Business Investment Information Technology</p>
<p>15. The Virginia Economic Development Partnership should update its site and buildings database to ensure that it meets the site selection data standards established by the International Economic Development Council and include details on the percentage of the data standards met in its annual reports to its board of directors.</p>	<p>Research</p>
<p>16. The Virginia Economic Development Partnership (VEDP) should improve the transparency of its marketing performance measures that are reported to its board of directors by showing, at a minimum, (i) the percentage of announced projects that were initially identified by VEDP through its own marketing efforts versus those that were brought to VEDP by another entity, and (ii) the nature and degree of VEDP's involvement in projects reported having received VEDP assistance.</p>	<p>Business Investment</p>
<p>17. The Virginia Economic Development Partnership (VEDP) should develop formal mechanisms to support ongoing coordination and communication between its marketing and export promotion services and measure the success of these mechanisms. VEDP should report these measures of success at least annually to its board of directors.</p>	<p>International Trade Business Investment</p>

## REFERENCES TO JLARC RECOMMENDATIONS (CONT'D)

JLARC Recommendation	Division(s) Maintaining Recommendation
<p><b>18.</b> The Virginia Economic Development Partnership (VEDP) should collect and use more detailed information about the characteristics of companies accessing export promotion services and use this information to ensure that the types of business receiving export-promotion services reflect the diversity of Virginia’s export-capable industries. At minimum, this information should include company-level information on industry sector, number of employees, product types, and average export sales. VEDP should also maintain comparable export growth data for each of its export promotion programs, including both projected and actual export growth. VEDP should report this information to its board at least once per year.</p>	International Trade
<p><b>19.</b> The Virginia Economic Development Partnership (VEDP) board of directors should work with VEDP staff to develop written policies and procedures to standardize VEDP’s process for evaluating projects that are considered for incentives. The new policies and procedures should ensure that VEDP is appropriately and consistently prioritizing the use of incentives toward projects that create quality jobs and have the greatest economic benefit for Virginia’s regions. The policies and procedures should clearly describe the criteria and methods to be used to assess projects for incentives funding. Criteria should include an assessment of each project’s expected level of increased exports from the state, employment multiplier, and wages compared to regional industry averages.</p>	Incentives
<p><b>20.</b> The Virginia Economic Development Partnership (VEDP) board of directors should require VEDP to report to them annually on the percentage of companies that fulfilled their contractual requirement to report their progress towards meeting performance requirements.</p>	Incentives

## REFERENCES TO JLARC RECOMMENDATIONS (CONT'D)

JLARC Recommendation	Division(s) Maintaining Recommendation
<p><b>21.</b> The Virginia Economic Development Partnership (VEDP), with the assistance of staff at the Virginia Department of Taxation and Virginia Employment Commission, should develop and consistently follow policies and procedures to verify job creation and wage claims of companies receiving incentive grants administered by VEDP. These policies and procedures should require VEDP staff to conduct periodic audits of company performance to verify project performance data and be sufficiently detailed to enable staff to verify company claims consistently and effectively while limiting staff discretion where appropriate.</p>	Incentives
<p><b>22.</b> The Virginia Economic Development Partnership (VEDP) board of directors should ensure that VEDP develops and implements formally documented performance verification procedures for staff to follow to ensure that grant recipients are meeting their expected performance requirements in accordance with established performance agreements.</p>	Incentives
<p><b>24.</b> The Virginia Economic Development Partnership (VEDP) board of directors should require VEDP to develop and use standard policies and procedures that clearly explain when and how staff should enforce clawback provisions. Enforcement should be consistent and effective for all companies that do not meet their contractual obligations, including wage requirements. The board should require VEDP staff to report regularly to the full board on each project that is subject to a clawback and the repayment status for each project that is subject to a clawback.</p>	Incentives
<p><b>25.</b> The Virginia Economic Development Partnership (VEDP) board of directors should require VEDP to develop and implement policies and procedures to ensure that all performance extensions, whether granted by VEDP or localities, are consistent with statute (§ 2.2-115 of the Code of Virginia) and that justifications for the performance extensions are documented. The board should require VEDP staff to report all extensions granted to the full board for review.</p>	Incentives



## REFERENCES TO JLARC RECOMMENDATIONS (CONT'D)

JLARC Recommendation	Division(s) Maintaining Recommendation
<p><b>26.</b> The Virginia Economic Development Partnership (VEDP) should create a separate division in VEDP that is solely responsible for incentives administration and assign at least three staff to administer incentives. VEDP should ensure all staff employed in this function have the qualifications and training necessary to perform the work assigned to them.</p>	Incentives
<p><b>27.</b> The Virginia Economic Development Partnership (VEDP) should increase the transparency of its incentive grant programs by developing a user-friendly website to more transparently report the status and performance of grant programs and of each project that has received an incentive grant through VEDP. The website should include, at a minimum, information on expected versus actual performance, the performance period, all extensions granted, and all repayments required of and made by grant recipients. Information should be provided for each project and also be aggregated and reported for each program administered by VEDP.</p>	Incentives
<p><b>34.</b> The Virginia Economic Development Partnership (VEDP) board should create an internal audit division that reports directly to the board. The board should control the staffing, funding, and activities of the new internal audit division. Responsibilities for the division should include, at a minimum, (i) verifying information presented to the board is valid and comprehensive, (ii) identifying opportunities to improve the efficiency and effectiveness of agency operations, (iii) ensuring policies and procedures are being followed by staff, (iv) monitoring and reporting on the status of the implementation of recommendations in this report, and (v) carrying out other periodic and routine board-directed audit activities. Funding and spending related to the internal audit division should be included as a separate line item in VEDP's budget and expense reports.</p>	Internal Audit/DHG (with support of Fiscal and Support Services)