



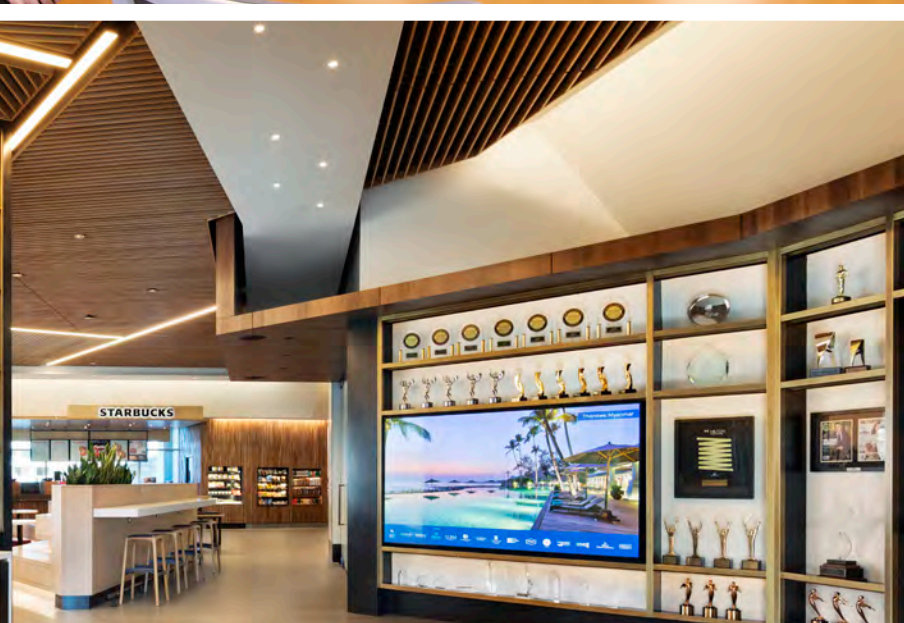
Somic America, Inc., Wythe County



DroneUp, Virginia Beach



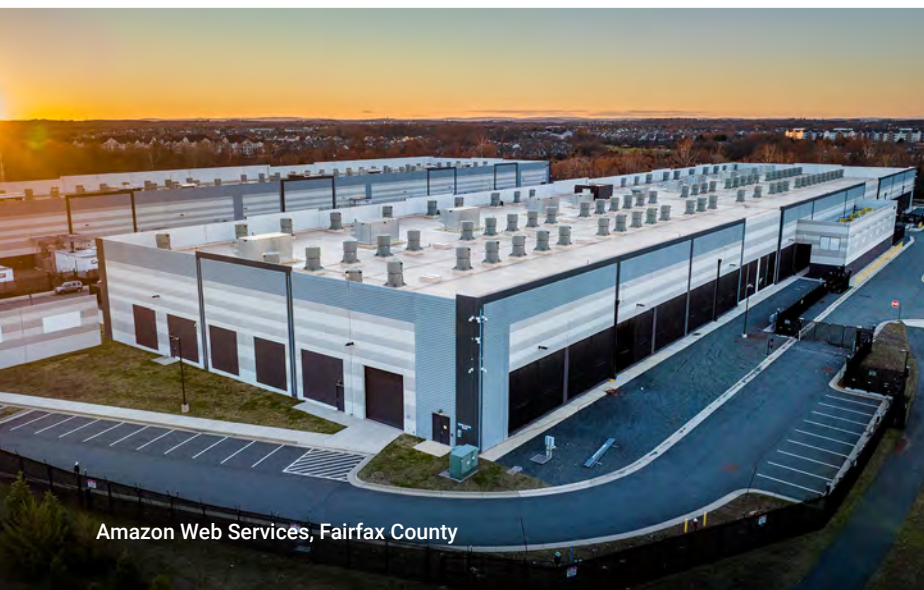
Hilton Global Headquarters, McLean



VEDP | Virginia
Economic
Development
Partnership

Annual Report

FISCAL YEAR 2023



Amazon Web Services, Fairfax County



Weidmüller Group, Chesterfield County

Annual Report

FISCAL YEAR 2023

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Cape Charles

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The First Bank & Trust Company

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Equity Principal, Offit Kurman



WHO WE ARE

The Virginia Economic Development Partnership (VEDP) is the state economic development authority for the Commonwealth of Virginia. Created in 1995, VEDP collaborates with local, regional, and state partners to encourage the expansion and diversification of Virginia's economy. VEDP works to accomplish these objectives through a variety of activities, including marketing and lead generation; business retention, expansion, and attraction; trade development; business intelligence; competitive benchmarking; site development; performance-based incentives; and talent solutions.

Working closely with partners, VEDP has adopted five transformational goals for Virginia and VEDP that represent the central focus of its work:

- 1. Robust State Growth.** Position Virginia to achieve a growth rate in employment and median earned income among that of the top 5–10 states in the United States.
- 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).
- 3. Best State for Business.** Restore Virginia to its previous position near the top of the national business climate rankings (i.e., average rank among the top 3–5 states).
- 4. Top State EDO.** Reestablish and sustain VEDP as one of America's most effective state economic development organizations.
- 5. Super Collaborator.** Exhibit collaboration and coordination as hallmarks of VEDP (i.e., place a central focus on the "P" in VEDP).

VEDP DIVISIONS



INTERNATIONAL TRADE

Provides export development programs, services, and grants to help Virginia companies grow their international sales and optimize international supply chains



VIRGINIA TALENT ACCELERATOR PROGRAM

Provides customized recruitment and training solutions that give Virginia a competitive edge in securing business investment projects



RESEARCH

Conducts in-depth analysis and creates tailored client materials that convey Virginia's competitive advantages



REAL ESTATE SOLUTIONS

Collaborates with partners to develop a portfolio of Virginia properties that meet the needs of companies



INCENTIVES

Reviews, vets, tracks, and coordinates VEDP's performance-based incentive programs, along with incentive structuring for major projects



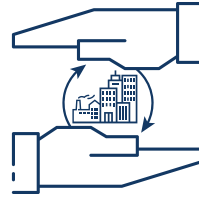
FISCAL AND SUPPORT SERVICES

Provides a financial framework for VEDP to accomplish its mission through accounting, budgeting, and procurement



MARKETING & COMMUNICATIONS

Markets the Commonwealth to raise awareness of Virginia's advantages for business and to cultivate new leads



BUSINESS INVESTMENT

Collaborates with partners to implement lead generation and project management strategies



VIRGINIA OFFICE OF EDUCATION ECONOMICS (VOEE)

Leverages data to guide educational and workforce policy and practice on the availability, quality, and supply of talent in Virginia



REGIONAL TALENT SOLUTIONS AND BUSINESS OUTREACH

Connects Virginia companies with workforce solutions and collaborates with partners to strengthen relationships with existing businesses



ECONOMIC COMPETITIVENESS

Develops strategies to improve the foundations for state, regional, and local economic growth



EXTERNAL AFFAIRS

Oversees the budget, legislative, and policy development process; encourages collaboration and coordination among partners



HUMAN RESOURCES

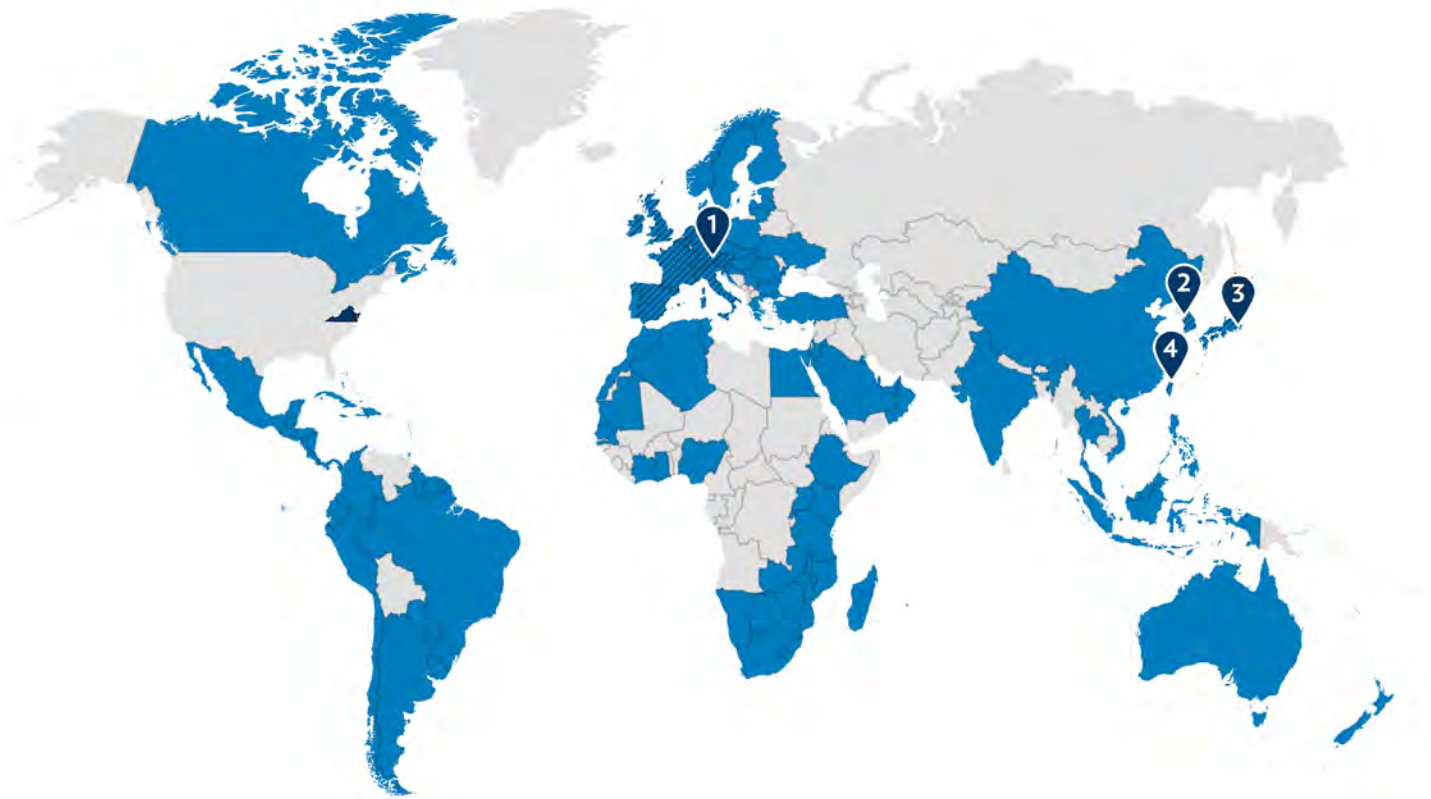
Seeks to hire, retain, and develop the best and the brightest to accomplish VEDP's mission and goals



INFORMATION TECHNOLOGY

Supports VEDP's technology platforms, including a variety of custom tech solutions

VEDP's Global Network



FOREIGN DIRECT INVESTMENT OFFICES

VEDP's international business investment offices implement lead generation strategies to identify and convert high-potential foreign direct investment leads and prospects into project opportunities for Virginia.



Europe



Korea



Japan



Taiwan



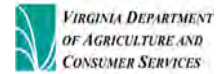
TRADE REPRESENTATION

VEDP's network of international research consultants covers more than 123 countries around the world. These experts provide in-country market research for Virginia exporters, specific to the needs and opportunities for each company.

Algeria • Anguilla • Antigua & Barbuda • Argentina • Aruba • Australia • Austria • Bahamas • Bahrain • Barbados • Belgium • Belize • Bermuda • Botswana • Brazil • British Virgin Islands • Bulgaria • Canada • Cayman Islands • Chile • China • Colombia • Costa Rica • Côte d'Ivoire • Croatia • Cuba • Czech Republic • Denmark • Dominica • Dominican Republic • Ecuador • Egypt • El Salvador • Estonia • Ethiopia • Finland • France • French Guiana • Germany • Ghana • Greece • Grenada • Guadeloupe • Guatemala • Guyana • Haiti • Honduras • Hong Kong • Hungary • India • Indonesia • Ireland • Israel • Italy • Jamaica • Japan • Jordan • Kenya • Kuwait • Latvia • Lesotho • Lithuania • Macau • Madagascar • Malawi • Malaysia • Martinique • Mauritania • Mauritius • Mexico • Montserrat • Morocco • Mozambique • Namibia • Netherlands • Netherlands Antilles • New Zealand • Nicaragua • Nigeria • Norway • Oman • Panama • Paraguay • Peru • Philippines • Poland • Portugal • Qatar • Romania • Rwanda • Saudi Arabia • Senegal • Serbia • Seychelles • Singapore • Slovakia • Slovenia • South Africa • South Korea • Spain • St. Martin • St. Kitts & Nevis • St. Lucia • St. Vincent & the Grenadines • Suriname • Swaziland • Sweden • Switzerland • Taiwan • Tanzania • Thailand • Trinidad & Tobago • Tunisia • Turkey • Turks & Caicos • UAE • Uganda • Ukraine • United Kingdom • Uruguay • Vietnam • Zambia • Zimbabwe

Our Partners

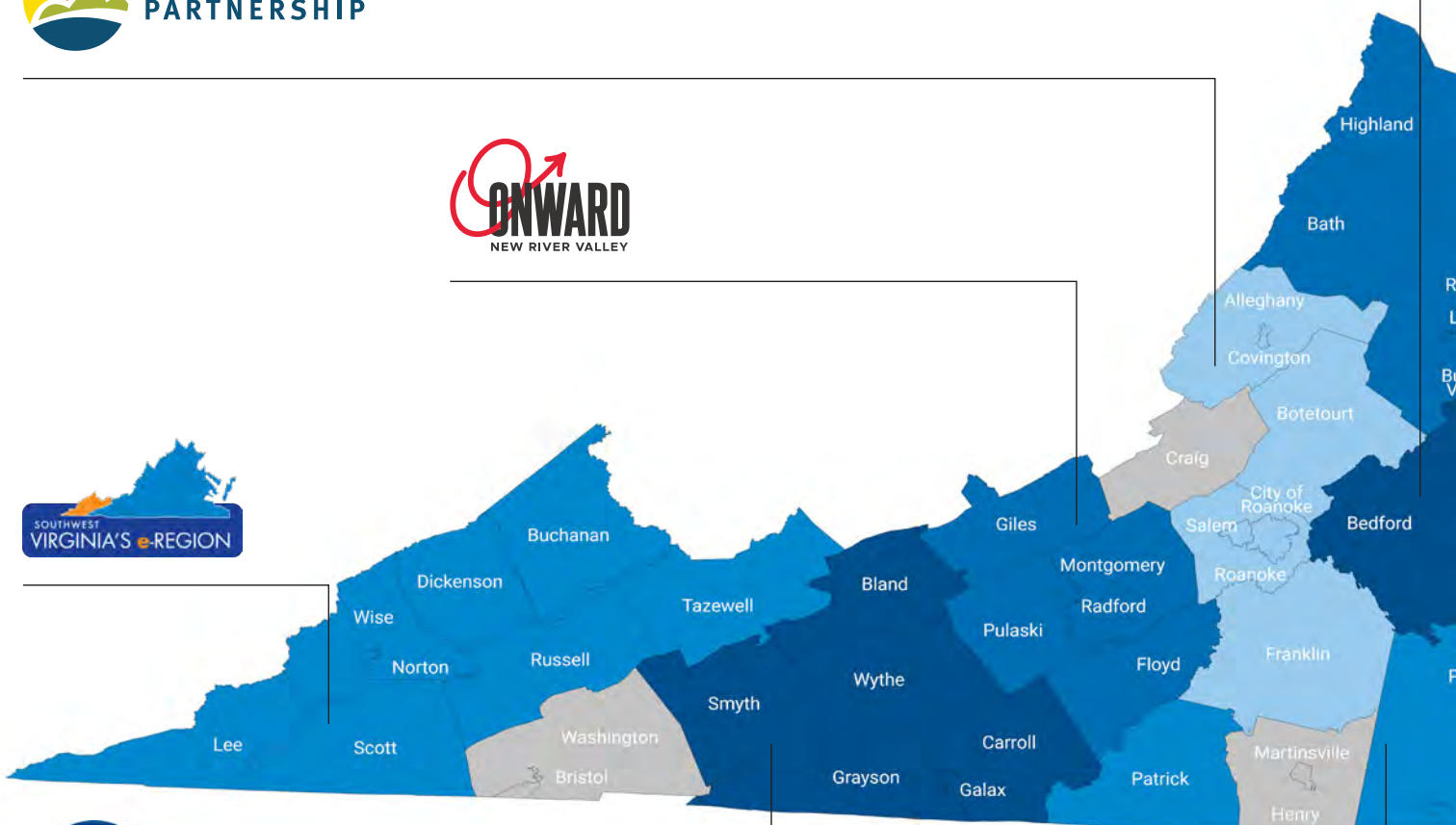
VEDP conducts its work in collaboration with hundreds of economic development partners. Core VEDP partners include the Governor and the Administration, Virginia General Assembly, other state agencies, 17 regional economic development organizations, and over 100 local economic development partners, utilities, railroads, and trade associations.

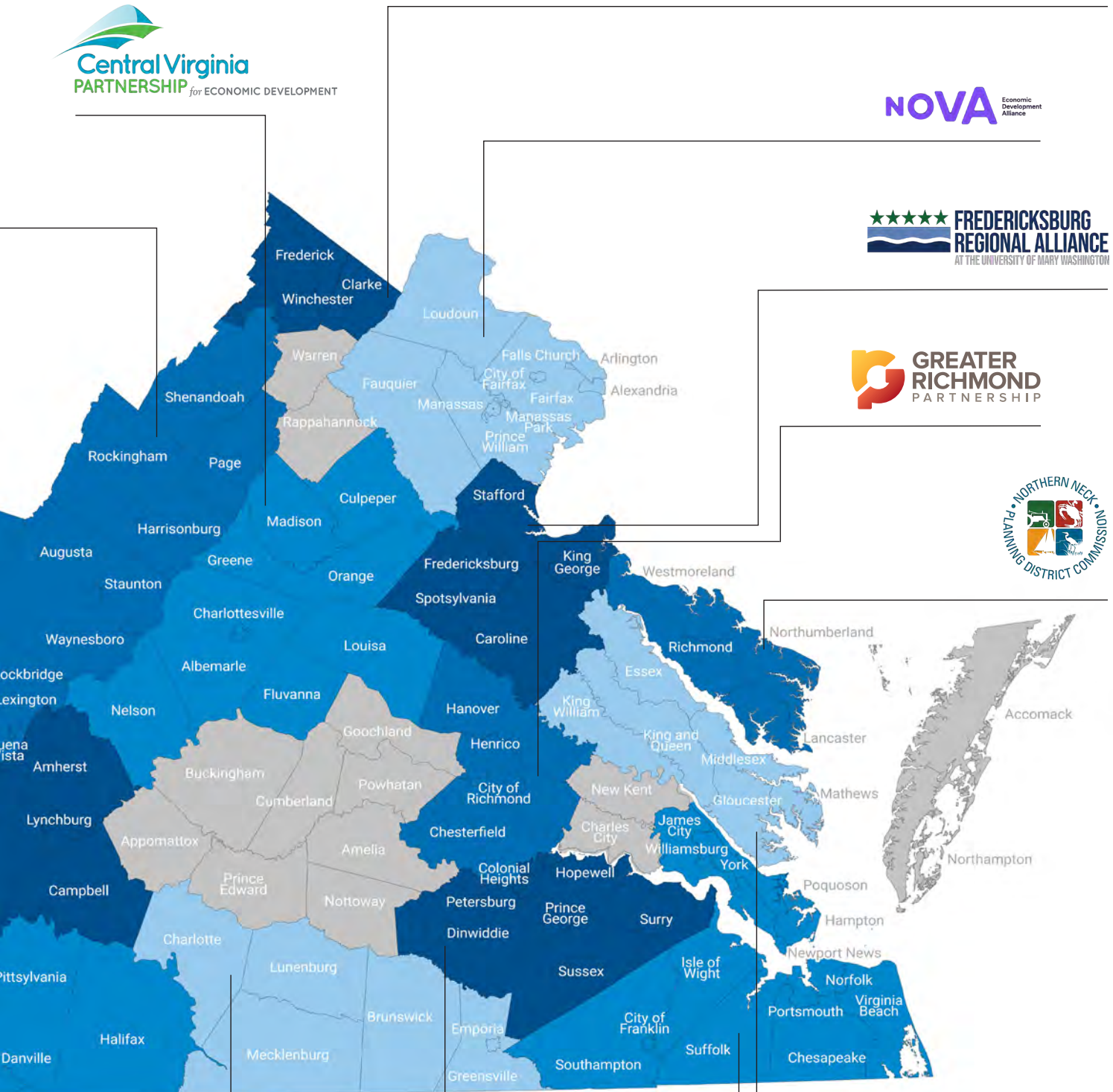
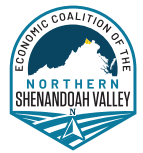


Regional Economic Development Organizations



■ Unaffiliated localities





Leadership Message

FY23 was a year of successes and new beginnings for VEDP, with Virginia securing the largest capital investment in state history, achieving a coveted workforce development milestone, and embarking upon an innovative, ambitious plan to strengthen the way the Commonwealth approaches economic development.

The historic investment came in January 2023, when Amazon Web Services (see page 48) announced plans to invest \$35 billion and create at least 1,000 total new jobs by 2040 to establish multiple data center campuses across Virginia. Months later, as FY23 wrapped up in late June, the Virginia Talent Accelerator Program earned the top spot in the *Business Facilities* Customized Workforce Training ranking for 2023 (see page 24). All of this took place as VEDP began work on a major new initiative, the Innovative Framework for Economic Growth (see page 38), a new operating model to achieve nation-leading economic performance by leveraging a whole-of-government approach and deeper collaboration with local and regional partners to accelerate Virginia's core growth sectors: knowledge work, manufacturing, and logistics.

We continue to work collaboratively to position Virginia for a strong economic trajectory following the economic disruptions caused by the global pandemic. As FY23 drew to a close, Virginia posted a labor force participation rate of 66.6%, its highest mark since January 2013. VEDP and its partners are striving to maintain that momentum, drive robust job and wage growth, and leverage all

regions of the Commonwealth in continued economic progress.

This annual report details some of VEDP's notable accomplishments in FY23, all of which were made possible by the great work and support of our local, regional, and state partners, including Gov. Glenn Youngkin, Secretary of Commerce and Trade Caren Merrick, the Virginia General Assembly, members and staff of the Major Employment and Investment (MEI) Project Approval Commission, The Port of Virginia, the Virginia Chamber of Commerce, the Virginia Economic Developers Association, county and city government leaders, and countless other state, local, and regional economic development partners.

Through a combination of leadership, dedicated staff work, and active support from our partners, VEDP and Virginia have made significant progress toward achieving each of our five transformational goals (see page 55) – despite much of the implementation period occurring against the backdrop of the COVID-19 pandemic. Nevertheless, there is much work left to do, and VEDP's mission will be more important than ever in the coming years as Virginia works to achieve nation-leading economic growth with every region of the Commonwealth participating in that progress.

Thank you for your interest in VEDP and your support for economic development in Virginia. Together, we are positioning the Commonwealth for a healthy and vibrant economic future.



WILLIAM H. HAYTER
Board Chair FY23



JASON EL Koubi
President and CEO



Colonial Beach

A Strong Year for Business Development in the Commonwealth

VEDP-assisted project announcements

89

PROJECTS

10,866

DIRECT JOBS

\$40.8B
CAPITAL INVESTMENT

VEDP, in collaboration with its local, regional, and state partners, had a tremendous FY23. The year's remarkable performance was highlighted by a record-breaking \$40.8 billion in new capital investment.

VEDP-generated leads

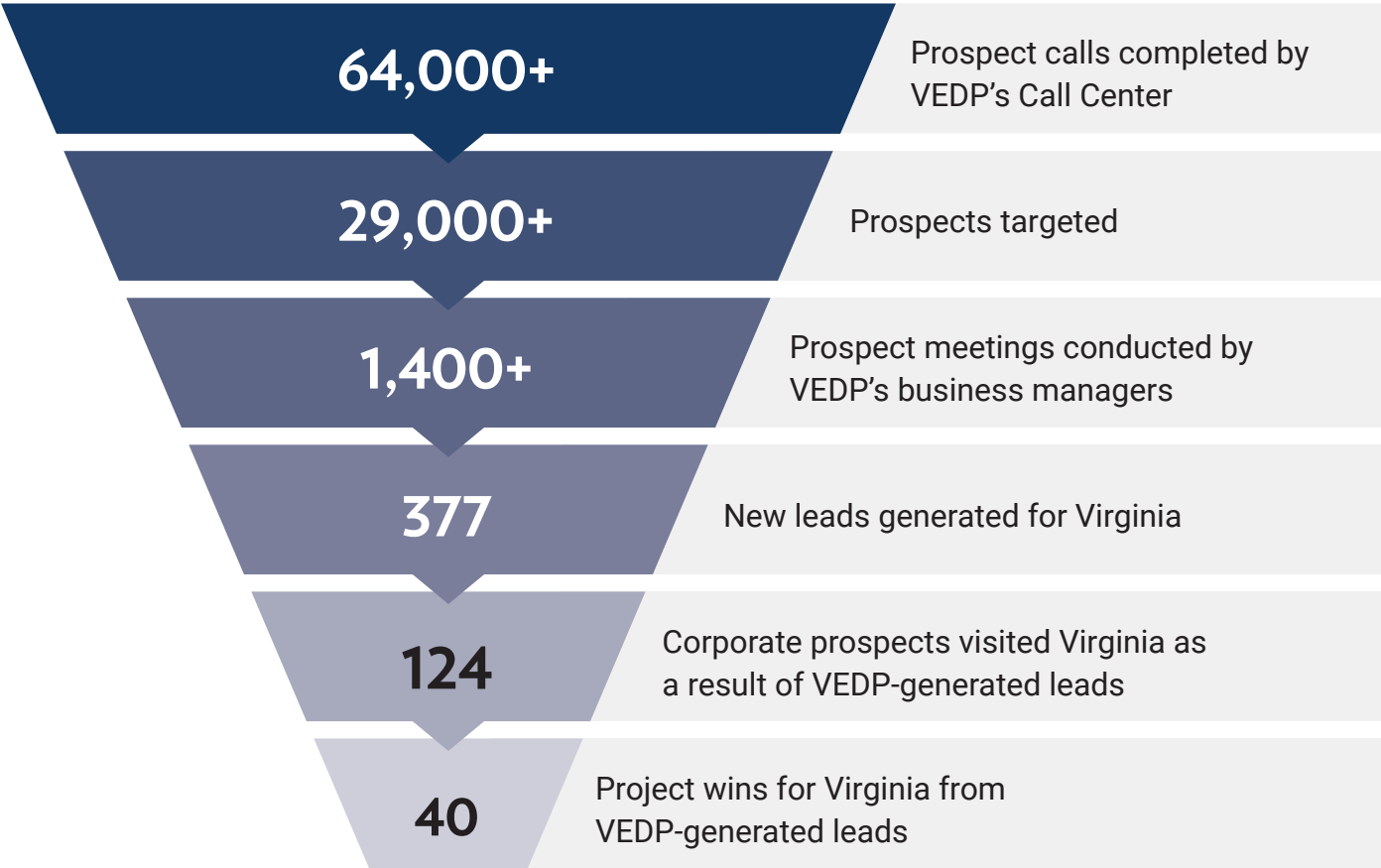
377

LEADS
CREATED

228

LEADS
CONVERTED

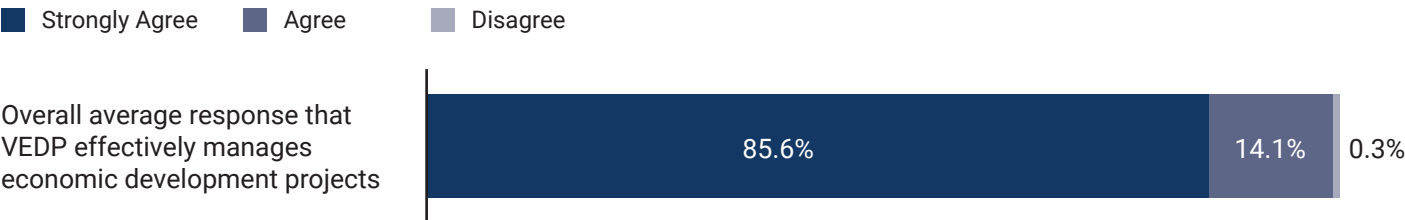
FY23 LEAD GENERATION PROGRAM BY THE NUMBERS



BUSINESS INVESTMENT: PARTNER AND CLIENT SATISFACTION

VEDP implements partner and client surveys to assist in evaluating project management effectiveness. The program received high approval in FY23.

Project management



INTERNATIONAL TRADE

482

COMPANIES PARTICIPATED IN INTERNATIONAL
TRADE PROGRAMS AND SERVICES IN FY23

167

Market research by VEDP staff and a network of in-country consultants helps Virginia exporters access opportunities and market information in more than 120 countries.

121

Trade missions and trade shows place Virginia exporters directly in front of potential international customers, including eight missions hosted by VEDP per year and participation in seven major international trade shows.

107

International Training Program provides access to training and courses on a wide variety of international trade topics such as international marketing, accounting, legal services, and more.

94

State Trade Expansion Program (STEP) offers grant funding for international travel and global marketing activities.

71

Trade Show Program (TSP) provides resources for Virginia exporters exhibiting individually at international trade shows.

61

Virginia Leaders in Export Trade (VALET) Program, a two-year export accelerator program, assists participating companies to develop and implement an international sales strategy utilizing the full range of VEDP's export development resources.

60

Supply Chain Optimization Program (SCOP) helps companies evaluate and streamline their supply chain management and import processes through counseling, strategy development, and resources to improve performance and reduce costs.

60

Regional Export Program (REP) gives exporters access to a range of VEDP International Trade services and ongoing counseling to reach specific export goals in just one year.

28

Global Defense Program (GDP) is designed to meet the specific needs of exporters in the defense industry and provides participants with access to VEDP's services to target one or two global markets over one year.

INTERNATIONAL TRADE CLIENT SATISFACTION

International Trade achieved exceptionally high scores for the quality of its programs and services in FY23.

99%

Companies that were “extremely likely” or “likely” to recommend VEDP’s export assistance programs to other Virginia companies

97%

Companies that rated the quality of VEDP International Trade’s export assistance as “excellent” or “above average”

99%

Companies that were “extremely likely” or “likely” to use VEDP International Trade for export assistance in the future

97%

Companies that say VEDP International Trade helped their company work toward achieving its strategic international goals

“

We were very nervous about the ability to meet orders, but now the nervousness is completely gone. We’ve got inventory, we can fill large orders now, and we know that if we get another set of large orders, we’ll be able to fill it.

COLIN DUNN
CEO and Founder, Fend Inc.



Fend Inc., Arlington County

PERFORMANCE METRICS

In FY23, more than 480 Virginia companies utilized VEDP’s export assistance and supply chain optimization programs and services to expand their international sales and meet new customers overseas. These companies reported strong international sales numbers, attributing over \$1.5 billion in new or existing sales to their work with VEDP. In total, over 13,000 jobs in the Commonwealth in FY23 can be attributed to the work of VEDP’s International Trade Division.

Performance Metric (FY23)	Description	Actual
Companies enrolled in programs	Number of companies enrolled in VEDP Trade programs	482
International sales	Total international sales attributed to VEDP Trade programs	\$1.5B
Trade-supported jobs	Trade-supported jobs from companies enrolled in VEDP Trade programs	13,123

VIRGINIA JOBS INVESTMENT PROGRAM (VJIP)

262

Client projects supported with the VJIP incentive

77

Localities had a VJIP-supported project

54%

VEDP-assisted project wins supported by the VJIP incentive

\$32.37

Average hourly wage for VJIP projects

4,873

Jobs supported by VJIP projects

\$951M

Capital investment for VJIP projects

100%

FY23 VJIP Client Satisfaction Survey respondents "strongly agree" or "agree" that VJIP contributed to their growth and success



ZIM American Integrated Shipping Services Co., LLC, container ship at Virginia International Gateway

EXISTING BUSINESS OUTREACH

VEDP's Regional Talent Solutions and Business Outreach team meets with Virginia businesses in collaboration with our local and regional economic development partners to foster relationships with companies that drive Virginia's economy and highlight existing business needs, particularly around talent. These efforts uncover challenges that might cause businesses to consider relocating, identify potential growth opportunities, and cultivate supplier ecosystems domestically and internationally. Workforce challenges (quantity, quality, and/or retention) were the dominant concern across all industries and in all regions.

415

Existing business outreach visits (61% manufacturing sector; 12% professional, scientific, and technical sector; 7% supply chain management sector (transportation, warehousing, and wholesale trade); 20% other)

552

Consultative services delivered, including 361 connections with partner organizations

69%

Businesses visited had an optimistic business outlook



Frank Williams joined Mack Trucks, Inc., in Roanoke County in 2020 as a product auditor after 20 years working mostly on his own at another auto manufacturer. That work history left him uncomfortable leading a team. In 2021, a member of Mack's leadership team suggested he take a leadership course at Virginia Western Community College (VWCC) funded through the Virginia Jobs Investment Program. Frank was promoted to process quality associate in 2022 and continues to work toward his associate's degree in mechatronics at VWCC.

“

I have no doubt that the training I received has equipped me with the tools I need to take on this new role — self-confidence, approach, and most importantly, my people skills. When I am working with our production and quality teams with issues, I rely on the methods that I learned to help me contribute to solving whatever problems come our way.

—

FRANK WILLIAMS

Process Quality Associate, Mack Trucks Roanoke Valley Operations



Peaks of Otter, Bedford County

FEATURES

- 01** Virginia Talent Accelerator Program Captures Manufacturing Reshoring, Secures Top Ranking
- 02** Supply Chain Optimization Program Provides Lifeline to Virginia Businesses
- 03** Virginia Ramps Up Site Development Funding to Boost Project-Ready Sites Portfolio
- 04** VOEE's First-of-its-Kind Dashboard Aims to Unlock the Potential of the Virginia Workforce
- 05** Transforming Virginia Into a National Growth Leader: An Innovative Framework for Economic Growth
- 06** A Deep Dive Into Opportunities in Southside and Southwest Virginia

Virginia Talent Accelerator Program Captures Manufacturing Reshoring, Secures Top Ranking

The Virginia Talent Accelerator Program accelerates facility startups and expansions by expediting recruiting and shortening the new-hire learning curve through highly customized services. The program's innovative approach to supporting job creation projects earned Virginia the top spot in *Business Facilities'* Customized Workforce Training rankings for 2023.

In FY23, the program helped the Commonwealth continue to capture the reshoring wave of manufacturing to the United States. Talent Accelerator projects from FY23 featured multiple electronics equipment manufacturers, part of the more than 11,000 jobs across Virginia that the program has helped secure since its launch in 2019.

Delta Star, Inc., the largest, American-owned medium transformer manufacturer in the United States and the premier manufacturer of mobile transformers in North America, will invest \$30.2 million to expand its manufacturing and headquarters operation in the City of Lynchburg, creating 149 new jobs.

The Virginia Talent Accelerator Program also helped secure the expansion of German company Weidmüller Group, a provider of smart industrial connectivity products and solutions that connect and automate electrical power and signaling for components, machines, and installations worldwide, which will create more than 100 jobs in Chesterfield County. Another German company, Zollner Elektronik AG, one of the world's largest manufacturing service providers for electronic and mechatronic components, will invest a combined \$18 million to expand in Danville and Loudoun County, growing its market presence in the U.S. and creating 100 new jobs.

On all three projects, the Virginia Talent Accelerator Program's work began immediately with the development of highly customized recruitment websites that feature the career and lifestyle opportunities unique to each company's Virginia

location. The Talent Accelerator team also produced recruitment videos designed to give interested job candidates a peek inside each company, showcasing everything from their processes to what has inspired people to build a career there. This work was completed in the weeks between each company's official commitment to Virginia and the Governor's announcement. The Talent Accelerator's signature best practice is to have all assets and a strategic ad campaign in place and ready to go live at the time of the announcement to leverage the publicity generated and capture talent for the future job openings.

The results have been impressive: the average response time between the public announcement and registration of the first applicant is 18 minutes. Delta Star, Weidmüller, and Zollner all saw hundreds of new applicants within a matter of weeks. This recruiting support is just the beginning. The Virginia Talent Accelerator Program will create training fully customized to each company's unique processes, equipment, and procedures. Customized training for Delta Star will range from an overview of transformer assembly to 3D animations showing what happens deep inside a sealed transformer, all produced by the Talent Accelerator's in-house team of illustrators. For Zollner, this can cover everything from multimeter calibration to the use of surface-mount technology in the production of printed circuit boards.

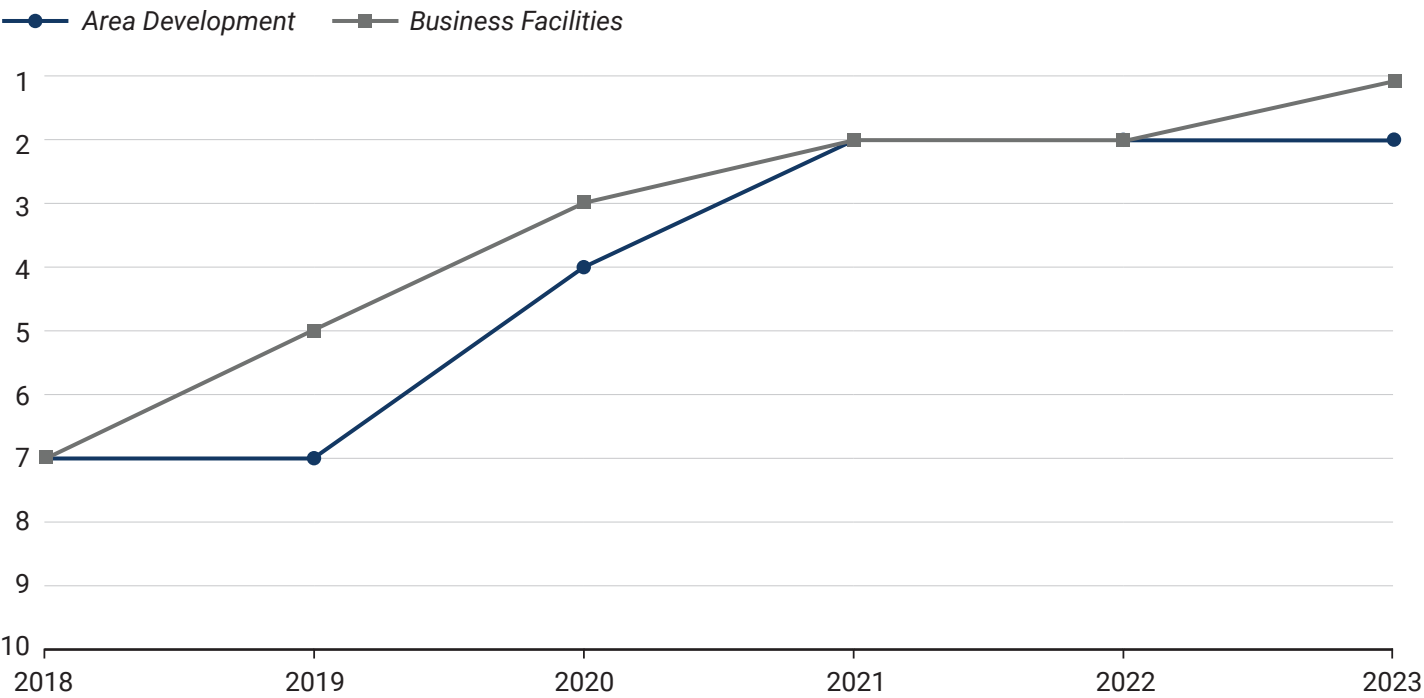
“

The Commonwealth of Virginia offers a unique set of advantages ... along with exceptionally well-executed and supported workforce development and recruitment.

JASON GREENE
CEO, Delta Star, Inc.



State workforce program rankings
2018–2023



Source: Area Development; Business Facilities

The background of the page is a dark blue overlay featuring a complex LEGO Technic construction. A prominent feature is a globe-like structure made of green and blue bricks, with a robotic arm extending from the top right. The arm is composed of grey and white Technic beams and connectors. The overall aesthetic is technical and innovative, reflecting the LEGO Group's focus on engineering and manufacturing.

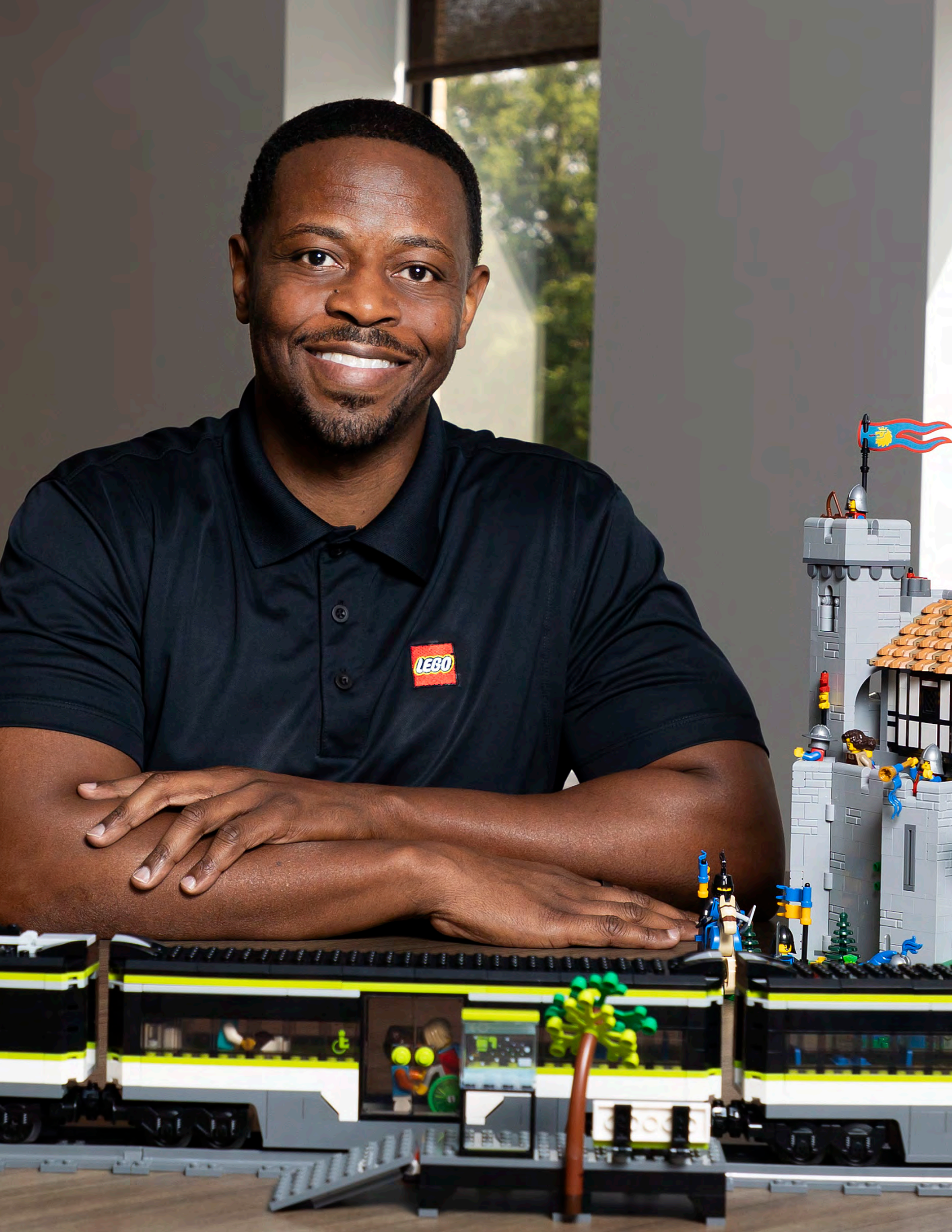
The LEGO Group is one of the high-profile clients of the Virginia Talent Accelerator Program, recently named the top customized workforce training program in the country by *Business Facilities*. Talent Accelerator services for the LEGO Group included a customized recruitment website that drew more than 3,000 job candidates within 36 hours and customized recruitment and training services delivered by Brightpoint Community College and the Community College Workforce Alliance.

“

The Virginia Talent Accelerator Program team took the time to learn our business, culture, and processes in order to recommend and support a very effective customized solution for our startup factory operation. They enabled us to attract a qualified candidate pool, conduct effective per-hire assessment training, and design and deploy a signature onboarding experience for all levels of employees. They use innovative and data-driven approaches and they are a valuable extension of our team.

KERRELL BRYANT

Senior Talent Consultant, The LEGO Group



Supply Chain Optimization Program Provides Lifeline to Virginia Businesses

Two seemingly unrelated companies are proof of concept for a program with the potential to transform supply chain operations for Virginia companies. Fend Inc. is a small cybersecurity provider that ran into supply issues during the depths of the COVID-19 pandemic. Somic America is a large auto parts manufacturer that wanted to build supply chain resiliency in case of future disruptions.

Fend and Somic are two success stories from VEDP's Supply Chain Optimization Program (SCOP), believed to be the country's first state-led supply chain assistance program. SCOP is designed to help Virginia companies evaluate and streamline their supply chain management and import processes through counseling, strategy development, and resources to improve performance and reduce costs.

Based in Arlington County, Fend makes products that protect critical infrastructure from cyberattack. The company got through the early portions of the pandemic without major issues, but supply chain shortages eventually caught up to them as key components came into high demand from other companies in similar situations. As founder and CEO Colin Dunn put it, "Designs assume an infinite supply of everything you ever needed," and the company suddenly needed to build resilience into its operations.

Somic, located at the intersection of Interstates 81 and 77 in Wythe County, depends on infrastructure and friction-free logistics operations to keep its products moving. Jeff Dunnack, the company's general manager of supply chain management, helped keep the company moving during the pandemic and the associated freight and trucking backups, describing the effort as "fighting a losing battle," and thought SCOP could provide an outside perspective on what the company could do better.

Through VEDP and SCOP, Somic engaged with a management consulting partner, which helped the company work with its suppliers to develop more meaningful key performance indicators. In addition

to the material changes based on the engagement, Somic has benefited from improved relationships with its suppliers as a result of the planning work done together.

Those improvements have resulted in quantifiable outcomes. In 2022, Somic missed a dozen shipments from suppliers. In the first half of 2023, the company reported just one missed shipment, the result of circumstances beyond the control of Somic or the supplier in question.

Fend, meanwhile, also benefited from increased transparency in its supplier relationships. SCOP helped leadership develop methods to get priority for components and expedite deliveries, but just as valuable, the company came away from the process with greater understanding of the nuance of the supply chains for its key components — and the company made it through the pandemic without having to turn down an order based on supply concerns. Taken together, Fend and Somic serve as proof of concept for how SCOP helps companies evaluate and streamline their supply chain management and import processes.

“

During COVID, we purposely built up our raw material inventory to try to protect us from missed shipments. Working with our suppliers through this program, we've been able to reduce that raw material inventory by 25%, which frees up cash, which makes everybody happy.

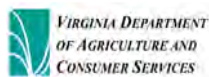
JEFF DUNNACK

General Manager of Supply Chain Management,
Somic America, Inc.



Somic America, Inc., Wythe County

PARTNER AGENCIES:





ANNE VAUGHAN
ORIGINAL JEWELRY



Anne Vaughan Designs in Floyd designs and creates handcrafted jewelry collections that can be found online at AnneVaughanDesigns.com as well as in unique boutiques and stores both in the United States and international markets. Interested in growing their export sales through e-commerce channels, the company turned to VEDP International Trade for assistance in developing their international digital marketing strategy and updating their website to better target and convert international leads.

“

VEDP's expertise in international business assisted our small company with developing an international strategy, conducting market research, connecting us with providers to implement the plan, as well as funding to offset some of the expense connected to it. With their support our international sales have gone from almost nothing to a regular part of our business. VEDP is my go-to entity for international business questions and guidance.

AARON VAUGHAN

Co-Founder, Anne Vaughan Designs

Virginia Ramps Up Site Development Funding to Boost Project-Ready Sites Portfolio

VEDP analysis showed that a lack of prepared sites cost Virginia more than 52,000 direct jobs and \$120 billion in capital investment between 2016 and 2022. Industrial projects looking for sites larger than 250 acres represent the majority of potential industrial jobs and more than 75% of potential capital investment.

As of October 2022, just 9% of the properties in Virginia's real estate portfolio were classified as Tier 4 (project ready) or above, with more than half of the Commonwealth's sites classified as Tier 1 or 2 – years from potential consideration for economic development projects. In coordination with state, regional, and local partners, VEDP is accelerating its work to close that gap through targeted investments in Virginia's sites inventory aimed at helping the Commonwealth compete for these projects.

In 2021, VEDP established the Real Estate Solutions Division to build on the progress made through Virginia's first-in-the-country site characterization initiative, which evaluated more than 460 sites of 25 acres or more across the Commonwealth. This team analyzes, develops, and implements solutions to address the sites and buildings needs of economic development projects across Virginia.

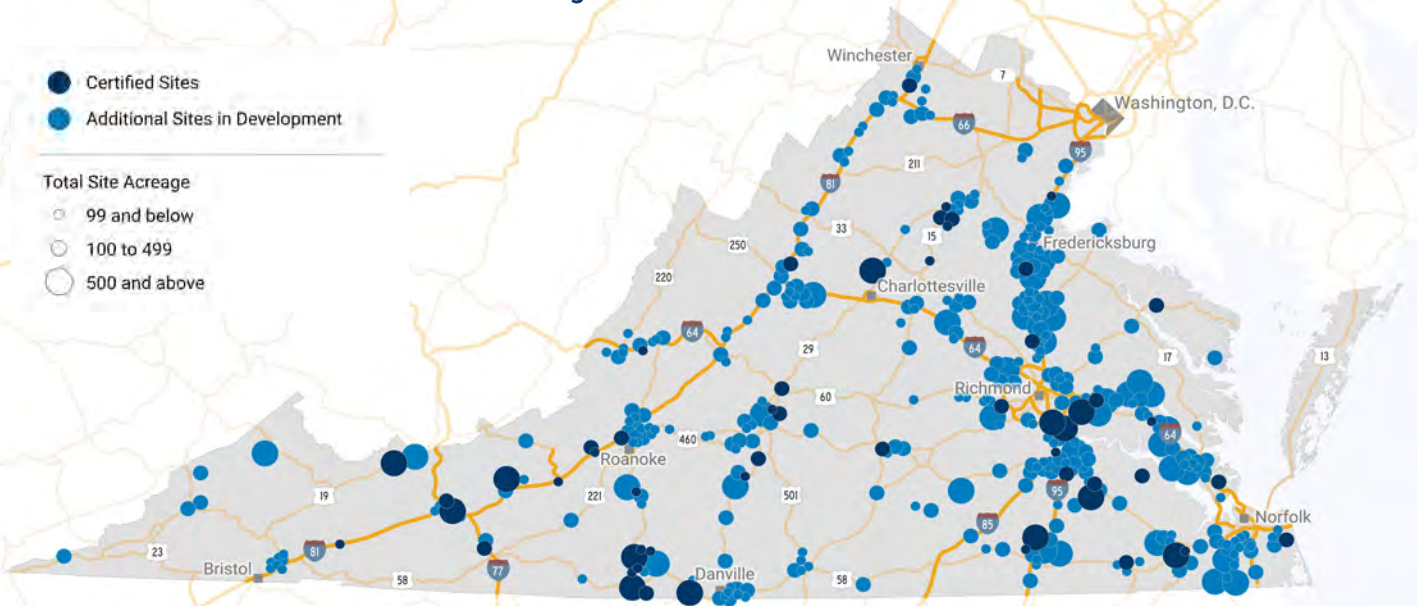
The Real Estate Solutions Division also administers the Virginia Business Ready Sites Program (VBRSP), which helps characterize and develop sites to enhance the

Commonwealth's infrastructure with more competitive project-ready sites and attract new business and expansions. The program's goal is to identify, assess, and improve the readiness of industrial sites with at least 100 contiguous, developable acres or 50 acres in the western part of the Commonwealth. Localities can apply for grants to assist with the costs associated with the initial assessment and the development required to increase a site's current Tier designation level.

In January 2023, an unprecedented \$90 million in VBRSP development grants was announced for 21 sites across Virginia. Thanks to the Governor, his administration, and General Assembly members making the investment a priority, the VBRSP is now strengthening the Commonwealth's infrastructure and driving economic growth.

The VBRSP team is actively working to prepare these sites for future economic development projects. VEDP's new Site Development Task Force, which includes government and utilities partners, complements VBRSP by coordinating other activities that are key to advancing sites to a project-ready stage. The Task Force will help fast-track development timelines and enhance Virginia's portfolio of viable sites, helping the Commonwealth build on existing momentum and continue to make progress on site development.

Size and certification status of sites across Virginia





Commonwealth Crossing, Martinsville-Henry County

VOEE's First-of-its-Kind Dashboard Aims to Unlock the Potential of the Virginia Workforce

Virginia is developing groundbreaking insights in the connections between education and the labor market to unlock the potential of the Commonwealth's workforce. The desire to improve employment outcomes for Virginians drove the creation of the Virginia Office of Education Economics (VOEE), established in 2021 to provide a unified, consistent source of information and analysis on linkages between education and employment outcomes. VOEE's mission is to leverage data to inform educational programming, policy, and workforce partnerships across the Commonwealth.

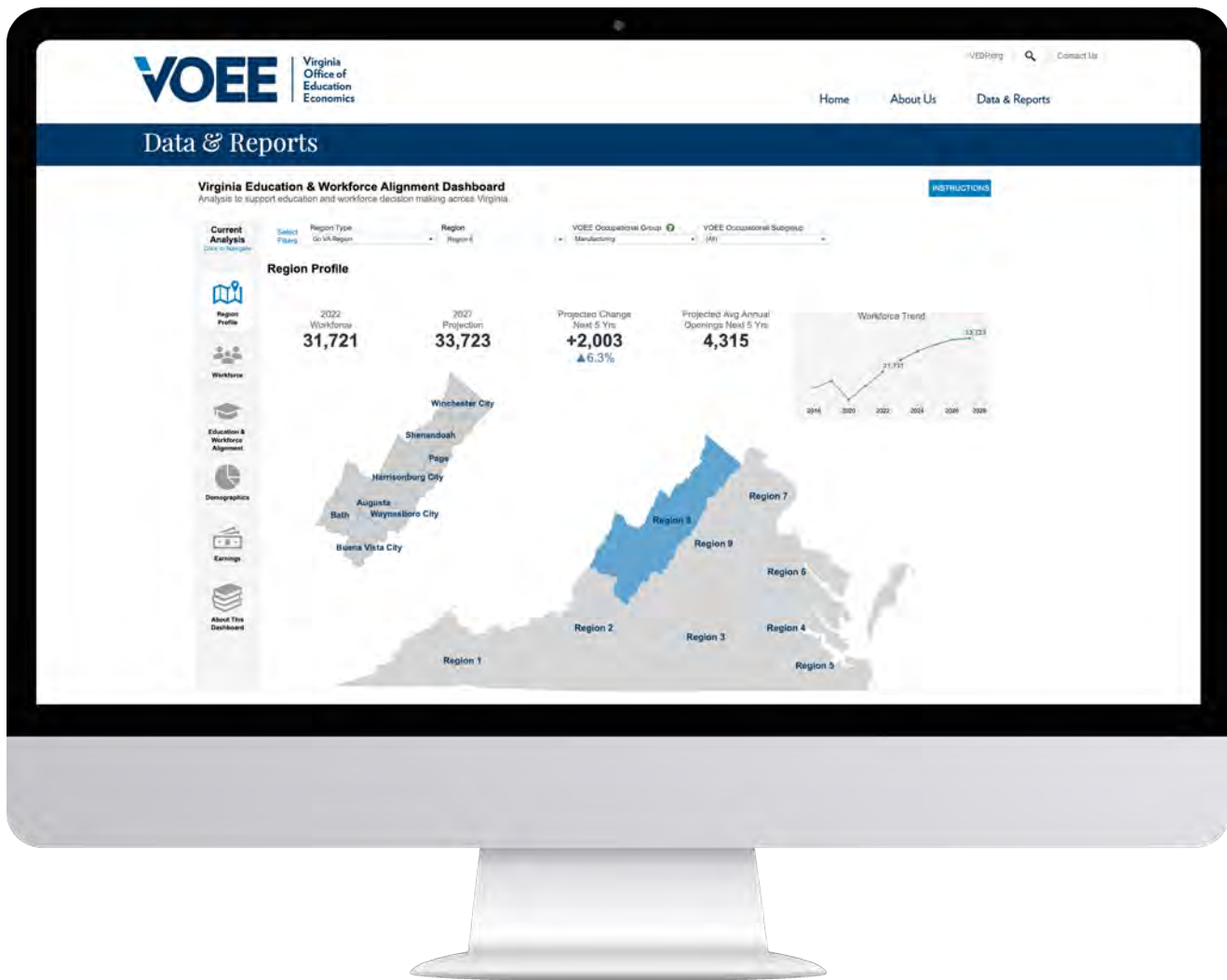
In developing its priorities, VOEE realized that there was no one-stop shop for data on the intersections between education and employment. The first-of-its-kind Virginia Education and Workforce Alignment Dashboard was developed to provide that information and support the office's mission. The dashboard, currently in the beta stage, aggregates data around state and regional workforce dynamics for key industries to help inform policy development and implementation related to talent development. The dashboard integrates data from multiple sources, including the State Council of Higher Education for Virginia, job postings, and other sources.

The dashboard allows users to specify their criteria by geographical area and various occupation categories, providing a holistic look at the workforce in a particular occupational group or career cluster. Users can further analyze the data through the lenses of educational programming, workforce projections and alignment, job postings, demographics, and graduate earnings, as well as focus on a specific occupation at the regional and state levels and assess supply, demand, and underlying workforce dynamics.

While the dashboard is not predictive, policymakers can use its insights to estimate whether the labor pool is likely to be sufficient to fill future needs and make informed decisions on how to manage the availability of qualified workers. The data can be used to evaluate funding streams and provide direction as to how various agencies and partnerships make new investments to prepare the future workforce, or to look closely at bigger-picture issues like the supply of education programs around a particular occupation, diversity in pre-career programs and how that affects the workforce, and whether a need exists to recruit more aggressively in a particular field.

Learn more at www.voee.org/data/





One-Stop Shop for Data on the Intersections Between Education and Employment

Virginia Post-Secondary Completion Dashboard

The Virginia Post-Secondary Completion Dashboard offers a comprehensive look at student enrollment and degree completion data from colleges and universities affiliated with the State Council of Higher Education for Virginia (SCHEV).

Education and Workforce Alignment Dashboard

The Education and Workforce Alignment Dashboard provides insights into how Virginia's higher education institutions align with job demands across different geographic regions. Users can view data through four regional lenses and choose from 120 VOOE occupational groups.

Job Posting Analytics Explorer

The Job Posting Analytics Explorer is a dashboard that provides users the ability to research the most recent 12 months of online job postings in a region based on a selected VOOE occupation group.

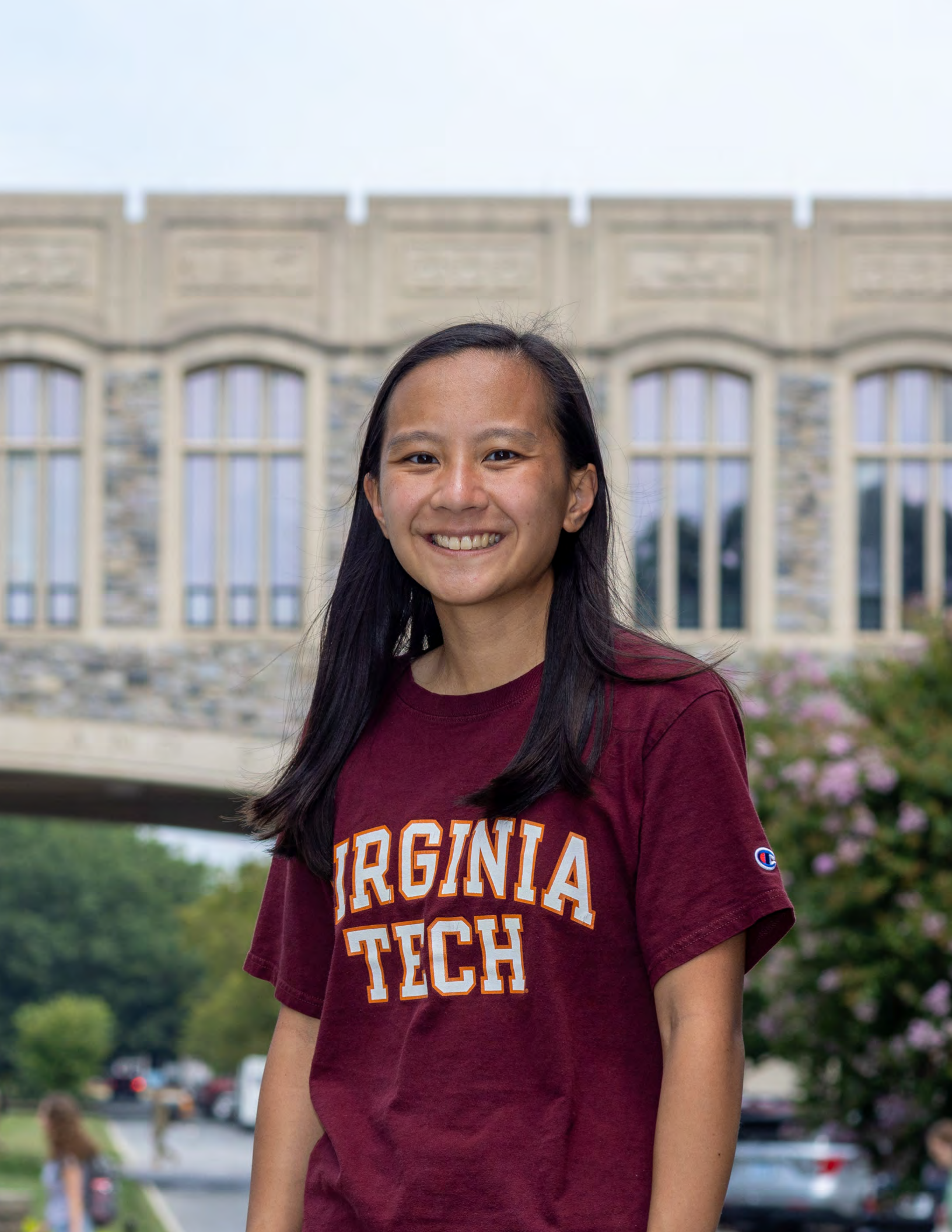
Jillian Ylagan studies computer science at Virginia Tech, helping to fill the talent pipeline in a growing field in Virginia and nationwide. Virginia Tech and the Commonwealth's other higher education institutions benefit from Virginia's \$2 billion Tech Talent Investment Program, which provides funds for hiring new faculty members, upgrading equipment, labs, and facilities, and attracting diverse students.

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During my time at Virginia Tech, studying Computer Science has been an incredible experience. While in this program, I have developed many coding skills that I've used in multiple technical interviews so far. As I learn more, these skills will not only enhance my future interviews but will also be useful in my future career. In addition, the career fairs have been a great way for me to meet potential employers and prepare for life after graduation. I'm really excited to start my senior year, and I can't wait to explore the opportunities that I have while continuing to learn and grow at Virginia Tech.

JILLIAN YLAGAN

Computer Science Student, Virginia Tech



Transforming Virginia Into a National Growth Leader: An Innovative Framework for Economic Growth

VEDP and its state, regional, and local partners are implementing a new operating model with the goal of cementing Virginia as a national leader in economic growth. The Innovative Framework for Economic Growth aims to accelerate growth across Virginia by building a model that leverages deep focus, expertise, and collaboration in Virginia's core growth sectors (i.e., the sectors with the largest employment growth potential over the next several years) in order to attract and expand businesses across the Commonwealth.

This new model is grounded in the Strategic Plan for Economic Development of the Commonwealth, which includes five transformational goals that continue to guide all of VEDP's work. The Innovative Framework is designed primarily to accomplish the first of those goals: Position Virginia to achieve a growth rate (measured by employment and earned income) among that of the top states in the country.

The Innovative Framework includes three key elements: (1) new dedicated teams at VEDP that provide capacity, expertise, and relationship management for each core growth sector, (2) a deep focus on sector-based ecosystem building activities within each sector to complement Virginia's traditional strengths in economic development project management, and (3) collaboration across the Commonwealth to align these sector-focused activities at the state, regional, and local levels for greater impact.

This whole-of-government alignment will enable VEDP, other state organizations, and local and regional partners to take a state-of-the-art approach to accelerate the economic growth of Virginia and all of its regions in these core growth sectors. As Virginia Economic Developers Association President Christina Winn said, "I'm excited for our regions and localities to flex their creative muscles, seizing opportunities to collaborate with industry and stakeholders in fresh, innovative ways."

Evolving from a more generalist model, VEDP is establishing core sector teams that will provide dedicated focus on knowledge work, manufacturing, and logistics:

Knowledge Work

- Business Services
- Financial Services
- Software & Cybersecurity
- Aerospace & Defense Innovation

Manufacturing

- Advanced Materials
- Food Processing & Manufacturing
- Biopharmaceuticals

Logistics

By establishing these new sector teams, VEDP will be uniquely positioned to provide an in-depth understanding of industry and company needs and develop distinctive solutions that unlock the growth potential of Virginia and all of its regions. The sector teams will take a holistic and proactive approach that will include coordinating whole-of-government initiatives aligned with local and regional economic development partners to leverage ecosystem building (e.g., talent pipelines, infrastructure development, tax and regulatory policy) and develop a pipeline of leads in the core growth sectors.

The Innovative Framework for Economic Growth will complement VEDP's continued commitment to excellence in other existing functions, including a focus on deal excellence and collaborative engagement with partners across the Commonwealth, to achieve transformational project wins and solidify Virginia's advantages into the future.



A Deep Dive Into Opportunities in Southside and Southwest Virginia

In the 2022 Session, the Virginia General Assembly tasked the VEDP via House Bill 894 to determine whether barriers exist for infrastructure and supply chain investments in Southside and Southwest Virginia. The bill also requested a review of incentives that the Commonwealth and its localities should utilize or develop to retain businesses and promote new infrastructure and supply chain investment.

VEDP's Economic Competitiveness team immediately got to work, leveraging data from a variety of sources and engaging with more than 50 partners — including local governments, economic developers, regional organizations, academic institutions, nonprofits, private sector companies, and state agencies — to identify existing barriers and provide recommendations on how to address those barriers.

Many of the challenges facing Southwest and Southside Virginia today stem from the decline of four key industries — furniture, textiles, tobacco, and mining. The region has seen a loss of production and employment over the last four decades, beginning in the 1980s. Across Southwest and Southside, over \$2.2 billion in Gross Domestic Product (GDP) and 60,000 jobs disappeared from just those four industries alone. Due to the high concentration of these industries in the regions, their loss led to the general decline of the regional population and economies of Southwest and Southside Virginia.

VEDP's review of barriers to infrastructure and supply chain investment in Southwest and Southside identified five core challenges:

- Limited economic development staff
- Lack of available workforce, driven by limited workforce development program capacity, lack of workforce housing, lack of childcare and healthcare facilities, and limited amenities to attract new talent
- Limited portfolio of prepared sites and buildings
- Remoteness from key infrastructure
- Competitive business incentives

Based on extensive input received from community stakeholders, the report's recommendations address these challenges and highlight priorities for supporting economic growth in Southwest and Southside Virginia, including:

- Increase capacity in economic development
- Expand the eligible workforce by supporting housing, childcare, healthcare, quality of life
- Increase funding and programs related to site and building development
- Accelerate the development of planned interstates, highways, and expressways
- Establish new incentives targeting creation of manufacturing jobs

The Southside-Southwest Virginia Report can serve as a model for growth outside the regions and help accomplish Virginia's goal of positioning all regions of the Commonwealth for sustained economic growth. Rural regions across Virginia are facing similar challenges, all of which can be addressed using this multi-pronged approach that combines efforts to address the underlying barriers and maximize economic growth in the Commonwealth.



Southside Virginia Community College



PBE Axell, Tazewell County



University of Virginia's College at Wise



WARNING

Safety Cabinet

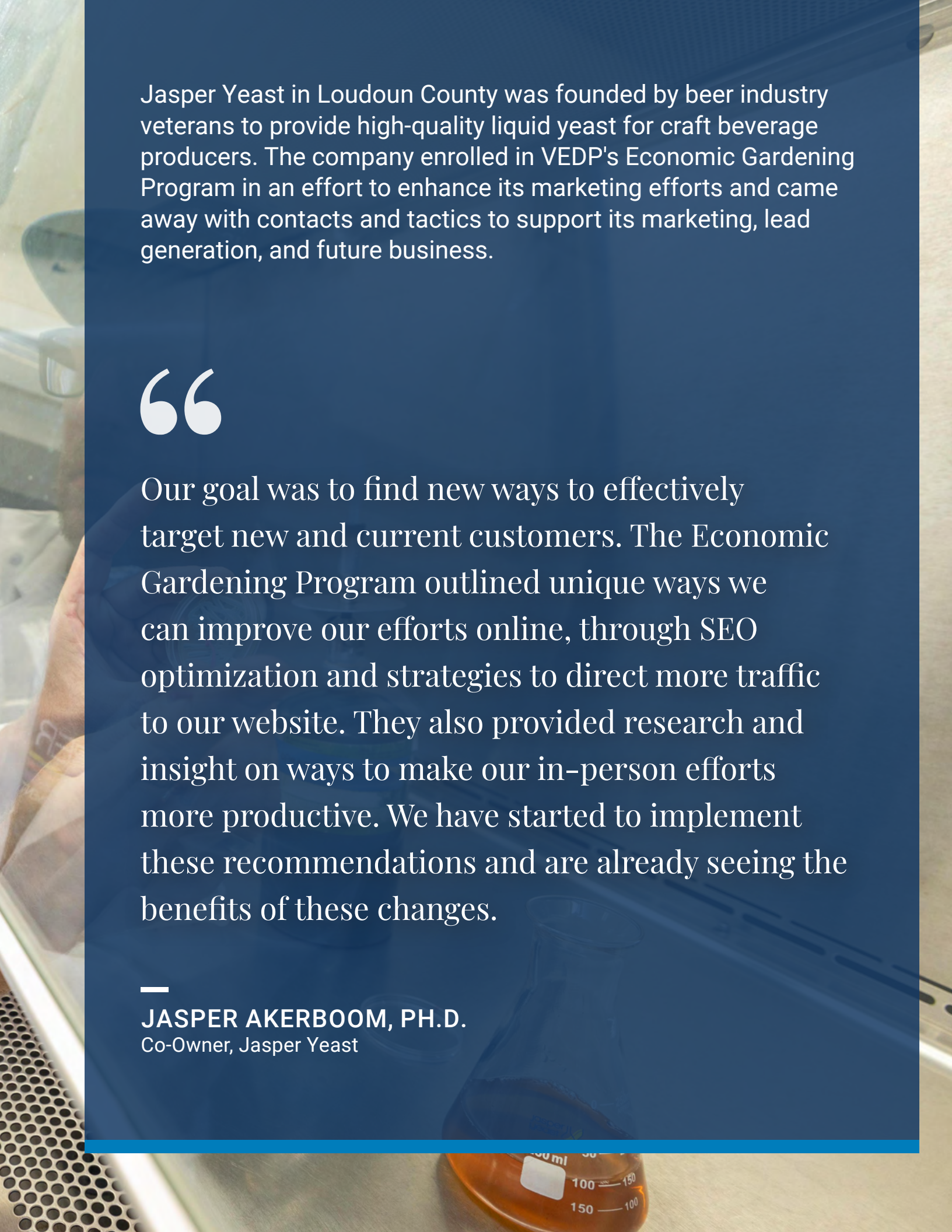
FERMENTATION
IS MY LIFE

jasper
yeas

jasper

ER
MENT

jasper

A laboratory setting with a blue overlay containing text and a quote. In the background, there are laboratory equipment like a beaker and a flask.

Jasper Yeast in Loudoun County was founded by beer industry veterans to provide high-quality liquid yeast for craft beverage producers. The company enrolled in VEDP's Economic Gardening Program in an effort to enhance its marketing efforts and came away with contacts and tactics to support its marketing, lead generation, and future business.

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Our goal was to find new ways to effectively target new and current customers. The Economic Gardening Program outlined unique ways we can improve our efforts online, through SEO optimization and strategies to direct more traffic to our website. They also provided research and insight on ways to make our in-person efforts more productive. We have started to implement these recommendations and are already seeing the benefits of these changes.

JASPER AKERBOOM, PH.D.
Co-Owner, Jasper Yeast

Plenty Puts Down Roots in Virginia with World's Largest Vertical Farm Campus

Founded in 2014, Plenty Unlimited Inc. is an indoor vertical farming technology company capable of growing clean produce year-round, anywhere in the world. Plenty is changing the agriculture industry by taking the variables out of farming and using indoor technology to create peak season-quality produce with up to 350 times more yield per acre than conventional farms.

The controlled environment agriculture (CEA) industry has taken off in recent years, and Plenty began looking to expand its footprint to the East Coast, requiring ample space, a skilled workforce pipeline, and proximity to an agro-tech ecosystem to make it a reality. As the Plenty team searched for the next hub for hydroponics, the company narrowed its search to Virginia to plant its next campus.

After looking at five other states and considering a number of locations, in September 2022 Plenty selected Chesterfield County to establish the world's largest indoor vertical farming campus — a \$300 million investment that will create more than 300 full-time jobs. The Plenty Richmond Farm Campus marks the company's expansion beyond the U.S. West Coast and aims to bring fresh, healthy produce to the East Coast year-round. Virginia's successful bid centered on a large site near the thriving Richmond metro area, home to 33,000 local manufacturing workers and close to more than 20 colleges and universities that deliver top talent each year — and strong nearby infrastructure including Interstates 85 and 95 and The Port of Virginia's Richmond Marine Terminal.

Plenty plans to complete its Richmond Farm Campus in multiple phases over the next six years, with recruiting and training support provided by the top-ranked Virginia Talent Accelerator Program. The first farm on this site, a dedicated Driscoll's berry farm, will be the first to grow indoor, vertically farmed strawberries at scale. The campus is designed to grow more than 4 million pounds of strawberries annually, helping to meet increasing demand for flavorful, fresh berries in the Northeast, the largest berry consumption region in the U.S. Plenty broke ground in April 2023, and the first crop of Driscoll's strawberries grown onsite will be available in 2024 at retailers throughout the Northeast.

CEA companies have called Virginia home for years, attracted to the Commonwealth's diverse ecosystem of partners and suppliers for food and beverage processors, numerous universities and research centers, and a notable abundance of natural resources. Virginia's central East Coast position also enables companies to efficiently access major U.S. economic hubs. Located within a one-day drive of nearly half of the nation's consumers, Virginia offers companies a single gateway into critical customer markets along the affluent Northeast corridor, across the high-growth Southeast, and throughout the Midwest.

KEY PARTNERS:

Administration of Governor Glenn Youngkin • Chesterfield County • Greater Richmond Partnership • Virginia Community College System • Virginia Department of Agriculture and Consumer Services • Virginia Port Authority • Dominion Energy



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At Plenty, we're on a mission to sustainably grow fresh food for everyone, everywhere. This campus will raise the bar on what indoor vertical farming can deliver. The scale and sophistication of what we're building here in Virginia will make it possible to economically grow a variety of produce with superior quality and flavor. We look forward to continuing to work in close partnership with the government of Virginia as we endeavor to rewrite the rules of agriculture.

ARAMA KUKUTAI
CEO, Plenty Unlimited Inc.





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We started what is now the largest drone technology services company in the United States ... and we celebrate further expansion and the opening of the world's first and most advanced specialized drone pilot training facility. And we've done it all right here in Virginia.

TOM WALKER
Founder and CEO, DroneUp

DroneUp Takes Off in Virginia

Virginia-born business DroneUp, LLC was founded by former U.S. Navy officer Tom Walker in 2016. The company works to make drone flight work for businesses through flight services, delivery services, and airspace management. What originally began as a web and mobile platform for on-demand drone pilot services has expanded into a multimillion-dollar operation that is the exclusive provider of drone services for Walmart. After establishing DroneUp's headquarters in Virginia Beach in 2016, Walker has kept his eyes on the skies looking for new ways to expand his business.

In 2019, DroneUp expanded its headquarters operation in Virginia Beach, creating 41 new jobs. One year later, during the height of the COVID-19 pandemic, the company partnered with Walmart to deliver COVID-19 test kits. The partnership was so successful that the retail giant invested in DroneUp to establish permanent last-mile drone delivery for a large portion of its product line. In 2021, DroneUp announced a multi-year commercial services agreement with Walmart to provide drone delivery services at 34 sites, providing the potential to reach 4 million U.S. households by the end of the year.

With exponential growth on the horizon, DroneUp needed to expand its physical footprint and its workforce, including building a talent pipeline of new employees such as drone pilots and engineers. The company's existing headquarters in Virginia Beach was the right spot to launch this next phase of development, but the company also required a location for testing, training, and R&D for drone operators. Richard Bland College in Dinwiddie County had just the setup for the newest operation. DroneUp's work complements Richard Bland's ongoing efforts to develop a curriculum for an unmanned aviation program, so the school could begin training pilots right away while additional training center facilities were built. Every drone pilot hired would first need to come to Richard Bland College for a two-week course, and the college also offered dorm space for pilots coming in from all over the country for training.

In August 2022, DroneUp announced a total investment of \$27.2 million to expand its headquarters in the city of Virginia Beach and establish a testing, training, and R&D center at Richard Bland. Virginia successfully competed with Arizona, New York, North Carolina, and Texas for the projects, which will create 655 total new jobs.

In addition to the headquarters facility and training center, DroneUp also announced plans to establish three drone hubs at Walmart locations in the Commonwealth as part of their commercial services agreement.

DroneUp's expansion in Virginia Beach and new testing, training, and R&D center at Richard Bland is an exciting step forward for the unmanned systems industry in Virginia and serves as a model for higher education partnerships and economic development.

KEY PARTNERS:

Administration of Governor Glenn Youngkin • City of Virginia Beach • Dinwiddie County • Hampton Roads Alliance • Richard Bland College • Virginia's Gateway Region • Virginia Innovation Partnership Corporation • Virginia Tobacco Region Revitalization Commission

Amazon Web Services Announces Largest Capital Investment in Virginia History

When Amazon Web Services (AWS) first established data centers and operations facilities in Virginia in 2006, no one imagined the company would one day announce the largest capital investment in the history of the Commonwealth.

Between 2011 and 2021, AWS invested more than \$51.9 billion in Virginia and is among the largest private-sector employers in the Commonwealth, with over 8,700 full-time, well-paying jobs in corporate offices and data centers across Virginia. These roles include data center technicians, engineers, solutions architects, sales representatives, account managers, software development engineers, and cloud experts.

AWS continues to expand its massive cloud cluster in Northern Virginia, where it operates more than 50 data centers. The region is the largest single concentration of corporate data center infrastructure on Earth, housing the AWS US-East cloud region. In January 2023, Governor Glenn Youngkin announced that AWS would expand its footprint in Virginia, investing \$35 billion by 2040 to establish multiple data center campuses across the Commonwealth.

VEDP worked with AWS for five years prior to the announcement to ensure Virginia could meet the company's requirements for the major data center expansion. In the various iterations of the project, the needs shifted from 50-acre sites to multiple 1,000-acre campuses with 15-year development plans. The sites required access to high-voltage power lines and the ability to run fiber optic cables underground. Virginia delivered on every front.

VEDP's consistent project management and willingness to adapt to the company's shifting priorities and requirements was key to winning this project, as well as Virginia's ability to assemble tracts of land that could deliver significant utility requirements. AWS also has more than a decade of first-hand knowledge of the Commonwealth's industry strengths — including a world-class tech workforce.

The company's planned investment will create at least 1,000 total new jobs across Virginia and a tremendous ripple effect for the Commonwealth's economy for decades to come. The new campuses will also combine expandable capacity to position AWS for long-term growth in the Commonwealth.

Amazon Web Services' legacy in Virginia is a testament to the success tech companies can find in the Commonwealth. Virginia continues to dominate the data center industry thanks to its infrastructure, competitive business costs, and workforce, and AWS is helping to lead the charge.

KEY PARTNERS:

Administration of Governor Glenn Youngkin • Administration of former Governor Ralph Northam • Virginia Department of Environmental Quality • Virginia Department of Transportation • Virginia General Assembly and Major Employment and Investment (MEI) Project Approval Commission • Local Partners • Utility Partners



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Virginia is a world leader in innovation and cloud computing, thanks to its investment in a robust, highly skilled workforce and emphasis on long-term public and private partnerships.

ROGER WEHNER

Director of Economic Development, AWS



America's Motorsport Resort



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Our relationship with Virginia started with VIRginia International Raceway. The more our team worked with Connie Nyholm and VIR, the more apparent it was that Virginia and Halifax County would be the ideal location for our new headquarters. The support the Governor's office and Halifax County provide to motorsports businesses and the automotive industry is second to none.

ANTHONY DeMONTE
CEO, Skip Barber Racing School



Finishing First: Virginia Wins Skip Barber Racing School Headquarters

Skip Barber founded the racing school that bears his name in 1975 after retiring from his own driving career. Since that first class, the school has taught more than 400,000 students, many of whom have become racers and champions themselves. Famous alumni include racing stars as prominent as Danica Patrick and Marco Andretti, and more than one-third of the starting lineup in the 2022 Indy 500 were Skip Barber graduates. Today, the Skip Barber Racing School (SBRS) is the world's largest automotive education and entertainment company, training the drivers of tomorrow on the finest tracks in the United States.

In November 2022, SBRS announced that it would invest \$8.9 million to relocate its headquarters from Lakeville, Connecticut, and establish a performance driving school at VIRginia International Raceway (VIR) in Halifax County. VIR will build a 25,000-sq.-ft. facility within its Motorsport Technology Park to lease to SBRS. Virginia successfully competed with California and Texas for the project, which will create 24 new jobs. The project will be supported through grants from the Commonwealth's Opportunity Fund and the Tobacco Region Opportunity Fund, and funding and services to support SBRS's employee training activities will be provided through the Virginia Jobs Investment Program.

Southern Virginia has a rich history in auto racing. In addition to VIR, the region is home to Martinsville Speedway — the only track to host NASCAR Cup Series races every year since the division's founding in 1949 — and numerous short tracks that have hosted local races for decades. Notable Southern Virginians in racing history include International Motorsports Hall of Famer Wendell Scott of Danville — the first Black driver to win a race at NASCAR's highest level — and the Burton brothers, Ward and Jeff, who grew up in Halifax County before winning a combined 26 Cup Series races.

That cultural affinity for racing, along with SBRS's relationship with VIR leadership, formed the basis of the company's Virginia decision. Anthony DeMonte, the company's CEO, cited support for the motorsports and automotive industries from the Commonwealth and Halifax County as a major factor in the decision, calling Virginia's friendliness to those industries "second to none."

KEY PARTNERS:

Administration of Governor Glenn Youngkin • Halifax County • Halifax County Industrial Development Authority • Southern Virginia Regional Alliance • Virginia Tobacco Region Revitalization Commission

Hilton Books Permanent Stay in Virginia

Fourteen years after checking into Virginia, Hilton has solidified its commitment to the Commonwealth, making significant upgrades to the Fairfax County headquarters from which the company runs its global hospitality enterprise.

In 2009, Hilton relocated its global headquarters from California to Fairfax County, Virginia, creating 300 jobs and investing \$17 million. In 2011, the company invested \$1.8 million to expand its headquarters and relocate an additional 100 jobs in supply management to Fairfax County. Eleven years later, Hilton doubled down on its Fairfax headquarters, investing in significant upgrades to the facility and creating 350 new jobs by 2027.

Founded in 1919, Hilton is a leading global hospitality company with a portfolio of 22 world-class brands comprising nearly 7,300 properties and more than 1.1 million rooms in 123 countries and territories. Dedicated to fulfilling its founding vision to fill the earth with the light and warmth of hospitality, Hilton has welcomed over 3 billion guests in its 100+-year history, earned a top spot on *Fortune's* 100 Best Companies to Work For list, and been recognized as a global leader on the Dow Jones Sustainability Indices for six consecutive years.

Hilton originally selected Virginia for its headquarters relocation because the Commonwealth represented a central location for its global organization with strategic domestic and international access and significantly reduced operating costs in comparison to its prior location. For more than a decade, the company has continued to invest in the region because of the wealth of talent available in Northern Virginia, one of the most educated and diverse regions in the United States. The 2022 headquarters retention and expansion to create hundreds of additional jobs showcases Virginia's ability to deliver a top-tier talent pipeline.

The COVID-19 pandemic had a significant impact on the hospitality industry, and Hilton was not immune. The company has since established a new vision, focusing on how technology can transform the hospitality industry. Virginia's workforce is ready: Named the No. 2 Tech Talent Pipeline in the nation (*Business Facilities*, 2023), the Commonwealth is making investments to develop tech talent, STEM-oriented education programs and partnerships, and innovative tools to prepare its workforce, accelerating Hilton's next steps into the future of hospitality.

KEY PARTNERS:

Administration of Governor Glenn Youngkin • Fairfax County • Fairfax County Economic Development Authority



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Northern Virginia has been Hilton's home for more than a decade, and the region has played an instrumental role in helping us create the best, most inclusive home for our Team Members while also managing the demands of a global business ... We appreciate the continued support of the Commonwealth of Virginia in ensuring we continue to attract strong, diverse talent to our vibrant, growing region.

CHRIS NASSETTA
President and CEO, Hilton



Progress Reports

This section offers an update on the progress made by the Virginia Economic Development Partnership Authority (VEDP) in FY23 relative to VEDP's Strategic, Operational, and Marketing Plans. These plans were previously submitted in accordance with Code and other requirements. Because most elements of these plans are treated with confidentiality and are exempted from mandatory disclosure provisions (Code of Virginia §2.2-3705.7. 33.), this progress report references specific elements of the plans without revealing information that is protected by the Code for competitive purposes.

Strategic Plan

The Strategic Plan for Economic Development of the Commonwealth of Virginia adopted by the VEDP Board in FY21 is a five-year plan (FY21-FY25) for which implementation began in January 2021.

Key highlights of Strategic Plan implementation for FY23:

With the support of the administration, the General Assembly, and hundreds of partners, much progress has been made in implementing many of the initiatives detailed in the Strategic Plan. Following are just a few examples (not comprehensive):

- To accelerate progress toward achieving our transformational goals, VEDP launched the Innovative Framework for Economic Growth, a focused effort to cultivate core sectors through strategic engagement and ecosystem building.
- Developed with strong VEDP support, the Youngkin administration unveiled Compete to Win, the Comprehensive Economic Development Policy for Virginia, outlining a vision to position Virginia as the best state for business and take job creation and investment to new heights.
- With new state funding, VEDP awarded \$90M in Virginia Business Ready Sites Program (VBRSP) grants to 21 site development projects across the Commonwealth, representing the largest investment grant round to date.
- Working to advance priorities of Virginia's rural regions, VEDP collaborated with partners to complete two General Assembly studies: the Inland Port Study and the Southside-Southwest Virginia Barriers to Infrastructure and Supply Chain Investment Study.
- With continued state support, the Virginia Talent Accelerator Program affirmed its status as the national leader for customized talent solutions, ranking Virginia No. 1 in the U.S. for Customized Workforce Training in the 19th annual *Business Facilities* State Rankings Report.
- Virginia continued its climb in national business climate rankings, achieving a No. 5 average rank across key outlets including *CNBC*, *Site Selection*, and *Business Facilities*.
- VEDP continued to grow its international trade capabilities, launching expanded training programs for Virginia businesses and implementing new tools to enhance access to trade program information.
- VEDP established the Regional Talent Solutions Business Outreach division to engage key businesses across the Commonwealth and address their talent and growth needs; in its first year, the division made 415 visits to companies across all of Virginia's regions.
- Working in collaboration with state, regional, and local partners, VEDP supported nearly 20 federal grant applications; our recent efforts have contributed to a \$52M grant for the Richmond-Petersburg Advanced Pharmaceutical Manufacturing Cluster, and a \$23M grant in support of the Eastern Shore Rail Trail.
- Working in collaboration with our state, regional, and local partners, VEDP-assisted projects resulted in over 10,800 announced jobs and \$40.8B in capital investment.

Despite the strong progress that has been made on several fronts, many initiatives detailed in the Strategic Plan have not yet been implemented. Accordingly, while substantial progress has been made with respect to all five of the following transformational goals, Virginia has not yet fully achieved them.

Five Transformational Goals

The Strategic Plan includes five transformational goals, the achievement of which would require implementation of dozens of new initiatives over a period of years (multiple biennium budgets). The five transformational goals are outlined below, as well as a progress indicator rating the Commonwealth's status in achieving each of these goals.:

Transformational Goal	Description	Outlook
1. Robust state job growth	Position Virginia to achieve a growth rate in employment and median earned income 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).	✓
3. Best states for business	Restore Virginia to its previous position near the top of the national business climate rankings (i.e., average rank among the top 3–5 states).	✓
4. Top state EDO	Reestablish and sustain VEDP as one of America's most effective state economic development organizations.	✓
5. Super collaborator	Exhibit collaboration and coordination as hallmarks of VEDP (i.e., place a central focus on the "P" in VEDP).	✓

■ On track to achieve long-term goal

■ Substantial progress has occurred, but not yet on track to fully achieve goal

■ Not on track to achieve goal

■ Not started, or strategy shift under consideration

Some of the initiatives in the Strategic Plan require new funding to implement and, therefore, achievement of the five transformational goals will depend on resourcing levels.

Progress Report: Strategic Plan Initiatives

Status update on 35 detailed initiatives

The Strategic Plan provides for 35 detailed initiatives for phased implementation over a period of years (multiple biennium budgets). Some of the initiatives scheduled for implementation in FY23 were not funded, slowing progress toward achieving the transformational goals outlined in the Strategic Plan.

Enhance Virginia's Economic Competitiveness	
SP1	Build out the best turnkey, customized workforce recruitment and training incentive program in the U.S.
SP2	Invest in Virginia's pipeline of computer science talent through \$1.1 billion Tech Talent Investment Program
SP3	Develop mechanisms to ensure sufficient supply of high-impact baccalaureate+ degrees in critical fields
SP4	Develop sub-baccalaureate talent pathways and signaling mechanisms to drive inclusive economic growth
SP5	Upgrade Virginia's labor market data infrastructure to empower data-driven decision-making
SP6	Work toward creating a comprehensive ecosystem for talent development and deployment
SP7	Strategically enhance Virginia's portfolio of development-ready sites
SP8	Develop a program to enhance Virginia's portfolio of project-ready buildings
SP9	Build a best-in-class Economic Competitiveness team within VEDP
SP10	Pursue a national rankings initiative to develop strategies and plans for marked improvement
SP11	Proactively address key elements of local and regional economic competitiveness
SP12	Assess Virginia's state/local tax burdens and propose targeted solutions to improve tax competitiveness
SP13	Conduct a review of Virginia's incentive portfolio to identify targeted competitiveness improvements
SP14	Pursue a focused economic development strategy sufficient to position rural Virginia for growth
SP15	Marshal the Commonwealth's full support behind expanding broadband access

Enhance VEDP's Capabilities

SP16	Adhere to protocols for alignment and coordination
SP17	Implement a talent management and organizational development program for VEDP
SP18	Implement a robust marketing, branding, and site consultant cultivation program for Virginia
SP19	Upgrade VEDP's lead generation capabilities
SP20	Implement a strategic site consultant cultivation program
SP21	Expand VEDP's Business Retention and Expansion (BRE) Program
SP22	Implement Virginia's International Trade Plan in collaboration with internal and external stakeholders
SP23	Strengthen VEDP's approach to project management to communicate Virginia's total value proposition
SP24	Launch a Project Development and Special Opportunities Fund
SP25	Develop best-in-class incentives reporting and administration functions
SP26	Position Virginia to secure transformational economic development projects
SP27	In partnership with the Virginia Chamber, launch Team Virginia

Cultivate Target Industry Clusters

SP28	Position Virginia to be one of America's leading states for traded-sector tech growth
SP29	Collaborate with The Port of Virginia to enhance its economic development impact
SP30	Enhance the toolkits, strategies, and assets on hand to attract targeted firms
SP31	Implement the Rural and Small Metro Tech Centers Initiative
SP32	Support entrepreneurship and innovation ecosystem efforts

Position Virginia for Post-COVID Recovery

PC1	Explore opportunities to capture growth from teleworking trends
PC2	Explore opportunities to best position Virginia to thrive as supply chains adjust in the wake of COVID-19
PC3	Explore opportunities to best position Virginia to support workers' upgraded skills in response to COVID-19

- On track to achieve long-term goal
- Substantial progress has occurred, but not yet on track to fully achieve goal
- Not on track to achieve goal
- Not started, or strategy shift under consideration



Progress Report: Operational Plan

VEDP's Operational Plan outlines specific and incremental actions for VEDP staff to undertake within a fiscal year in order to ultimately achieve the transformational goals of the organization's Strategic Plan. FY23's Operational Plan covers the time period between July 1, 2022, and June 30, 2023. During the second half of FY23, VEDP also launched planning efforts for the new Innovative Framework for Economic Growth. Given its far-reaching implications for the organization, some major initiatives were modified and/or delayed until the Innovative Framework is fully implemented in FY24.

Major Initiatives

VEDP prioritized 11 major initiatives in its FY23 Operational Plan, as summarized below.

Major Initiative	Status
Build out the best customized workforce recruitment and training incentive program in the U.S.	✓
Develop long-term Real Estate Solutions strategy that includes execution of expanded VBRSP program and a regional ecosystem approach to site development	✓
Expand Virginia exports and strengthen supply chains through implementation of high-priority elements of the International Trade Plan	✓
Accelerate efforts toward achieving national leadership in tech sector growth across Virginia	✓
Align and integrate VEDP's business outreach activities to achieve increased coverage and impact	✓
Support development of Governor's Comprehensive Economic Development Policy to include analyzing the economic context	✓
Build out VOEE's operating structure and execute on priority deliverables	✓
Strengthen VEDP's lead generation, project management capabilities, and related support functions (pending additional funding)	✓
Enhance industry strategies by fully leveraging existing assets and developing new capabilities (pending additional funding)	✓
Launch an Offshore Wind Supply Chain Grant Program to establish an end-to-end supply chain of small businesses within the Commonwealth	✓
Finalize comprehensive HR talent management strategy and launch priority components	✓

■ Goal achieved as planned ■ Partially completed ■ Did not achieve goal ■ Change in approach/focus

Progress Report: Marketing Plan

VEDP executes a variety of marketing initiatives each year to build awareness among executives and site selection consultants of Virginia's attractive business climate and many assets for businesses. Because business site-selection processes rely on both quantitative assessments as well as qualitative perceptions of regions and states, strategic marketing efforts can make a substantial impact on a state's ability to attract investment. VEDP focuses its marketing efforts on eight key industry sectors and several related subsectors.

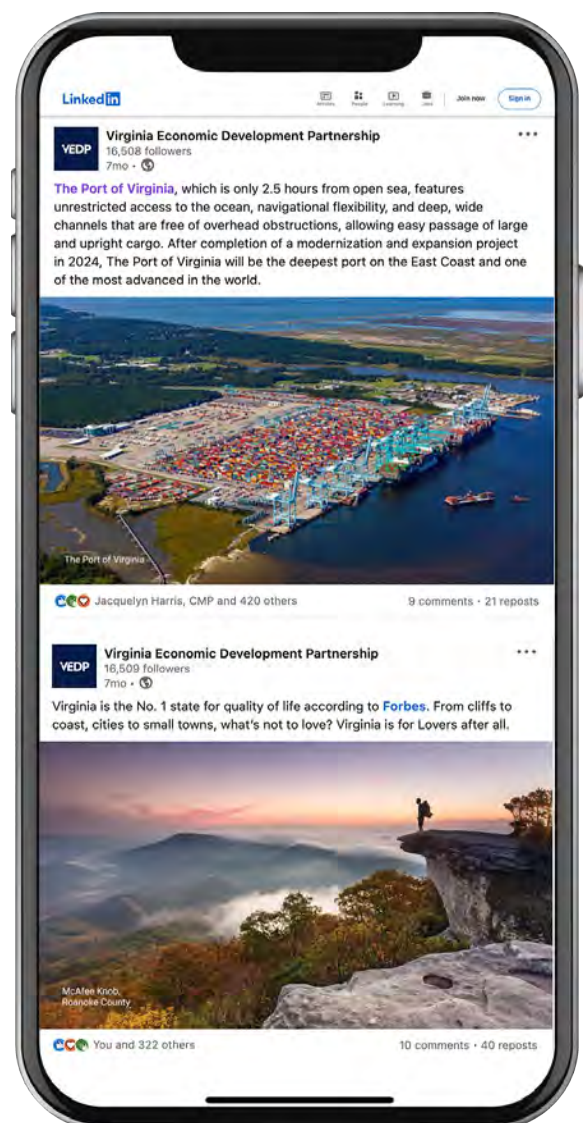
FY23 Marketing Highlights:

- Implemented a targeted site selection consultant cultivation effort to raise awareness and improve perceptions of Virginia as a premier business destination among this highly valued influencer group.
- In partnership with Team Virginia, hosted dozens of top site consultants in Virginia Beach for the Virginia Consultants Forum.
- Published four editions of *Virginia Economic Review*, a quarterly magazine featuring Virginia's assets and advantages for business, including rural Virginia, as well as interviews with national and in-state thought leaders.
- Implemented a C-level testimonial campaign featuring companies located in Virginia.
- Oversaw implementation of VEDP's event marketing program.
- Produced and maintained a high-quality web presence on VEDP.org, ExportVirginia.org, and VOOE.org.
- Placed multiple, limited ad campaigns, as well as contributed content, to raise awareness and improve perceptions of Virginia as a business destination.
- Created new brochures and website content for several industry sectors.

Note: To shield strategic initiatives from competitors, the update provided in this document is purposely high-level. Additional details about VEDP's marketing and lead generation activities can be provided to in-state partners through in-person briefings.

Informing and Transforming How VEDP Markets Key Industries:

In FY23, VEDP completed a major refresh of its value proposition materials — with deep dives on Virginia's key industry sectors — to better position the Commonwealth. Consistently branded, the continued value proposition collateral and content provides comprehensive looks at the state's assets and the advantages of a Virginia location. From brochures to web to branded collateral, these pivotal pieces help guide how the organization markets Virginia to prospects and target audiences.



Spotlighting the Breadth and Diversity of the Commonwealth

The third-quarter 2022 issue of *Virginia Economic Review* (pictured top right) featured every region of the Commonwealth in highlighting Virginia's wide array of tourist trails, from recreational trails to historical tours, presidential sites, cultural trails, and food and beverage trails.

Pictured right (from top to bottom): *Virginia Economic Review*, Issues Q3 2022, Q4 2022, Q1 2023, and Q2 2023

Focus on Regions in Proximity to High-Unemployment Areas:

VEDP balances its marketing efforts by highlighting all regions of Virginia (including rural areas and assets) through social media, *Virginia Economic Review*, site selection consultant and media familiarization tours, and inclusion of regional and local partners in lead generation events.



Most (59%) of the partner mentions in FY22 on VEDP's X (formerly known as Twitter) account were of a rural locality or region.





Fredericksburg



Old Town Winchester



University of Virginia

To view audited financial statements once available, visit VEDP.org/FY23AnnualReport.



Expertise • Collaboration • Innovation • Solutions

The Virginia Economic Development Partnership's team of dedicated and knowledgeable professionals is committed to Virginia's economic success, and connects industry-leading businesses to the resources they need to make relocations and expansions successful. From site selection, customized research, cost analysis, and coordination with public and private partners, to discretionary incentives and workforce solutions, VEDP's services are tailored to companies' unique requirements.

To learn more about VEDP's expertise and resources, visit VEDP.org.



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