



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

2018 GO Virginia Annual Report

Background: Virginia Growth and Opportunity Act, Board, and Fund

Chapters 778 and 779 of the 2016 Virginia Acts of Assembly amended Title 2.2 of the Code of Virginia by adding Chapter 24 to create the Virginia Growth and Opportunity Board and the Virginia Growth and Opportunity Fund (VGOF) within the Virginia Growth and Opportunity Act. Subsection 11 of §2.2-2486 of the code requires the board to submit an annual executive summary of the interim activity of the board by December 1 of each year. The information provided here summarizes the activities of the board from December 1, 2017 – November 30, 2018.

Complementing the Virginia Growth and Opportunity Act are the Collaborative Economic Development Act (CEDA) and the Virginia Research Investment Committee (VRIC). As enacted per §2.2-5105 of the code, the Collaborative Economic Development Act, administered by the GO Virginia Board, provides the opportunity for localities to pursue sharing of state income tax revenue resulting from participating in collaborative economic development projects which meet certain job creation and capital investment benchmarks. Guidelines for this program were approved by the board in October. VRIC's complementary fund, the Virginia Research Investment Fund (VRIF), is designed to leverage state resources to encourage collaboration in research that can be commercialized and used as a driver for economic development. VRIC is closely tied to the GO Virginia Board, as four non-legislative citizen members of the GO Virginia Board also sit on the VRIC. All of these programs aim to foster collaboration and innovation in Virginia's regions.

A copy of the VRIC Annual Report can be found at <https://rga.lis.virginia.gov/Published/2018/RD406>.

The Fund

Appropriations for the Virginia Growth and Opportunity Fund are included in the budget for the Virginia Department of Housing and Community Development (DHCD). The fund, as created in §2.2-2487, has three grant categories; (1) planning grants to assist regional councils in building regional capacity for job creation and program implementation; (2) project grants allocated to each region on a per capita basis for projects of regional significance, and (3) competitive grants awarded for projects of statewide economic impact and interregional collaborations. The biennium budget allocated \$29.45 million for the fund in the first year and \$34.45 million for the second year. Of these funds, the budget allocated \$3.25 million for capacity-building activities in the first year and \$2.25 million in the second year. The budget also allocated \$13.9 million in the first year and \$16.9 million in the second year for the per capita grants and \$12.3 million in the first year and \$15.3 million in the second year for the statewide competitive grants.

As permitted by 2018-2020 Appropriations Act, Item 106, monies from the distributions outlined in the budget above could be reallocated in order to meet demonstrated demand for per capita funds. At the June 2018 board meeting, a total of \$1,355,120 from the Fiscal Year 2019 appropriation was reallocated from the statewide competitive fund to the per capita fund for those regional councils whose per capita allocations were less than \$1 million based on the region's share of state population. Regional councils benefited from this reallocation. As such, the Fiscal Year 2019 statewide competitive fund was reduced from \$12.3 million to \$10,944,880, while the per capita fund was increased from \$13.9 million to \$15,255,120.

At the same meeting, the board also granted a partial waiver of the required matching funds for enhanced capacity-building dollars to all qualifying regional councils, as permitted by 2018-20 Appropriations Act, Item 106. The board waived 100 percent of the required \$1:1 match for the first \$250,000 of capacity-building funding in Fiscal Year 2019 and Fiscal Year 2020. A similar waiver of the match existed for the regional council capacity-building funds in Fiscal Year

2018. The board also waived 50% of the required \$1:1 match for capacity-building funding in excess of \$250,000 in each fiscal year, reducing the required match to \$2:1. For Fiscal Year 2019, each region was allocated a total of \$361,111, and as such, the \$111,111 in capacity-building funds allocated in excess of the \$250,000 required a total of \$55,555 in match. Such matching funds may be from local, regional, federal or private funds, but shall not include any state general or non-general funds, from whatever source, per § 2.2-2489.

The Board

The Virginia Growth and Opportunity Board consists of seven legislators, three ex-officio members from the Governor's Cabinet and fourteen private sector representatives. Since December 1, 2017, the board has met six times and has a meeting scheduled for December 11, 2018. The ex-officio members from the Governor's Cabinet transitioned to the new gubernatorial administration, including Secretary of Finance Aubrey Layne, Secretary of Commerce and Trade Brian Ball and Secretary of Education Atif Qarni, to serve terms coincident with their terms of office. In June 2018, the Speaker of the House of Delegates Kirk Cox reappointed Steven C. Smith and Joe Wilson to a second term, each for a four-year term. On June 12, 2018, the board re-elected John O. Wynne to serve as chairman, and Ben J. Davenport, Jr. to serve as vice chairman, each for a two-year term.

Last year, the GO Virginia Board established a mission statement for the program, which drives all projects supported by the regional councils and the board: *"GO Virginia will create more higher-paying jobs through incentivized collaboration, primarily through out-of-state revenue, which diversifies and strengthens the economy in every region."*

To assist the board with its grant decision-making process, the board convenes ad-hoc workgroups to review all per capita and competitive funding applications, with each workgroup reviewing applications in one of the four areas of strategic focus: credentialing and talent development, joint site and infrastructure development, cluster scale-ups and start-up ecosystem development. Each workgroup includes DHCD staff, two GO Virginia Board members and at least two subject-matter experts drawn from relevant state agencies and other stakeholders with applicable expertise. Between December 2017 and November 2018, the board

convened 14workgroups and engaged 18 board members and 15 subject-matter experts to review funding applications.

To date, the board has approved 36 grants: 24 per capita, one competitive and 11 enhanced capacity-building projects. In December 2017, the board awarded the first set of per capita grants, for a total of \$2,229,649.62 for five projects in two regions. The board subsequently awarded nine grants to six regions in February 2018, for a total of \$2,860,507; five grants to three regions in April 2018 for a total of \$1,115,300; three grants to three regions in June 2018 for a total of \$579,472; two grants to two regions in August 2018 for a total of \$2 million. To date, the board has approved \$8,784,928.62 in per capita funds. The board also approved the first GO Virginia competitive application in October 2018, awarding \$2,217,500 to the Mid-Atlantic Advanced Manufacturing Center Regional Industrial Facilities Authority (MAMaC RIFA). More information regarding each project is available at <http://www.dhcd.virginia.gov/index.php/dhcd-regions-at-work/go-virginia-regional-work.html>.

At the February 2018 board meeting, the board approved a policy to establish a new application process through which regions could seek DHCD's administrative approval for enhanced capacity-building projects requesting less than \$100,000 from the fund. Per this policy, enhanced capacity-building projects seeking administrative approval must meet all per capita program requirements, but are not required to leverage local match. Administrative approvals are capped at \$250,000 per region, per year. To date, DHCD has administratively approved 11 enhanced capacity-building projects totaling \$742,265.19.

In June 2018, the board deferred action to approve the Fiscal Year 2019 regional capacity-building budgets, to allow staff additional time to compare budgets across regions and to standardize the budget line items. The board subsequently approved the Fiscal Year 2019 regional capacity-building budgets for \$361,111 per region. These funds may be used for program and project administration, or capacity-building studies and planning activities.

The board routinely approved changes in membership of the regional councils at each meeting. At each meeting, the board also receives updates on the activities of VRIC and the GO Virginia Foundation.

During the summer of 2018, the board chairman and vice chairman traveled to each of the regional council meetings with DHCD staff. The chairman visited Regions Four, Five, Six, Seven and Nine. The vice chairman visited Regions One, Two, Three, and Eight. These visits allowed board leadership to provide feedback to and solicit feedback from the regional councils and to discuss the state board's funding priorities for the next year program year.

The Broadband Advisory Taskforce

At the December 2017 meeting, the board agreed to defer voting on projects relating to broadband telecommunications infrastructure until after the 2018 General Assembly session to allow the General Assembly time to establish policies and best practices for the deployment of state funds for broadband. Subsequently, the 2018-20 Appropriations Act, Item 106 (see Appendix B) charged DHCD and the board chairman with the creation of a Broadband Advisory Taskforce to develop a framework for policies to improve access to and utilization of broadband to support economic development goals. The 16-member taskforce was convened by GO Virginia Board vice chairman Ben Davenport, along with the Governor's Chief Broadband Advisor Evan Feinman and Deputy Chief Broadband Advisor Courtney Dozier, who is also the chief deputy of DHCD. The taskforce membership includes representatives from DHCD, the Center for Innovative Technology (CIT), Virginia Economic Development Partnership (VEDP), Mid-Atlantic Broadband Communities Corporation (MBC), staff from the House Appropriations Committee and Senate Finance Committee, and representatives from the broadband telecommunications industry (see appendix C). The major charge of the taskforce is to assess whether GO Virginia funding should be utilized for Broadband development, and if so, the types of activities that should be supported by the board and the fund. At the initial meeting on October 16, 2018, the taskforce received background on current broadband initiatives in the commonwealth and the Wireless Communication Infrastructure Workgroup through House Bill 405, a stakeholder group organized by the Virginia Department of Transportation, as well as funding efforts through the Virginia Telecommunications Initiative (VATI) and Community Development Block Grants (CDBG) administered by DHCD, the Tobacco Region Revitalization Commission (TRRC), the Connect America Fund (CAF) through the Federal Communications Commission (FCC) and the e-

Connectivity pilot program through the U.S. Department of Agriculture (USDA). At this same meeting, the stakeholders shared initial opinions regarding whether GO Virginia should fund broadband efforts regionally to further economic development goals. The next meeting has been scheduled for December 3, 2018.

The Stakeholder Workgroup

The third enactment clause of the Virginia Growth and Opportunity Act enabled the creation of a Stakeholder Workgroup to assist with the development of guidelines to implement GO Virginia and the CEDA. The 26 appointed members of the workgroup were convened by the House Appropriations and Senate Finance committees of the General Assembly. Workgroup membership includes a broad spectrum of stakeholders from sectors that include, but are not limited to, business, economic development, government, workforce and education. The major charge of the workgroup is to provide guidance to the board regarding the operations and structure of activities supported by the board and the fund. The Stakeholder Workgroup had a conference call on January 4, 2018 to provide program updates, but did not meet again during the third year. However, the legislation empowers the board to convene the group to provide guidance on future changes to the guidelines or other activities related to implementation of the act.

The Virginia Department of Housing and Community Development

Appropriations for the program include funding for two full-time staff positions at DHCD to assist with fund administration: a GO Virginia program manager and administrator. During the third year, DHCD provided staff support to the board and the nine regional councils, as well as partnering agencies and the GO Virginia Broadband Task Force.

To support regional communication and the sharing of information, DHCD staff hosts monthly calls with the support organizations and facilitates ongoing discussions relating to project development and special topics relating to economic development and targeted industries. Staff continue to provide technical assistance to regions upon request, respond to inquiries from interested parties around the commonwealth and provide information to a variety of stakeholder groups through speaking engagements.

DHCD also provided ongoing technical assistance to the regional councils, support organizations and applicants for the development of funding applications. DHCD staff planned and executed a GO Virginia how-to-apply workshop attended by over 75 people in April of 2018, as well as four how-to-apply webinars attended by over 300 people.

Based on a white paper put forward by the board chairman on April 3, 2018, DHCD procured TEconomy Partners LLC, led by Mitch Horowitz, to study the startup ecosystems in each region. In 2017, the State Council for Higher Education in Virginia (SCHEV) engaged TEconomy on behalf of the nine-member Virginia Research Investment Committee (VRIC) to evaluate Virginia's research assets, to assess the commonwealth's current and future capacity for commercialization of research and development (R&D) and to recommend how the commonwealth should direct limited resources to produce more successful start-ups based on commercialization and industry collaborations by research institutions. TEconomy's report for VRIC focused on the startup ecosystems surrounding Virginia's five major research universities: Virginia Tech (Region 2), Virginia Commonwealth University (Region 4), Old Dominion University (Region 5), George Mason University (Region 7) and the University of Virginia (Region 9). To support the efforts of GO Virginia in each region, DHCD engaged the firm to expand this effort to all nine GO Virginia regions and to expand the focus to include start-ups and scale-ups that are unrelated to university research, but which also support the regional economic growth and diversification plans. The final report from TEconomy will be reported to the board at the December 2018 meeting.

DHCD also began a collaboration with VEDP to identify and prioritize Virginia's inventory of available sites to support high-wage job creation in traded sectors. Nearly every regional council identified site development as a priority in their growth and diversification plans, so the goal of this collaboration is to identify common goals and develop templates for GO Virginia's role in funding these site development efforts. This partnership will begin with VEDP's effort to enhance the characterization of all sites 25 acres or larger within their comprehensive database of sites and to develop a plan for advancing these sites to Tier 4 of the Virginia Business Ready Sites Program (VBRSP) classification system. This interagency initiative will support the regions' strategic focus on joint site development by providing a set of templates and best practices for

collaborating localities seeking to develop sites that align with the priority clusters identified in each region's growth and diversification plan. Completion of this plan is expected in the spring of 2019.

The Regional Councils

Region One includes the counties of Bland, Buchanan, Carroll, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise and Wythe; and the cities of Bristol, Galax and Norton. The Region One Council is led by Mike Quillen as chair and Lois Clarke as vice chair and the University of Virginia at Wise is the support organization, led by Shannon Blevins and Robyn Lee. The Region One Growth and Diversification Plan identifies four target industries: advanced manufacturing, agriculture and food manufacturing, information and emerging technologies, and energy and minerals. The region's per capita income for 2015 was \$33,475, according to the U.S. Bureau of Economic Analysis. The regional council held five council meetings and eight subcommittee and workgroup meetings which included: agriculture, chambers of commerce, economic development, education, housing, manufacturing and technology. The Region One Council has been awarded \$277,547 in per capita funding for two projects submitted to the state board:

Ignite Internships Program: The United Way of Southwest Virginia (UWSWVA) will expand the Ignite Program throughout the Region One footprint to collaboratively align school curriculums with local employer needs. UWSWVA will engage key industry associations in targeted industries to assess the needs and interests of member companies and to ensure academic alignment with employer needs. UWSWVA will also build a web-based platform of activities to assess student skills and interests and match those students with available work-based learning opportunities in the region. UWSWVA expects to place 120 interns with at least 40 companies as part of this project.

HubLink Planning Grant: The Southwest Virginia Technology Council (SWVTC) will complete initial work on the SWVTC HubLink platform, an online jobs platform where job-seekers will be able to access job and training opportunities in the technology industry. Prior to the build-out of the platform, SWVTC will solicit input from regional stakeholders,

including workforce training providers, community colleges, private-industry partners, student and job-seekers, and others. In order to determine the most valuable features for the online platform. SWVTC will also inventory all technology training programs offered in the region to populate a directory that will be hosted on the platform once launched.

In addition to these efforts, Region One hosted the third annual Southwest Virginia (SWVA) Economic Forum at UVA-Wise on May 17, 2018. The purpose of the conference was to engage participants with the common goal of improving the economic growth and diversification for all of Southwest Virginia through collaboration and innovation.

Region Two includes the counties of Alleghany, Amherst, Appomattox, Bedford, Botetourt, Campbell, Craig, Floyd, Franklin, Giles, Montgomery, Pulaski and Roanoke; and the cities of Covington, Lynchburg, Radford, Roanoke and Salem. The Region Two Council is led by Raymond Smoot as chair and Ab Boxley as vice chair, and the Office of Economic Development (OED) at Virginia Tech is the support organization, led by John Provo. The Region Two Growth and Diversification Plan identifies target industries to include: advanced manufacturing, agriculture and food manufacturing, information and emerging technologies, bioscience, and wood and paper products. The region's per capita income for 2015 was \$39,012, according to the U.S. Bureau of Economic Analysis. The regional council held eight council meetings and two subcommittee meetings. The Region Two Council has been awarded \$1,263,507 in per capita funding for seven projects submitted to the board:

Talent Collaborative: The Central Virginia Workforce Development Board will address the skills and interest gaps in middle- and high-skill occupations in manufacturing, healthcare and information technology. By partnering with Blue Ridge Works and the New River Mount Rogers Workforce Development Board, the Central Virginia Workforce Development Board will conduct a campaign to increase awareness and interest in these industries, and create an existing worker-training program to upskill employees into higher-skilled vacant jobs.

Wood Haven Road Water and Sewer Infrastructure: The Western Virginia Regional Industrial Facility Authority (WVRIFA) will improve the site readiness and marketability of an industrial site near the intersection of Routes 81 and 581 that will accommodate a 52-acre pad and a 20-acre pad. WVRIFA will use GO Virginia funding to complete the necessary water and sewer utility extensions and connections to prepare the site for development.

Capital Ecosystem Development: The Valleys Innovation Council (VIC) will conduct a two-year strategic planning process to assess weaknesses in the current capital landscape that inhibit entrepreneurship and the commercialization of regional research. VIC will use this information to establish a capital pathways plan to cultivate sources of startup capital for high-growth companies, complete with proposals for new and expanding programming and capital resources for the region.

Stopping the Brain Drain Strategy Development: Roanoke Regional Partnership will work with regional partners to create a talent attraction and retention plan to reduce outmigration of recent graduates from the region's 25 colleges and universities. GO Virginia funds will be used to identify the region's challenges through surveys, focus groups and interviews to produce an action plan for recruiting and retaining talent.

RAMP Accelerator Expansion: The Roanoke Blacksburg Technology Council (RBTC) will expand the reach of the Regional Acceleration and Mentorship Program (RAMP) in downtown Roanoke, a partnership between the RBTC, the city of Roanoke and Virginia Western Community College. RAMP offers technology-based startups access to classroom education, mentoring and assistance in identifying capital, and GO Virginia funds will be used to expand into services for a second cohort.

Enhancing the Region through New Technology for Unmanned Systems: Dabney S. Lancaster Community College will implement a new drone technology training program to capitalize on the Alleghany Highlands Drone Zone Initiative surrounding the development of an unmanned systems facility in the region. This new program will establish a career pathway beginning with project-based learning opportunities for high

school students and extending to two- or four-year degree attainment through partnerships with other higher-education institutions.

Center for Energy Research and Education (CERE) Industry Labs: Liberty University will design, construct, and equip the CERE Industry Labs at the former Center for Advanced Engineering & Research (CAER) facility in Bedford County to offer regional companies and institutions of higher education the facilities necessary to promote research and development, as well as to foster the attraction and retention of the scientific and engineering workforce. The CERE Industry Labs will include chemical/material, electromagnetic compatibility, calibration and non-destructive testing labs. Since this project was awarded, Liberty University has announced plans to build LUTECH, a 10-building technology park behind the CERE facility, to become home to business and industry partners focused on engineering, cybersecurity and unmanned systems.

Region Two received \$150,000 at the February 2018 board meeting, for a project that would improve a 20-acre industrial parcel in the New River Valley Commerce Park from Tier 4 to Tier 5 to secure an international prospect. Since the project was approved, the prospect experienced delays that impacted the subgrantee's ability to move forward with the project's scope of work. As such, Danny Wilson, executive director of Virginia's First Regional Industrial Facility Authority (VFRIFA), respectfully requested to withdraw their funding request prior to executing the grant contract. It is expected that VFRIFA may re-apply once they are able to move forward, or they will consider alternative funding opportunities available from the state. This project was not yet under contract, and therefore, no GO Virginia funds were disbursed for the project.

In addition to these efforts, Region Two also approved the Roanoke Small Business Development Center (SBDC) New River Valley Expansion through their capacity-building funds. The Roanoke Regional SBDC will open a new satellite office in the New River Valley to develop capacity for small- and medium-sized businesses in traded sectors which may not currently be engaged with existing SBDC services.

Region Three includes the counties of Amelia, Brunswick, Buckingham, Charlotte, Cumberland, Halifax, Henry, Lunenburg, Mecklenburg, Nottoway, Patrick, Pittsylvania and Prince Edward; and the cities of Danville and Martinsville. The Region Three Council is led by Charles Majors as chair and Randy Lail as vice chair, and the Southside Planning District Commission (SPDC) is the support organization, led by Gail Moody. The Region Three Growth and Diversification Plan identifies target industries to include: advanced manufacturing, information and emerging technologies, bioscience, and forestry/wood and paper products. The region's per capita income for 2015 was \$33,480, according to the U.S. Bureau of Economic Analysis. The regional council held seven council meetings and 19 subcommittee meetings. The Region Three Council has been awarded \$728,000 in per capita funding for two projects submitted to the state board:

Go-TEC: Danville Community College and partners will build the regional Great Opportunities in Technology and Engineering Careers (Go-TEC) program for careers in IT and advanced manufacturing. Go-TEC is a partnership between six higher-education centers and the K-12 school systems in their service areas, beginning with Danville Public Schools and Pittsylvania County Schools as the pilot sites. The higher-education partners are the Southern Virginia Higher Education Center, Danville Community College, the Institute for Advanced Learning and Research, New College Institute Patrick Henry Community College and Southside Virginia Community College. Go-TEC will build on existing high-tech programs to give students more hands-on exposure to these in-demand career pathways starting in middle school. Areas of focus are precision machining, welding, information technology and cybersecurity, robotics, automation, and mechatronics, and advanced materials.

Southern Virginia (SOVA) Innovation Hub Planning Grant: Mid-Atlantic Broadband Communities (MBC) Corp. will explore the concept of a Southern Virginia Innovation Hub that will enhance the Microsoft TechSpark program through a modern multi-use facility with technology outreach programs in the region, located in downtown South Boston. This feasibility study will establish site plans for the SOVA Innovation Hub, as well as an implementation plan with projected outcomes and metrics for benchmarking success,

while validating these plans with partners, stakeholders, businesses, educators and students. The region hopes to secure Microsoft's continued investment through the TechSpark program by demonstrating the potential for this facility to become a signature project for the program.

In addition to these efforts, the council solicited contract services through a request for proposal (RFP) process to conduct "deep-dive analyses" in two of the areas of critical need for the region: apprenticeships (completed by the Institute of Advanced Learning (IALR)) and high value wood products (completed by GENEDGE). The council also contracted with a communications vendor to effectively inform and educate local and regional stakeholders about GO Virginia in order to create a more robust project pipeline.

Region Four includes the counties of Charles City, Chesterfield, Dinwiddie, Goochland, Greensville, Hanover, Henrico, New Kent, Powhatan, Prince George, Surry and Sussex; and the cities of Colonial Heights, Emporia, Hopewell, Petersburg and Richmond. The Region Four Council is led by William Goodwin Jr. as chair and John Luke Jr. as vice chair and is supported by the Grow Capital Jobs Foundation, a nonprofit led by Wilson Flohr. The Region Four Growth and Diversification Plan identifies target industries to include: advanced manufacturing, information and emerging technologies, bioscience, and shipping and logistics. The region's per capita income for 2015 was \$50,623, according to the U.S. Bureau of Economic Analysis. The regional council held seven council meetings and one subcommittee meeting. The Region Four Council has been awarded \$1.53 million in per capita funding for three projects and an additional \$2,217,500 in competitive funding for one project submitted to the board:

CCAM Apprentice Academy Pilot Programs: The Commonwealth Center for Advanced Manufacturing (CCAM) will address the growing need for middle- and high-skilled advanced manufacturing workers through the implementation of two pilot training programs which will be housed at the to-be-constructed CCAM Apprenticeship Academy. The pilot programs include a Mechatronics Workforce Training Program and a Transitioning Military Program for Industrial Maintenance Mechanics.

Lighthouse U: Lighthouse Labs, a top-30, seed-stage accelerator program, and the da Vinci Center at Virginia Commonwealth University (VCU) will partner to expand the recently piloted Virginia Start-Up Spring Break and Pre-Accelerator programs. The partners will pilot the Lighthouse U program, which will feature a series of events and training opportunities to prepare students to launch their own businesses after graduation. As part of the collaboration, Lighthouse Labs will introduce a new summer cohort program for recent graduates of Virginia universities that participated in Lighthouse U.

CampusRVA: Southeastern Institute of Research (SIR) and ChamberRVA will develop the CampusRVA initiative, which will serve as a marketplace, both online and off-line, for internships and job openings to facilitate the matching of employers with potential employees. Based on the successful CampusPhilly model, CampusRVA will promote the capital region as an attractive place to live, work and play, supporting the region's goal of retaining Virginia's recent college graduates.

Competitive Grant: Mid-Atlantic Advanced Manufacturing Center (MAMaC) Mega-site: The MAMaC RIFA, a revenue-sharing partnership between Greensville and Mecklenburg counties and the city of Emporia, will advance the 1,600-acre certified mega-site in Greensville County to a Tier 4 mega-site. The MAMaC RIFA has made significant progress toward improving the site with water, electric and natural gas utilities, clearing land for pads and securing crucial right-of-way acreage to ensure utility access to the site. The RIFA will complete engineering plans to upgrade the Greensville County Water and Sewer Authority's Water Treatment Plant, construct the gravity fed sewer system to the site and construct the wetlands mitigation bank that will be necessary to accommodate future development on the site.

Region Four received \$500,000 at the February 2018 board meeting for a project that would by commercialize advanced pharmaceutical manufacturing processes and equipment developed through the Medicines for All (M4ALL) program at Virginia Commonwealth University (VCU). The project was proposed in partnership with two private entities: Bright Path and AMPAC, who

subsequently altered their plans and commitments to the project. VCU indicated that they were no longer able to achieve the outcomes approved by the board or meet the agreed-upon milestones in their grant contract, and Barbara Boyan, dean of the VCU College of Engineering, respectfully requested to terminate the contract. This project was under contract, but did not achieve preliminary milestones. No GO Virginia funds were disbursed for the project.

In addition to these efforts, the Region Four Council created a Strategic Task Force committee with the charge of developing a report that would: (1) outline an integrated set of strategic project priorities consistent with the original Growth and Diversification Plan; and (2) recommend improvements that could make the process of moving from project conception to approval more efficient. The report outlined strategies to support potentially transformative projects in emerging clusters related to IT and bioscience.

Region Five includes the counties of Accomack, Franklin, Isle of Wright, James City, Northampton, Southampton and York; and the cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg. The Region Five Council is led by Thomas Frantz as chair and Anne Conner as vice chair, and is supported by Reinvent Hampton Roads, a nonprofit led by James Spore. The Region Five Growth and Diversification Plan identifies target industries to include: advanced manufacturing, food and beverage manufacturing, information and emerging technologies, bioscience, wood and paper products, shipping and logistics, and water technologies. The region's per capita income for 2015 was \$46,192, according to the U.S. Bureau of Economic Analysis. The regional council held 10 council meetings and five subcommittee meetings. The Region Five Council has been awarded \$1,580,253 in per capita funding for four projects submitted to the board:

Virginia Cyber Alliance: The Virginia Modeling, Analysis and Simulation Center (VMASC) will develop the Virginia Cyber Alliance (formerly known as the HR Cyber Co-Lab), a highly advanced collaboration hub at Old Dominion University's Tri-Cities Campus. The Virginia Cyber Alliance will consist of online platforms, industry partnerships, a virtual demonstration environment for cybersecurity analysis modules and a work-based

learning initiative for transitioning military and recent graduates to intern with firms that specialize in cybersecurity, data analytics and unmanned systems and aerospace.

Virginia Digital Shipbuilding Workforce Program: VMASC will create a regional and statewide program curriculum and co-lab facility to train approximately 8,500 current and future workers to work in the new digital manufacturing environment and will support Hampton Roads' existing advanced manufacturing and shipbuilding clusters.

757 Seed Fund: 757 Accelerate will establish the administrative structure to provide seed-stage investments to Virginia's most compelling innovation-based, high-growth companies. The creation of a new seed fund to complement the work of the 757 Angels will help build the critical mass of quality, investable companies necessary to establish an innovation economy in the Hampton Roads region.

Hampton Roads Unmanned Systems Park: York County and the Virginia Peninsula Chamber Foundation will facilitate the initial steps needed to establish a regional unmanned systems facility on state-owned surplus land in York County. The new facility will provide an open area and infrastructure for use by public institutions, private companies and individuals to develop, test and demonstrate unmanned systems. The goal of this first phase would be to establish a new RIFA governance structure for cost and revenue sharing and to prepare architecture and engineering plans for development of site infrastructure.

In addition to these efforts, the Region Five Council has approved several studies to further enhance the GO Virginia initiative. This includes a situational analysis to serve as the basis for a regional cluster-specific growth strategy (completed by GENEDGE); an Entrepreneur in Residence (EIR) Program at NASA Langley Research Center; a regional site inventory and site assessment (completed by Hampton Roads Planning District Commission (HRPDC)); and the Port of Virginia Opportunity Strategy Study (completed by CBRE).

Region Six includes the counties of Caroline, Essex, Gloucester, King and Queen, King George, King William, Lancaster, Mathews, Middlesex, Northumberland, Richmond, Spotsylvania, Stafford and Westmoreland; and the city of Fredericksburg. The Region Six Council, also known

as the Mary Ball Washington Regional Council, is led by William Beale as chair and Carlton Revere as vice chair, and is supported by the George Washington Regional Commission (GWRC), led by Linda Millsaps and Kate Gibson. The Region Six Growth and Diversification Plan identifies target industries to include: advanced manufacturing, agriculture/food and beverage manufacturing, information and emerging technologies, forestry/wood and paper products, and shipping and logistics. The region's per capita income for 2015 was \$46,109, according to the U.S. Bureau of Economic Analysis. The regional council held nine council meetings and one subcommittee meeting. The Mary Ball Washington Regional Council has been awarded \$279,996 in per capita funding for four projects submitted to the board:

Flexible Office Space Due Diligence Activities: Westmoreland County will use this planning grant to initiate the development of a 20,000-square-foot flexible office space in the town of Montross. The new facility will be one of the only office spaces of its size and quality available to businesses in the Northern Neck.

PamunkeyNet Business Plan: The Middle Peninsula Alliance (MPA) will design and implement a sustainable business model for the Pamunkey Tribe to deliver high-speed broadband to underserved areas of the Middle Peninsula and Northern Neck. MPA will work closely with the Pamunkey Tribe to develop a business plan and create a new legal enterprise to be owned by the tribe. MPA will also review existing studies on the region's broadband infrastructure to ensure that existing assets and service areas are considered for future infrastructure development plans.

Resiliency Ecosystem Development: Virginia Sea Grant (VASG) at the Virginia Institute of Marine Science (VIMS) will convene a group of regional stakeholders and national resilience experts to identify best practices for future resilience activities for a multi-regional water management economy. VASG will also convene workgroups to identify key gaps in the Virginia economic development ecosystem surrounding water technologies and coastal resilience, and to develop an operational framework for the operation of a comprehensive, multi-sector network of resilience stakeholders.

Welding Training Program: Westmoreland County will establish a new 4,000-square-foot welding training facility to offer welding training courses through Rappahannock Community College (RCC) and other training programs as needed. RCC will begin offering daytime welding courses and expanding evening courses which are currently at capacity as offered at the Northern Neck Technical Center. RCC will train at least 40 welders in four areas of basic and specialty welding.

Region Seven includes the counties of Arlington, Fairfax, Loudoun and Prince William; and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park. The GO NOVA Regional Council is led by Tom Rust as chair and Sharon Virts as vice chair, and is supported by the Northern Virginia Regional Commission (NVRC). Additional contract support is provided by SR Consulting Inc., led by Sue Rowland. The Region Seven Growth and Diversification Plan identifies target industries to include: information and emerging technologies, and bioscience. The region's per capita income for 2015 was \$70,571, according to the U.S. Bureau of Economic Analysis. The regional council held 12 council meetings and 15 subcommittee meetings. The GO NOVA Regional Council has been awarded \$1,939,396 in per capita funding for four projects submitted to the board:

Strengthening Alexandria/Arlington's Technology Workforce: The Alexandria/Arlington Regional Workforce Council will leverage federal Workforce Innovation and Opportunity Act (WIOA) and Supplemental Nutrition Assistance Program Employment and Training (SNAPET) funds to provide immediate support to ready-to-be-trained individuals and to newly located or newly established firms in Northern Virginia that are not supported by federal WIOA/SNAPNET funding. This initiative is a combination of career pathway assistance incumbent working training, upskilling, on-the-job training and credentialing activities aimed to support the computer services industry.

NOVA FabLab: The Northern Virginia Community College (NOVA) will create a state-of-the-art, 9,000-square-foot Fabrication Laboratory (FabLab) at the NOVA Manassas Campus, to leverage NOVA SySTEMic and inspire interest and encourage future generations to pursue careers in engineering technologies. NOVA will align its engineering

technology program to meet the needs of local private-industry partners, such as Micron Technology and BAE Systems.

Northern Virginia Tech Talent Pipeline: NOVA will build upon the Region’s existing computer services and cybersecurity clusters to create a workforce system that effectively attracts, prepares and retains qualified candidates to fill high-demand technology jobs in high-paying occupations, such as programming and software development, networking and cybersecurity, and data and data warehousing. Target populations include tech workers who lack high-demand credentials, transitioning military veterans, college students, recent graduates and high school seniors with desired aptitudes.

Tech Talent Pipeline Apprenticeship Initiative: NOVA will expand the previously awarded Tech Talent Pipeline Initiative, which aims to create a workforce system to effectively attract, prepare and retain qualified candidates to fill high-demand cybersecurity and IT jobs. NOVA will develop and implement a new apprenticeship program, matching 400 apprentices to employers as an alternative career pathway to traditional two- or four-year degrees. GO Virginia funds will be used to expand staffing for NOVA Workforce, conduct Tech Talent Pipeline outreach and develop and implement the apprenticeship curriculum and models.

Region Eight includes the counties of Augusta, Bath, Clarke, Frederick, Highland, Page, Rockbridge, Rockingham, Shenandoah and Warren; and the cities of Buena Vista, Harrisonburg, Lexington, Staunton, Waynesboro and Winchester. The Region Eight Council is led by George Pace as chair and Chris Kyle as vice chair, and is supported by the Northern Shenandoah Valley Regional Commission (NSVRC) led by Brandon Davis, with additional consulting services from Faith McClintic. Additional contract support is provided by the Shenandoah Valley Partnership (SVP) and the Central Shenandoah Planning District Commission (CSPDC). The Region Eight Growth and Diversification Plan identifies target industries to include: advanced manufacturing, agriculture/food and beverage manufacturing, information and emerging technologies, bioscience, wood and paper products, and shipping and logistics. The region’s per capita income

for 2015 was \$40,199, according to the U.S. Bureau of Economic Analysis. The regional council held seven council meetings and two subcommittee meetings. The Region Eight Council has been awarded \$300,000 in per capita funding for two projects submitted to the board:

Rockbridge Area Advanced Manufacturing Program (RAAMP): Byers Technical Institute (BTI) will address the demand for welders throughout the Shenandoah Valley by expanding the training capacity through additional training equipment, instructors and course offerings. RAAMP will train 20 additional welders in each 40-week cohort.

Cybersecurity Workforce Development and Jobs Program: Blue Ridge Community College (BRCC) will initiate a new cybersecurity workforce development program focused on producing new industry credentials (CompTIA Security+) that will attract cybersecurity jobs to the Shenandoah Valley. BRCC will arrange internship opportunities with regional employers and establish an advisory council of Managed Security Service Providers (MSSP) who will review and approve the development of the program, curriculum and on-the-job training opportunities.

Region Nine includes the counties of Albemarle, Culpeper, Fauquier, Fluvanna, Greene, Louisa, Madison, Nelson, Orange and Rappahannock; and the city of Charlottesville. The Council is led by Tom Click as chair and Jim Cheng as vice chair, and is supported by the Central Virginia Partnership for Economic Development (CVPED), led by Helen Cauthen and Shannon Holland. The Region Nine Growth and Diversification Plan identifies target industries to include: advanced manufacturing, food and beverage manufacturing, information and emerging technologies, and bioscience. The region's per capita income for 2015 was \$52,038, according to the U.S. Bureau of Economic Analysis. The regional council held nine council meetings and four subcommittee meetings. The Region Nine Council has been awarded \$735,987 in per capita funding for five projects submitted to the board:

GWC Piedmont Technical Education Center: Culpeper County will redevelop the former George Washington Carver High School into the state-of-the-art GWC Piedmont Technical Education Center to train machinists and welders. New Pathways Tech Inc. will operate

the facility in partnership with Germanna Community College and the American Institute of Welding to train machinists and welders for the region's advanced manufacturing industry.

Crafting Higher Paying Jobs and Adult Beverage Exports: Piedmont Virginia Community College (PVCC) will create a professional training program in wine and cider making, craft brewing and distilling to support the scale-up of the growing food and beverage manufacturing industry for the region and the commonwealth. PVCC will equip two training facilities for the training programs, and establish the necessary agribusiness curriculum and career pathway from post-secondary instruction to employment. The new curriculum will be shared with Germanna Community College (GCC) and deployed to students and businesses in GCC's service region.

Central Virginia Cybersecurity Partnership: PVCC will build capacity for the Central Virginia Cybersecurity Partnership, a collaborative talent development solution for the cybersecurity industry in Region Nine. PVCC will coordinate with GCC and Lord Fairfax Community College (LFCC) to establish a shared cybersecurity program by aligning each community college with area of instructional expertise and accreditation from the National Centers for Academic Excellence in Cyber Defense. The project will result in common cybersecurity curricula and a credentialing pathway between the partners for areas of specialization.

Central Virginia Site Readiness: CVPED will advance a portfolio of eight sites targeted for light manufacturing to at least Tier 3, according to the VBRSP classification system. CVPED engaged a consultant to conduct site characterization and initial due diligence activities for the site nominated by each of the participating localities.

CvilleBioHub Planning Grant: CVPED will build capacity for CvilleBioHub, an organization that informs and connects the biotech and life sciences community and promotes the region as the center of the biotechnology industry. The overall goal for the project is to assess the current and projected regional capacity for the biotech industry and create a strategic plan for driving innovation and growth for this cluster. In addition, CvilleBioHub

will also plan for organizational sustainability and growth by investigating new revenue models and forming additional institutional partnerships.

In addition to these efforts, the Region Nine Council organized a GO Virginia session on regional innovation and entrepreneurship that took place as part of the Tom Tom Fall 2017 Forum attended by then Secretary of Commerce Todd Haymore, representatives of five other regional councils and over 50 regional leaders.



Future Considerations

The board will transition to a quarterly meeting schedule in 2019 and has scheduled meetings for March, June, September and December. The board will continue to provide grants to regions to fund projects they identify as vital to their efforts to diversify the regional economy, strengthen their workforce and support collaborative programs between at least two or more localities that will lead to the creation of higher-paying jobs (defined as above the median wage in each region). As part of these ongoing efforts, the board will continue to fund competitive projects that demonstrate new interregional collaboration and represent the greatest opportunities for economic growth in the commonwealth. Many of these board decisions will be guided by the aforementioned TEconomy Report on innovation ecosystems, as well as recommendations from the partnership with VEDP on site development.

In 2019, it is expected that the board will review and approve Collaborative Economic Development Plans and certify companies based on the Virginia Collaborative Economic Development Act guidelines on an as-needed basis.

Per the Growth and Diversification Plan Guidelines as adopted by the board in 2017, all economic growth and diversification plans must be revisited on no less than a biennial basis to determine if adjustments are necessary to better meet regional needs. As such, the board will review and approve amendments and updates to the regional growth and diversification plans during 2019.

Appendix A: Virginia Growth and Opportunity Board Members


 	
Gubernatorial Appointees	
Nancy Howell Agee	President and CEO, Carilion Clinic
The Honorable Aubrey Layne	Secretary of Finance
Jim Dyke	Senior Advisor, McGuireWoods Consulting
Thomas F. Farrell II	Chairman, President & CEO, Dominion Resources Inc.
The Honorable Brian Ball	Secretary of Commerce & Trade
Doug Juanarena	Retired, Vice President, RackSpace Hosting
Jennifer Boykin	Executive Vice President, Huntington Ingalls Industries President, Newport News Shipbuilding
Bruce Smith	President, Bruce Smith Enterprise
Todd A. Stottlemeyer	Former CEO, Inova Health Systems Center for Personalized Health
The Honorable Atif Qarni	Secretary of Education
Lucia Anna “Pia” Trigiani	Partner, MercerTrigiani
Marilyn H. West	Chairman/CEO, M. H. West & Co. Inc.
John O. “Dubby” Wynne	Retired, President & CEO, Landmark Communications
Virginia Senate Appointees	
Benjamin J. Davenport Jr.	Chairman, First Piedmont Corporation
Heywood W. Fralin	President and CEO, Medical Facilities of America
Virginia House of Delegates Appointees	
Steven C. Smith	President and CEO, Food City
Joe Wilson	CEO, PermaTreat
Virginia Senate Members	
The Honorable Janet D. Howell	32nd District
The Honorable Thomas K. Norment	3rd District
The Honorable Frank M. Ruff	15th District
Virginia House of Delegates Members	
The Honorable M. Kirkland “Kirk” Cox	66th District
The Honorable S. Chris Jones	76th District
The Honorable Terry G. Kilgore	1st District
The Honorable R. Steven Landes	25th District

Appendix B: GO Virginia Broadband Taskforce Budget Language



The 2018-20 Appropriations Act, Item 106:

“The Chairman of the Virginia Growth and Opportunity Board shall convene a broadband telecommunications advisory workgroup in cooperation with the Secretary of Commerce and Trade and the Commonwealth Chief Broadband Advisor, including representatives of the Department of Housing and Community Development, the Center for Innovative Technology, Virginia Economic Development Partnership, Mid-Atlantic Broadband Communities Corporation, staff from the House Appropriations Committee and Senate Finance Committee, and representatives from the broadband telecommunications industry, to develop a framework for policies related to broadband telecommunications across the Commonwealth of Virginia. The framework shall be used to provide guidance on statewide policies for commercial and economic planning and project development, including regional solutions, to improve access to and utilization of broadband to support economic development goals, including those developed by qualifying regions and those areas of the Commonwealth recognized as having high unemployment. Such framework shall include, but not be limited to, the following principles: (i) potential broadband telecommunications development and deployment solutions must be technology-neutral in order to leverage all available or emerging technologies to identify the most cost-effective plan; (ii) solutions that utilize speeds greater than the minimum technology standards as prescribed by the Virginia Telecommunications Initiative for unserved areas; (iii) maximize opportunities for private sector driven models related to construction, operations, and maintenance and open access to private-sector Internet Service Providers where public ownership of infrastructure may be proposed; (iv) facilitate broadband development and deployment-friendly policies at the regional and local level to expedite implementation of plans and projects, as well as mitigate costs, and (v) opportunities to leverage new and existing broadband infrastructure, including transoceanic and transcontinental backbone lines, to encourage new private sector job creation and investment in the Commonwealth.”

Appendix C: GO Virginia Broadband Taskforce Members

 	
Broadband Taskforce Members	
Danny Bottoms	Retired, Cavalier Telephone
Karen Campbell	Verizon Communications Inc.
Ben J. Davenport Jr.	GO Virginia Board
Tad Deriso	Mid-Atlantic Broadband Communities Corporation
The Honorable Courtney Dozier	Deputy Chief Broadband Advisor
Bill Fanning	MVP Capital
The Honorable Even Feinman	Chief Broadband Advisor
Paul Garnett	Microsoft
David Hudgins	Old Dominion Electric Cooperative (ODEC)
Erik Johnston	Department of Housing and Community Development (DHCD)
Charles Kennington	Senate Finance Committee
Chuck Kirby	Center for Innovative Technology (CIT)
Chris Kyle	Shenandoah Telecommunications
Ray LaMura	Virginia Cable Telecommunications Association
John Loftus	Virginia Economic Development Partnership
Skip Maupai	House Appropriations Committee
Bud Oakley	Sprint
Rich Schollmann	CenturyLink

Appendix D: Capacity-Building Funding Overview

 			
Fiscal Year 2017 and 2018 Regional Capacity-Building Funds			
Region	Total Disbursed to Date	Total Reallocated to Per Capita	Total Available for Disbursement
Region 1	\$179,031.29	\$323,869.88	\$147,098.83
Region 2	\$210,000.00	\$412,677.63	\$27,322.37
Region 3	\$319,688.21	\$270,000.00	\$60,311.79
Region 4	\$400,000.00	\$0	\$250,000.00
Region 5	\$544,760.12	\$0	\$105,239.88
Region 6	\$200,990.00	\$0	\$449,010.00
Region 7	\$262,902.16	\$0	\$387,097.84
Region 8	\$392,558.13	\$250,000.00	\$7,441.87
Region 9	\$370,296.28	\$250,000.00	\$29,703.72
Total	\$ 2,880,226.19	\$1,506,547.51	\$1,463,226.30*



Notes:

The 2016-18 Appropriations Act, Item 106 allocated \$3.6 million to capacity-building activities for Fiscal Year 2017 and \$2.25 million to capacity-building activities for Fiscal Year 2018. Therefore, each of the nine GO Virginia Regional Councils had available \$650,000 in capacity-building activity funds over the biennium. This chart shows those capacity funds dispersed by DHCD to the Regional Councils' support organizations as of November 5, 2018.



The 2018-20 Appropriations Act, Item 106 allocated \$3.25 million, or \$361,111 per region, for capacity-building activities for Fiscal Year 2019. To date, no regions have drawn Fiscal Year 2019 funds.

** It is important to note that several regions moved capacity-building funds from Fiscal Year 2017 and 2018 into their per capita funding pot, as shown in the second column. Furthermore, of the \$1,463,226.30 available for disbursement shown in the third column, \$870,735 is budgeted for reallocation to per capita by the end of Calendar Year 2018. As such, the total funds available for disbursement for capacity-building activities is \$592,491.30.*

Appendix E: Per Capita Funding Overview

 				
Fiscal Year 2018 and 2019 Per Capita Funds				
Region	Total Per Capita Funds Available	Total Funds Obligated to Projects	Total Leverage for Obligated Funds (Local Match)	Total Disbursed to Date
Region 1	\$1,826,991.88	\$277,547.19	\$646,119 (\$50,000 local)	\$0
Region 2	\$2,700,319.63	\$1,263,507.00	\$3,672,805 (\$1,238,303 local)	\$13,200.75
Region 3	\$1,757,402.00	\$728,000.00	\$754,437 (\$360,400 local)	\$0
Region 4	\$3,646,910.00	\$1,530,000.00	\$2,029,586 (\$504,586 local)	\$1,498.33
Region 5	\$5,080,507.00	\$1,580,253.00	\$3,033,100 (\$500,000 local)	\$37,700.02
Region 6	\$1,640,182.00	\$279,996.00	\$313,496 (\$155,801 local)	\$13,020.00
Region 7	\$7,278,188.00	\$1,939,396.62	\$3,687,473 (\$798,233 local)	\$0
Region 8	\$1,934,865.00	\$300,000.00	\$300,000 (\$156,000 local)	\$22,110.79
Region 9	\$1,796,302.00	\$735,987.00	\$971,040 (\$550,300 local)	\$25,797.50
Total	\$27,661,667.51	\$8,634,686.81	\$15,408,056 (\$4,313,653 local)	\$113,327.39
<p>Notes: <i>The 2016-18 Appropriations Act, Item 106 allocated \$10.9 million in Fiscal Year 2018 for per capita projects. The 2018-20 biennium budget allocated \$13.9 million in Fiscal Year 2019 for per capita projects, plus \$1,355,120 in competitive funds for a total of \$15,255,120. To date, no regions have drawn Fiscal Year 2019 funds. In addition, the regional councils moved a total of \$1,506,547.51 (See Appendix B) from the Fiscal Year 2017 and 2018 capacity-building budgets.</i></p> <p><i>Of the \$19,026,980.70 in unobligated per capita funds, \$15,255,120 was allocated in Fiscal Year 2019. The remaining \$3,771,860.70 was allocated in Fiscal Year 2017 or 2018 through per capita or capacity-building project reserves.</i></p>				

Appendix F: Competitive Funding Overview

 				
Fiscal Year 2018 and 2019 Competitive Funds				
Region	Total Competitive Funds Available	Total Funds Obligated to Projects	Total Leverage for Obligated Funds (Local Match)	Total Disbursed to Date
FY18	\$11,300,000	\$2,217,500	\$3,262,175 (\$1,619,250 local)	\$0
FY19	\$10,944,880	\$0	\$0	\$0
Total	\$22,244,880	\$2,217,500	\$3,262,175 (\$1,619,250 local)	\$0
<p>Notes: <i>The 2016-18 Appropriations Act, Item 106 allocated \$11.3 million in Fiscal Year 2018 for per capita projects. The 2018-20 biennium budget allocated \$13.9 million in Fiscal Year 2019 for per capita projects, less \$1,355,120 that was reallocated to establish a per capita floor of \$1 million per region. To date, one competitive project has been awarded, and no competitive funds have been drawn.</i></p>				