

# FY2022 OPERATIONAL PLAN: EXECUTIVE SUMMARY

American Woodmark, Frederick County

June 30, 2021

# TABLE OF CONTENTS

<b>Introduction to and overview of the FY22 Operational Plan</b>	<b>3</b>
Major Initiatives	17
Appendix: Performance Metrics	19
Appendix: FY22 Budget Summary	21
Appendix: Components of the FY22 Operational Plan Required by the Code of Virginia	24

## INTRODUCTION

- The Virginia Economic Development Partnership Authority (VEDP) was established by the General Assembly in 1995 (Code of Virginia, § 2.2-2234 et seq.)
- 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 FY22 Operational Plan has been prepared in accordance with Code of Virginia, § 2.2-2237.1 D.2. and the Virginia Budget, which require that an Operational Plan be completed and submitted to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and to the Director of the Department of Planning and Budget
- This FY22 Operational Plan marks the fourth 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 biennial update of the Strategic Plan began in January 2020 and was concluded in late 2020 due to the COVID-19 pandemic
- The 14 major initiatives contained in this FY22 Operational Plan are largely derived from the initiatives outlined in the updated Strategic Plan for Economic Development of the Commonwealth of Virginia (FY21-FY25)

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

**This FY22 Operational Plan is based primarily upon the goals, strategies, and initiatives outlined in the updated five-year Strategic Plan (FY21-FY25)**

- The annual plan is the result of a 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 this FY22 Operational Plan include:**

- 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 this Operational Plan\* will be reviewed throughout the year through the following activities:**

- Regular updates at senior team meetings
- Regular internal meetings of each VEDP division (e.g., Business Investment, 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

\*The implementation timelines outlined in the Operational Plan are subject to adjustment based on VEDP project activities and/or changes in priorities

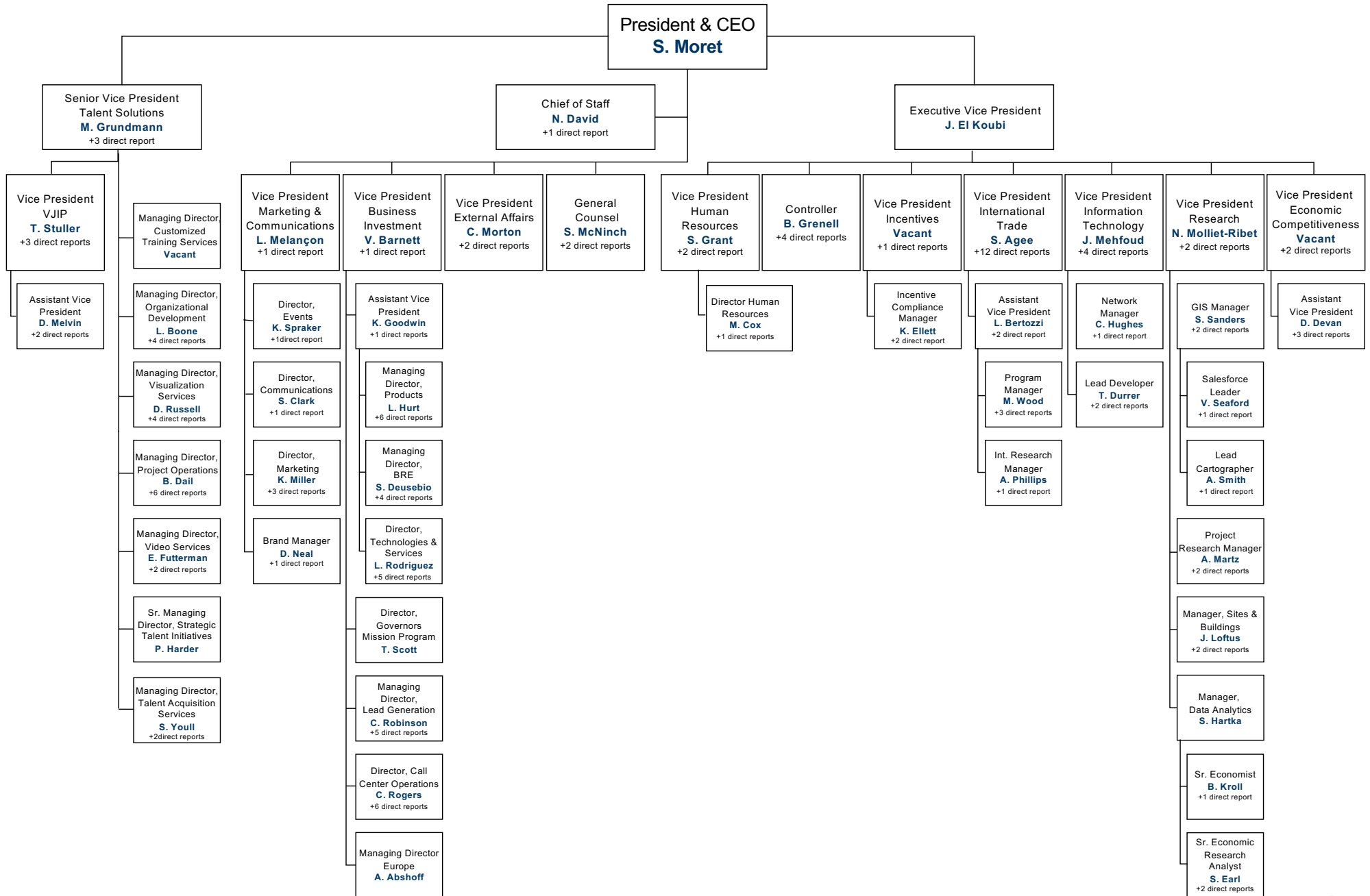
# VEDP ORGANIZATIONAL OVERVIEW (1 OF 2)

<b>Division</b>	<b>Overview</b>
Business Investment	Collaborates with regional and local partners to identify and convert high-potential leads and prospects into project opportunities and decisions for Virginia, as well as support the retention and growth of existing Virginia employers
Marketing and Communications	Manages Virginia's business brand (and VEDP's) and builds awareness of the Commonwealth's advantages among C-level executives nationally and globally
Research	Creates customized, relevant, and insightful analysis and data visualizations that promote a common understanding of Virginia's full value proposition, with a central focus on fast-turn, high-priority, tailored client service (e.g., RFP responses, site recommendations)
Incentives	Reviews, vets, tracks, and coordinates economic development incentives administered by VEDP and those offered by the Commonwealth or a locality in conjunction with VEDP
Talent Solutions	Supports the human capital needs of new and expanding businesses by delivering world-class, customized workforce recruitment and training solutions in partnership with the Virginia Community College System; managing the Virginia Jobs Investment Program (VJIP); and developing systemic talent pipeline initiatives to address regional or statewide talent shortages
International Trade	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
External Affairs	Cultivates and manages relationships with local, state, and federal elected officials, as well as VEDP's economic development partners across the Commonwealth, including convening work groups and overseeing special initiatives regarding policy development and program implementation

## VEDP ORGANIZATIONAL OVERVIEW (2 OF 2)

<b>Division</b>	<b>Overview</b>
Economic Competitiveness	Develops medium-to-long-term strategies to improve the foundations for state, regional, and local economic growth
Information Technology	Plans, implements, provides security for, and supports VEDP's technology platforms
Fiscal and Support Services	Manages all accounting and budget-related work and provides facilities, fleet management, and procurement services
Human Resources	Manages employee lifecycle, talent management, talent acquisition, retention, performance management, employee engagement, learning and development; administers payroll, benefits, and total rewards.
Legal Services	Advises on legal aspects of legislation, rules, and contracts; manages legal activities for VEDP; drafts incentive agreements and NDAs; and responds to FOIA requests
Internal Audit	Performs periodic audits on operations, accounts, and transactions and reports findings to the VEDP Board

# VEDP ORGANIZATIONAL CHART



Current as of July 30, 2021

# VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP BOARD OF DIRECTORS - FY22

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**Dan M. Pleasant, Chair**

Chief Operating Officer, Dewberry

**Richard “Rick” O. Harrell, III**

President (retired), R.O. Harrell Inc.

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**The Honorable Brian Ball, Vice Chair**

Secretary of Commerce and Trade, Commonwealth of Virginia,  
*Ex Officio Member*

**April Kees**

Director, Virginia Senate Finance and Appropriations Committee,  
*Ex Officio Member*

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**Nancy Howell Agee**

Chair, GO Virginia, *Ex Officio Member*

**Ned W. Masee**

Croatan Advisors

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**Carrie Hileman Chenery**

Principal, Valley Pike Partners

**Vincent J. Mastracco, Jr.**

Partner, Kaufman & Canoles PC

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**C. Daniel Clemente**

Chairman and Chief Executive Officer, Clemente Development Company, Inc.

**Anne Oman**

Director, Virginia House of Delegates Appropriations Committee,  
*Ex Officio Member*

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**Stephen A. Edwards**

CEO and Executive Director, The Port of Virginia, *Ex Officio Member*

**Marianne Radcliff**

President, Kemper Consulting, Inc.

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**Greg B. Fairchild**

Associate Dean for Washington, DC Area Initiatives at the University of Virginia, Darden School of Business

**Xavier R. Richardson**

Executive Vice President, Corporate Development and Community Benefit, Mary Washington Healthcare President, Mary Washington Hospital and Stafford Hospital Foundations

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**Deborah Flippo**

Economic Development Program Manager, Draper Aden Associates, Inc.

**Steven Stone**

Principal, Offit Kurman, Attorneys At Law

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**The Honorable K. Joseph Flores**

Secretary of Finance, Commonwealth of Virginia, *Ex Officio Member*

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# OVERVIEW OF THE STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF VIRGINIA (FY21-25)

- On December 1, 2017, VEDP produced its Strategic Plan for Economic Development of the Commonwealth in accordance with § 2.2-2237.1 of the Code of Virginia
- As required by Code, the biennial update to the Strategic Plan for Economic Development of the Commonwealth of Virginia began in January 2020 but was paused throughout the spring and summer as the world's attention shifted to confronting the COVID-19 pandemic. The update process was restarted and concluded in late 2020
- 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
- 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
- The Strategic Plan now contains an updated set of 35 initiatives (down from 40 in the original plan), which include three new initiatives developed in response to the pandemic
- There is considerable alignment between this FY22 Operational Plan and VEDP's Strategic Plan as this year's Operational Plan marks the fourth full year of Strategic Plan implementation. The 14 major initiatives contained in this FY22 Operational Plan are derived from the initiatives outlined in the Strategic Plan for FY21-FY25

## 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

## IMPLEMENTATION DETAILS OF STRATEGIC PLAN

- The updated Strategic Plan for Economic Development of the Commonwealth of Virginia adopted by the VEDP Board is a five-year plan (FY21-FY25), implementation of which began July 1, 2021
- The Strategic Plan includes five transformational goals, the achievement of which requires the implementation of 14 strategies
- Some of the initiatives in the Strategic Plan will require new funding to implement
- VEDP's FY22 Operational Plan is based on the initiatives outlined in the Strategic Plan and include initiatives developed in response to the economic impacts of the COVID-19 pandemic

# TRANSFORMATIONAL GOALS FOR THE COMMONWEALTH AND VEDP

Transformational Goal	Description
1. <b>Robust state job growth</b>	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. <b>Every region wins</b>	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)
3. <b>Best state for business</b>	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. <b>Top state EDO</b>	Reestablish VEDP as one of America's most effective state economic development organizations (principally to better enable accomplishment of the top three transformational goals)
5. <b>Super collaborator</b>	Exhibit collaboration and coordination as hallmarks of VEDP (i.e., place a central focus on the "P" in VEDP)

# THE STRATEGIC PLAN IDENTIFIES 14 STRATEGIES TO BE IMPLEMENTED OVER A 5-7 YEAR PERIOD, SUBJECT TO FUNDING

## Enhance VA's economic competitiveness

*By improving Virginia's "product" – its human and physical capital – Virginia will continue to be the top state for business and a top place to call home*

### Specific strategies:

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

## Enhance VEDP's capabilities

*By improving VEDP's abilities to develop and execute economic development strategies and programs, Virginia will be well-positioned to compete now, and in the future*

### Specific strategies:

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






## Cultivate target industry growth clusters



*By improving VEDP's capabilities and enhancing VA's economic competitiveness, Virginia will be better positioned to compete and win projects in target clusters*



### Specific strategies:

10. Push new boundaries as a U.S. leader in information technology
11. Assemble a world-class transportation and logistics hub
12. Position Virginia's manufacturing base to be future-ready
13. Create business services and operations centers of excellence (e.g., HQs)
14. Capitalize on Virginia's unique assets to become a leader in promising disruptive technologies

# PROGRESS HAS BEEN MADE ON ALL FIVE TRANSFORMATIONAL GOALS, BUT MUCH WORK REMAINS TO FULLY ACHIEVE THEM

Transformational Goal	Description	Outlook
1. Robust state job growth	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. Every region wins	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)	
3. Best state for business	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. Top state EDO	Reestablish VEDP as one of America's most effective state economic development organizations (principally to better enable accomplishment of the top three transformational goals)	
5. Super collaborator	Exhibit collaboration and coordination as hallmarks of VEDP (i.e., place a central focus on the "P" in VEDP)	

-  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

# TABLE OF CONTENTS

---

Introduction to and overview of the FY22 Operational Plan 3

**Major Initiatives 17**

Appendix: Performance Metrics 19

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Appendix: FY22 Budget Summary 21

---

Appendix: Components of the FY22 Operational Plan Required by the Code of Virginia 24

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# MAJOR INITIATIVES FOR THE FY22 OPERATIONAL PLAN

#	Major initiative	Owner(s)
1	Develop a playbook to become one of America's top states for tech sector growth in both large and small regions	Rodriguez
2	Build out the best customized workforce recruitment and training incentive program in the U.S.	Grundmann
3	Expand the Virginia Business Ready Sites Program with a strategic approach and statewide participation	Devan
4	Expand exports and imports through implementation of high priority initiatives in the International Trade Plan	Agee
5	Establish, design, and launch the newly created Virginia Office of Education Economics within VEDP	Harder
6	Develop and implement a comprehensive HR talent management strategy	Grant
7	Complete launch and implementation of Team Virginia to enhance consultant and executive perceptions of Virginia	Melançon
8	Complete value prop materials for all target sectors and facilitate ongoing updates	Melançon, Molliet-Ribet
9	Build processes and capabilities needed to effectively and efficiently produce holistic project responses	Barnett, Molliet-Ribet
10	Further develop and execute strategies to capture post-COVID economic recovery and growth opportunities	Devan
11	Implement a best-in-class BRE program, including clear protocols, high productivity, and reporting of insights	Barnett
12	Develop a comprehensive strategy for supporting local and regional EDOs	Watkins, Morton
13	Improve data management and capabilities to expand utilization across VEDP to better guide activities	Melançon, Barnett, Molliet-Ribet
14	Fully leverage IT platforms to enhance organizational effectiveness	Mehfoud



# TABLE OF CONTENTS

---

Introduction to and overview of the FY22 Operational Plan 3

---

Major Initiatives 17

**Appendix: Performance Metrics 19**

Appendix: FY22 Budget Summary 21

---

Appendix: Components of the FY22 Operational Plan Required by the Code of Virginia 24

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# PERFORMANCE METRICS AND GOALS FOR FY22

## FY22 Goal

<b>VEDP-assisted project announcements</b>	
Capital investment (\$B)	\$4.0
Direct jobs	13,000
<b>VEDP-generated leads</b>	
Number	305
Number converted	150
<b>VEDP International Trade programs</b>	
Companies enrolled	360
Projected international sales (\$ million)	\$635
Projected trade-supported jobs	5,700

# TABLE OF CONTENTS

---

Introduction to and overview of the FY22 Operational Plan 3

---

Major Initiatives 17

---

Appendix: Performance Metrics 19

---

**Appendix: FY22 Budget Summary 21**

Appendix: Components of the FY22 Operational Plan Required by the Code of Virginia 24

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# VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2022 BUDGET SUMMARY

## Revenue Sources

	<u>FY2022</u>	<u>FY2021</u>	<u>Change</u>
<b>Revenue</b>			
COV General Fund Budgeted	\$45,014,579	\$35,302,309	\$ 9,712,270
Obligated Carry Forward Funds	8,731,590	5,246,128	3,485,462
Participation and Mission Fees	475,000	365,000	110,000
Other Revenue	211,080	324,600	(113,520)
<b>Total Revenue</b>	<b><u>\$54,432,249</u></b>	<b><u>\$41,238,037</u></b>	<b><u>\$ 13,194,212</u></b>

# VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2022 BUDGET SUMMARY (CONT'D)

## Budgeted Expenditure Summary

	FY22		FY21		\$	%
	Dollars	Staff	Dollars	Staff	Change	Change
<b>Division Budgets</b>						
Talent Solutions (Note)	\$ 12,201,385	46	\$ 7,967,294	33	4,234,091	53%
International Trade	8,635,586	22	7,201,765	19	1,433,821	20%
Business Investment	6,337,915	34	6,078,553	32	259,362	4%
Research	2,964,875	22	2,874,932	22	89,943	3%
Marketing & Communications	5,012,844	12	4,483,864	11	528,980	12%
Economic Competitiveness	1,033,198	7	999,039	7	34,159	3%
Information Technology	1,446,265	10	1,401,537	10	44,728	3%
Incentives	658,969	5	637,906	5	21,063	3%
Administration	4,560,844	21	4,280,647	20	280,197	7%
<b>Total Division Budgets</b>	<b>▲ \$42,851,881 ▲ 179</b>		<b>▲ \$35,925,537 ▲ 159</b>		<b>6,926,344</b>	<b>19%</b>
<b>Pass Throughs, Grants and Projects</b>	<b>11,580,368</b>	<b>-</b>	<b>5,312,500</b>	<b>-</b>	<b>6,267,868</b>	<b>118%</b>
<b>Total VEDP Budget</b>	<b>▲ \$54,432,249 ▲ 179</b>		<b>▲ \$41,238,037 ▲ 159</b>		<b>▲ 13,194,212</b>	<b>32%</b>

Note: Talent Solutions FY22 budget includes \$10,608,841 for the Talent Accelerator Program, \$1,092,544 for VJIP Program operations, and \$500,000 for VOEE.

# TABLE OF CONTENTS

---

Introduction and overview to the FY22 Operational Plan	3
Major Initiatives	17
Appendix: Performance Metrics	19
Appendix: FY22 Budget Summary	21
<b>Appendix: Components of the FY22 Operational Plan Required by the Code of Virginia</b>	<b>24</b>

# COMPONENTS OF THIS FY22 OPERATIONAL PLAN REQUIRED BY THE CODE OF VIRGINIA

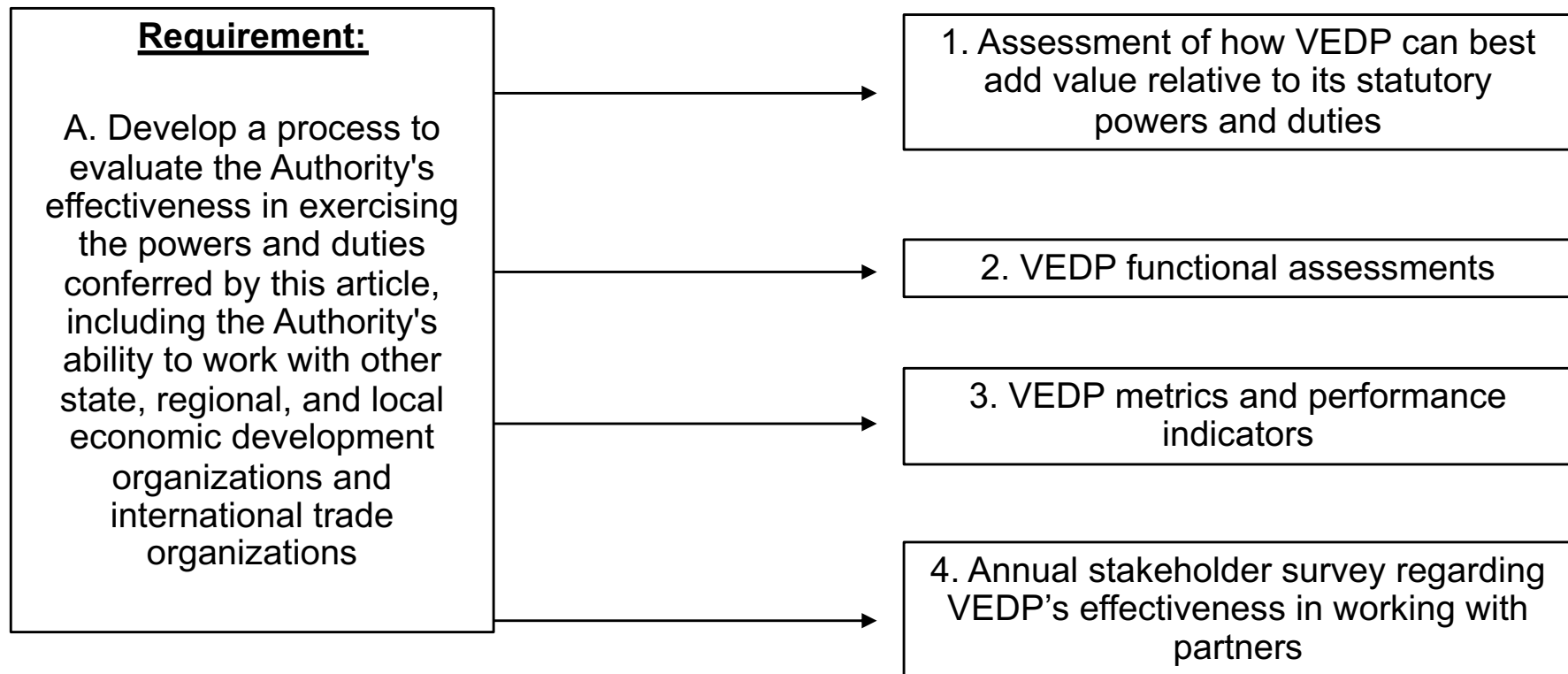
This section of the FY22 Operational Plan contains the two components required by statute, itemized below:

## **Virginia Code § 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 WILL CONTINUE TO EVALUATE ITS EFFECTIVENESS IN EXERCISING ITS POWERS AND DUTIES

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





# VEDP DEVELOPED A STRATEGY FOR COORDINATING WITH KEY STAKEHOLDERS

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

