



## Region One Council Meeting

May 7, 2019

### Minutes

The GO Virginia Region One Council Meeting was held on May 7, 2019 at the Bristol Virginia School Board Office in Bristol, Virginia. Council members present included Moir Beamer, Kyra Bishop, Lois Clarke, Richard Edwards, Donna Henry, Josh Lewis, Ron McCall, Duane Miller, David Olive, Keith Perrigan, Mike Quillen, Beth Rhinehart, Travis Staton, Cathy St. Clair, and Mike Stollings.

#### **Welcome and Opening Remarks:**

Mike Quillen, Chair of the Region One Council presided over the meeting. Becki O'Quinn, Andrew Barnes, and Martha Necessary recorded the meeting minutes. Confirming a quorum, Chairmen Quillen called the meeting to order and thanked the Council members for their attendance. Keith Perrigan welcomed the Council to Bristol and Chairman Quillen thanked Mr. Perrigan and Beth Rhinehart for hosting the meeting at the Bristol Virginia School Board Office. Mike Stollings moved to approve the agenda and the minutes from the February 5, 2019 Council meeting. Richard Edwards seconded the motion, followed by unanimous approval of the council members.

#### **Presentations:**

##### **Southwest Virginia Alliance for Manufacturing/Center for Excellence**

Lennie Gail Mitcham, Executive Director, Southwest Virginia Alliance for Manufacturing (SVAM)

Stephanie Surrect, Director, SVAM Center of Excellence (CoE)

*Council members at the February 5, 2019 Council meeting raised questions concerning the work of SVAM and CoE and its alignment with regional community college training programs. Ms. Mitcham offered to provide an overview of their work to the Council at their May meeting.*

##### **Southwest Virginia Alliance for Manufacturing (SVAM) – Lennie Gail Mitcham**

- 501(c)3 Nonprofit Organization
- Manufacturer Led
- Mission Statement: Supporting the sustainment and advancement of manufacturing in Southwest Virginia through regional collaboration, changing the image of manufacturing, and closing the skills gap.
- Funding Sources: Membership and County Contributions

**SVAM Goals:**

- Establish and promote regional collaborations in support of manufacturing as part of an economic development initiative.
- Redefine the image of manufacturing to increase the number of individuals pursuing careers in manufacturing.
- Close the skills gap for manufacturers by aligning educational and workforce training resources with the most pressing demands of area industry.

**Changing the Image of Manufacturing:**

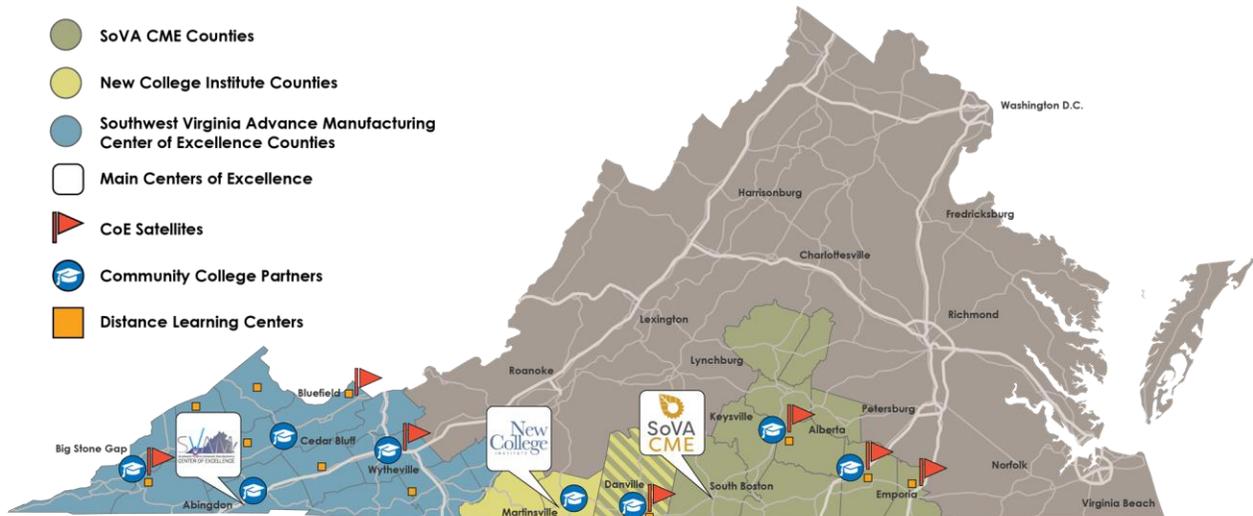
- #MadeinSWVA Campaign
  - Manufacturing Facility Tours
  - Videos to highlight the benefits of manufacturing
  - Presentations – What manufacturing looks like today and changing the regions image of the career path
- Outstanding Women in Manufacturing Award
- Career Fairs/Expo for Youth
- Manufacturing Academies and Camps – Welding; 3D Printing
- Manufacture Your Career
- Manufacturers’ Awards Banquet
- Scholarships provided to students pursuing manufacturing careers

**Services to Manufacturers:**

- Trainings
- Networking Opportunities
- Connecting Manufacturers with Resources
- Employment Support
- Advanced Training through the Center of Excellence

**Southwest Virginia Advanced Manufacturing Center of Excellence (CoE) – Stephanie Surrett****Background:**

In September 2014, the Commonwealth Center for Advanced Manufacturing (CCAM) in collaboration with the Virginia Tobacco Indemnification and Community Revitalization Commission (TICRC) announced the creation of a regional Center of Excellence in Southwest Virginia. Receiving an award totaling \$2,000,000 in the first year, the Center of Excellence was developed to offer a new level of advanced manufacturing training, and increase capacity to produce a ready workforce in a region that is primed to be an Advanced Manufacturing Hub. The SVAM Center of Excellence was one of three Centers established in the Commonwealth, joining the Southern Virginia Higher Education Center in South Boston, and the New College Institute in Martinsville.



### Primary AIMS:

- Develop New, fast-tracked advanced level training
  - Siemens Level 1: Siemens Certified Mechatronic Systems Assistant
  - Siemens Level 2: Siemens Certified Mechatronic Systems Associate
  - American Welding Society – Welding Training and Certifications
    - Certified Welder (Stick, Tig, Mig, and Flux Core)
    - Certified Welding Inspector (CWI)
    - Certified Welding Educator (CWE)
  - Total Certifications – 133
  - Offender Transition Program – Partner with Community Colleges – On-line Training
  - Recruitment and Hiring of Veterans
  - Upskilling Incumbents
  - Transferring Skills Initiative
  - Targeting Efforts to Recruit Women
    - Evaluating Women in Leadership
  - Apprenticeship Programs – Adult and High School
  - Heart Project - Focus on Existing Businesses
- Strengthen existing training for advanced manufacturing
  - Partner with K-12, Career and Technical and Community College
    - K-12 – Virginia ACTE – Skills USA
    - Mountain Empire Community College
    - Southwest Virginia Community College
    - Virginia Highlands Community College
    - Wytheville Community College
    - Northeast State
    - Walters State Community College
- Increase numbers of manufacturing career seekers
  - Multi-prong Approach - #MadeinSWVA
    - Plant Tours – Manufacturing Career Academy – Career Expo/Services

- Parent and Teacher Education – Career Coaches/Counselors – Boot Camps
- Creating Solutions – Ignite Internship Partner
- Career Academy - DARS CIPD
- WIOA - Youth

**Curricula and National Certifications:**

- Siemens
- National Institute for Metalworking Skills (NIMS)
- American Welding Society

Chairman Quillen thanked Ms. Mitcham and Ms. Surrectt for their presentations and noted the importance of the Southwest Virginia Alliance for Manufacturing and the SVAM Center of Excellence in their work to address the manufacturing challenges in Region One.

**Check Presentation to Mountain Empire College:**

Chairman Quillen presented a check totaling \$310,372.00 to Dr. Kris Westover, President of Mountain Empire Community College for the Smart Farming at the Center for Workforce and Innovation of Appalachia. The Smart Farming project was approved by the State Board at their March 2019 meeting.

**Action Items:**

**Per Capita Grant Projects**

Robyn Lee, Region One Program Director presented to the Council three project proposals totaling \$220,947.24 in Per Capita funding. Two Projects are Enhanced Capacity Building eligible for Administrative Approval through the Virginia Department of Housing and Community Development (DHCD) and one is a Collaborative/Implementation project.

➤ **LENOWISCO – Lonesome Pine RIFA Coordinator – Enhanced Capacity Building - \$50,000**

LENOWISCO Planning District Commission will establish a 24-month position to support the work of the Lonesome Pine Rural Industrial Facilities Authority (LPRIFA). Formed pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2 of the Code of Virginia, as amended (1950), the LPRIFA includes the localities of Lee, Scott, Wise, and Dickenson counties, and the City of Norton. The LPRIFA has generated notable early success, including securing significant federal, state and local investments to date to support two LPRIFA projects, Project Intersection and Project Homestead. This initial progress, however, has accentuated the lack of existing capacity to manage LPRIFA activities moving forward. Accordingly, this initiative will create a 24-month position of RIFA Coordinator, who will assist the LPRIFA with numerous, much needed activities that current capacity does not allow.

**Discussion:**

Ms. Lee reported this project application has met the required match requirements and aligns with the Region One industry targets and strategies. Specifically, this effort supports Region One’s strategies to ensure current and new sites are “ready-to-go” for industry targets and establish larger, regional

industrial sites attractive to the target industries, which both include reference to the importance of establishing RIFAs to enable the development of revenue sharing opportunities. She noted that staff has recommended full funding for this project. Chairman Quillen opened the floor for discussion and questions from council members. Jimmy Adkins, Regional Planner for LENOWISCO, explained the process of determining the need for creating the support staff position for the Lonesome Pine RIFA. A review process of comparing state staffing and current LENOWISCO staffing confirmed the need for an additional position to coordinate the activities of the Lonesome Pine RIFA. The job responsibilities of managing a \$10,000,000 award merit the request for funding of this position.

Cathy St. Clair noted there is an existing RIFA known as the Cumberland Rural Industrial Facilities Authority that includes Buchanan, Russell, and Tazewell Counties. She proposed a question concerning if this group had requested or received any funding for projects. Chairman Quillen responded that they have not requested GO Virginia funding and have not received outside funding for regional projects at this time, as the Lonesome Pine RIFA has.

Donna Henry made the motion to approve funding for the project and Beth Rhinehart seconded, with the Council voting in favor of funding. Duane Miller abstained.

➤ **Appalachian Voices – The Solar Jobs, Manufacturing and Utility-Scale Investment Playbook for Far SWVA – Enhanced Capacity Building - \$70,947.24**

Appalachian Voices seeks to develop The Solar Jobs, Manufacturing and Utility-Scale Investment Playbook for Far Southwest Virginia. The Playbook will be a highly actionable, databased analysis that identifies specific pathways for large-scale solar-related investment and employment opportunities in Southwest Virginia. The Playbook will provide the region with a detailed market analysis and local asset-leveraging resources to attract and retain significant investments in the solar supply chain related to manufacturing and utility-scale solar developments. The market analysis will inform a workforce training and credential gap assessment, which will identify current and future credentialing needs, and how those needs may be addressed either through existing or new training and certification pathways. Emphasis will be placed on maximizing lasting economic impact from out-of-state investments and identifying opportunities at the intersection of IT or manufacturing facilities and on-site solar generation.

**Discussion:**

Ms. Lee reported this project application has met the match requirement and aligns with the Region One Growth and Diversification Plan intersecting three of Region One's targeted industries with a focus on developing opportunities in the sectors of energy and minerals, advanced manufacturing, and information and emerging technologies. The Playbook also targets various strategies outlined in the Plan to increase workforce opportunities, site development, and encourage entrepreneurial activity. Ms. Lee noted that staff has recommended full funding of this proposal. Chairman Quillen added that the first solar project in the region was funded by the Department of Mines, Minerals and Energy (DMME) in the amount of \$400,000 recently. This project would assist in expanding the solar footprint in the region. Lois Clarke made the motion to approve funding for the project and Keith Perrigan seconded, followed by unanimous approval of the Council.

➤ **Carroll County Industrial Development Authority (IDA) – Southwest Virginia Livestock Education Center – Collaborative (Implementation) - \$100,000**

Carroll County IDA seeks to establish the Southwest Virginia Livestock Educational Center, a collaborative effort between the Agricultural Education Departments of Carroll County and Grayson County Schools, a consortium of local cattle producers and the Virginia Cooperative Extension program operated by Virginia Tech. The project entails building and equipping a facility that will serve multiple purposes: a hands-on educational facility for local ag students and 4H programs; a safe, controlled facility where both students and local livestock producers can work their herds, receive or administer veterinary treatment and get their animals weighed, graded and sold locally at the most favorable prices possible; and serve as the local headquarters for Virginia Cooperative Extension agents to help support its operations, which will be part of the second phase of the project.

**Discussion:**

Ms. Lee reported this project application has met the match requirements and aligns with the Region One Growth and Diversification Plan strategies and industry target of Agriculture and Food/Beverage Manufacturing. Ms. Lee also stated that staff consulted with the Virginia Department of Agriculture Services as a subject matter expert on the project, who confirmed that the estimates provided by the applicant are reasonable. Ms. Lee shared that DHCD staff has expressed that this proposal would be stronger with additional value added operations such as the meat processing facility, which is the second phase of the project and has been in the works for years. Given the significant regional support for the project and the commitment of 42 internships during the grant period, staff recommends funding the full proposal. Steve Truitt, Carroll County Administrator, discussed that funding for the education facility will have both direct and indirect benefits to the region. Mr. Truitt also pointed out that there are challenges in securing the \$1 million funding needed for the meat processing facility. Chairman Quillen noted the region has been in conversations concerning meat processing for quite some time. Mr. Truitt explained to the council members that meat processing has tremendous benefits for the region and there is strong support from producers for the project, as well as the location of the facility. Moir Beamer made the motion to approve funding for this project. Josh Lewis seconded, followed by unanimous approval by the Council.

**Budgets:**

**FY 2018 Building Capacity Transfer to Per Capita**

Chairman Quillen reported the Fiscal Year 2018 Building Capacity budget will close as of April 30, 2019. Unexpended funding totaling \$87,586.45 will be transferred to the 2019 Region One Per Capita budget. This final transfer will move all remaining funds in FY 2018 to Per Capita for regional projects and will close out this account. Cathy St. Clair made the motion to approve the transfer of funds from the FY 2018 Building Capacity budget to the FY 2019 Per Capita budget. Ron McCall seconded the motion with the Council voting unanimously to approve.

**FY 2019 Building Capacity Budget Expenditures**

Chairman Quillen referred Council members to the FY 2019 Building Capacity Budget and Expenditure Summary included in their meeting packet.

### **FY 2020 Building Capacity Budget Draft for Consideration**

Robyn Lee presented the FY 2020 Building Capacity budget draft for Council consideration with an accompanying slide detailing the GO Virginia Funding Stream from the Virginia Growth and Opportunity Fund. FY 2020 allocations for Region One include Building Capacity (administrative funding for regional council) - \$250,000; Per Capita (funding for Region One projects) \$1Million; and Competitive (statewide funding for interregional projects) \$14.6 Million. Ms. Lee reported that all regional councils were allocated \$250,000 for Building Capacity administrative activities with no match requirement. Ms. Lee noted that copies of the FY 2020 budget and narrative are included in the council meeting packet. Donna Henry made the motion to approve the FY 2020 Building Capacity budget. Duane Miller seconded the motion with the Council voting unanimously to approve.

### **Council Membership Nominations:**

Chairman Quillen reported several Council member's terms expire at the end of June 2019. Allan Funk has retired from Skyline National Bank and has relocated to another state. Mr. Funk resigned from the Region One Council in January 2019. Kyra Bishop will resign from the Council at the end of her term in June 2019 and was presented with a Certificate of Appreciation at the Council meeting. The Council is also replacing George Cridlin's position due to his recent passing. A Certificate of Appreciation will also be mailed to Mr. Funk and presented to Mr. Cridlin's family.

Chairman Quillen presented for membership to the Council, Mr. Blake Edwards, Skyline National Bank; Mr. Bill Rush, RESM Enterprises, LLC; and Mr. Browning Wynn II, Powell Valley National Bank. Pending Council approval, all have agreed to serve and have received an orientation of GO Virginia. Keith Perrigan made the motion to approve membership for the three candidates. Lois Clarke seconded the motion with the Council voting unanimously to approve. The GO Virginia State Board will accept these nominations at their June 2019 meeting.

### **Report Items:**

#### **Joint Sub-Committee Report**

The Chambers of Commerce, Education, and Economic Development Sub-committees met jointly prior to the May 7, 2019 Council meeting. The Committees have agreed to continue to meet in joint session prior to the Region One Council meetings.

Beth Rhinehart reported the primary topic of discussion focused on the efforts led primarily by Northeast Tennessee to become a stronger, more interconnected region which includes Southwest Virginia. Ms. Rhinehart spoke about how the benefits and how this effort would look on the "Virginia" side of the City of Bristol. Conversations among committee members pointed to making the region stronger and how GO Virginia is a good model to begin this process. Collaboration talks between SWVA and Northeast Tennessee are ongoing with discussion surrounding a regional name with a survey in place for public response, identifying the region using the Ballad Footprint, external marketing opportunities, and remaining true to the regional electorate. Ms. Rhinehart noted that this will not be a branding of the region and she encouraged everyone to participate in the Naming Survey. Chairman

Quillen noted there is real value in collaboration in conversations and learning about the Tri-Cities region: Bristol, Kingsport, Johnson City and the Counties of Sullivan and Washington. It is also important for SWVA to begin a collaborative effort with Northeast Tennessee, noting that although each hold different views, the metrics of each region are similar and working together would be beneficial.

Keith Perrigan reported that the eastern side of Region One is collaborating with Region Three as a result of the GO TEC Competitive project, recently approved by the State Board. On March 8th, a group from GO Virginia's Region One visited Region 3 to tour the Institute for Advanced Learning and Research in Danville (IALR), a middle school Career Connections lab, a high school Career and Technical program, and the Gene Haas precision machining center. Another visit is planned for May 21.

Duane Miller reported that a regional marketing effort is in negotiations with \$400,000 allocated to hire a marketing firm to market the region to Silicon Valley and international prospects.

### **Non-Profits**

Travis Staton reported the Ignite Internships response has been great. There are approximately 100 opportunities for internships and they are currently working to train businesses on how to manage and supervise younger workers. Registration for the Rural Summit for Childhood Success sold out in 6 days. The Rural Summit for Childhood Success will convene leaders from across the Commonwealth of Virginia to learn **1)** how systems leading to childhood success have been adversely impacted by substance abuse and **2)** best practices for professionals in rural settings to address Adverse Childhood Experiences (ACEs), trauma, resiliency in children, families and child-serving systems. Workforce development for children and youth will also be included.

### **Discussion Items:**

#### **Regional Entrepreneurship Initiative**

Robyn Lee reminded the Council that they heard a presentation at their February 7, 2019 meeting from Opportunity SWVA, a coalition of entrepreneurial support and community development organizations, which has been working since 2012 to spur entrepreneurial development in the region. TEconomy Partners also presented on their recently completed entrepreneurial assessment of Region One, which identified priority actions for the region. Potential Priority Actions identified for entrepreneurial development in Region One include:

- Promote and develop stronger ideation programming, resources targeting traded sector opportunities
- Establish intensive accelerator programming and domain-specific resources to advance, scale promising early-stage startups
- Address need for more startup risk capital for early-stage market entry by traded sector companies in the region
- Concept of a "Regional Entrepreneurial Quarterback"

TEconomy's main recommendation was for each region to appoint an entrepreneurial quarterback in order to identify opportunities and needs for regional entrepreneurial development within traded sector

industries and ensure implementation. TEconomy's recommendation was presented to the State Board in March. As a result, the State Board adopted a policy for interested regions to identify a coordinating entity which may apply for up to \$300,000 from the region's existing per capita funding to develop a regional entrepreneurial investment plan, based on the recommendations of TEconomy and other input from the Regional Council and interested stakeholders. These plans are expected to take TEconomy's broad recommendations and develop specific strategies. The expectation is that these plans will help drive projects/outcomes in the near future in the entrepreneurial arena. Ms. Lee referred the Council to the State Board Policy included in their packets.

- The \$300,000 funding amount may support the initiative for no more than two years, but Regions are encouraged to produce project outcomes quickly in order to move to implementation of the regional plan.
- The Growth and Opportunity Board will waive the local match requirement and the \$1:1 matching requirement for all requests for Regional Entrepreneurship Initiative proposals. Still required, the minimum code of Virginia match of half the grant (e.g. \$300,000 request will require \$150,000 match of non-state matching sources).
- It is envisioned that these grants will enable the coordinating entity to:
  - Develop a strategy for implementing the TEconomy recommendations or other concepts derived from the Stakeholder engagement process that aligns with the regional growth and diversification plan.
  - Develop a structure for advancing the entrepreneurial ecosystem.
  - Develop strategies to sustain the initiative after the initial GO Virginia grant.
- Coordinating Entity Identification and Selection Process:
  - Best Practice to publicize Regional Council's desire to fund a coordinating entity.
  - Recommend utilizing a RFI or RFP process to gauge interest and capacity of entities interested in applying to be the coordinating entity or to collaborate with the coordinating entity.
  - Council asks one or more entities to submit refined full application for Council approval & then to DHCD.
    - Councils may submit proposals to be reviewed by State Board at September and December meetings. If Councils choose not to submit a proposal for this initiative, additional effort and justification from the region may be required to secure funding for entrepreneurial efforts.
  - DHCD will review proposals and make recommendations to the State Board.

#### **Actions Taken by Each Region**

- **Region Two** - Released RFI. Received one application from an existing entity. Council to determine action plan May 7, 2019.
- **Region Three** - Released RFI to collaboratively develop an approach with Council with responses due May 30, 2019.
- **Region Four** - Council voted to approve/appoint an existing organization, Activation Capital, as coordinating entity.
- **Region Five** - Meeting with a group next week that has preliminary intent to put in an application for the project.
- **Region Six** - Will evaluate after the G&D plan update is complete later this summer.
- **Region Seven** - Initial discussion by Council later this month.

- **Region Eight** - Formed an advisory committee that is just starting to discuss the initiative.
- **Region Nine** - Executive Committee has decided to put discussion off until fall 2019, as current projects may impact the direction of the initiative and funding available.

Ms. Lee proposed a question to the Council concerning how they would like to proceed with this initiative.

**Discussion:**

Chairman Quillen noted that regional councils must elect to participate and use their own per capita funds. If regions choose not to participate, they risk the potential of not having any entrepreneurial projects funded. Region One has incubators, VCEDA Seed Program, and others working in the region in entrepreneurial development. Chairman Quillen recommended the possibility of releasing a RFI and hiring a consultant, but further discussion is needed from the council members. Robyn Lee confirmed for the Council that Region One would be eligible to receive \$300,000 allocated from their per capita funds, obtain a 50% match, and councils can submit by the August and October deadlines. Beth Rhinehart recommended additional meetings to be held to address questions. Chairman Quillen noted that the Council should consider the existing entities in the region that have established programs in entrepreneurship. Shannon Blevins affirmed that the Opportunity SWVA coalition that presented to the Council in February has many of those established organizations at the table already and they have been partnering since 2012. They have a good sense of what is going on in the region. Council member Josh Lewis commented that if organizations are already performing this work, we should be discussing with them and allow them to develop the plan. Travis Staton confirmed that additional discussion is needed and the Council should form a taskforce to focus on this initiative. Chairman Quillen agreed that a taskforce will be the best approach.

**Growth and Diversification Plan Update**

As required by the Virginia Growth and Opportunity Act, each regional council shall review and amend the economic growth and diversification plan not less than biennially. The final updated Region One plan is due August 1, 2019 to the Department of Housing and Community Development (DHCD) for GO Virginia State Board approval in September 2019.

Shannon Blevins presented an overview of the Growth and Diversification Plan update process and the strategies for Region One’s Plan.

**Amendment Requirements for the 2019 update not required for the initial 2017 plan:**

- Forward looking data tied to GO VA priority areas including site development with characterization of sites and prospect inquiries. Region One will incorporate VEDP’s site characterization study currently underway.
- Development of the project pipeline to include outlining specific opportunities and priorities for GO VA funding and evaluating the project pipeline development process.
- Analysis of the potential impact of GO Virginia and projects funded to date.

**Region One's Strategy:**

Shannon Blevins reported there would be no major overhauls to the Region One Growth and Diversification Plan. The four industry targets will remain the same with more detail provided for entities to use when leveraging for additional funds. Region One will look at VEDP's data for industrial sites, as they are characterizing sites over 25,000 square feet. Ms. Blevins also stated that staff will compile input from the many regional conversations that have been conducted by organizations in the region.

**Specific Strategies Include:**

- Chmura Economics & Analytics to update the economic and workforce quantitative section.
  - Part of this work will include a detailed section on the impact of the coal decline in Region One and an evaluation of peer regions.
- Community input section to include results from a regional survey, stakeholder interviews, and "regional exchange" event, as well as data from community conversations held by regional organizations.
- Structure will include a full-blown section for each targeted sector.

**Public Comment:**

There were no public comments

**Upcoming Meeting Dates:**

Chairman Quillen provided the upcoming GO Virginia meeting dates.

- May 14, 2019 – GO Virginia Region One/DHCD Working Meeting, Western Front Hotel, St. Paul, Virginia
- May 15, 2019 – 2019 Southwest Virginia Economic Forum – The University of Virginia's College at Wise, David J. Prior Convocation Center, Wise, Virginia
- June 24, 2019 – GO Virginia State Board Meeting, House Room 1, Capitol, Richmond, Virginia
- August 6, 2019 – Region One Council Meeting, Dickenson Center for Education and Research, Clintwood, Virginia

**Adjournment:**

Chairman Quillen thanked the Council for their participation and noted the next meeting will be held on August 6, 2019 in Clintwood, Virginia. Chairman Quillen adjourned the meeting.