



Region One Council Meeting

February 5, 2019

Minutes

The GO Virginia Region One Council Meeting was held on February 5, 2019 at the Crooked Road Tech Center in Duffield, Virginia. Council members present included Moir Beamer, Kyra Bishop, Lois Clarke, Richard Edwards, Mark Eschle, Donna Henry, Josh Lewis, Ron McCall, Duane Miller, David Olive, Keith Perrigan, Mike Quillen, Beth Rhinehart, Dean Sprinkle, Mike Stollings, and Joe Street.

Welcome and Opening Remarks:

Mike Quillen, Chair of the Region One Council presided over the meeting. Andrew Barnes and Martha Necessary recorded the meeting minutes. Greg Farmer of Komatsu Mining provided a warm welcome to the GO Virginia Region One Council and the public audience. Confirming a quorum, Chairman Quillen called the meeting to order and thanked the Council members for their attendance. Beth Rhinehart moved to approve the agenda and the minutes from the December 4, 2018 Council meeting. Lois Clarke seconded the motion, followed by unanimous approval of the council members.

Presentations:

Opportunity SWVA and TEconomy – Entrepreneurial Ecosystems

Opportunity SWVA:

Josh Sawyers, Innovation Center Manager with UVa-Wise and Opportunity SWVA presented an overview of the work of Opportunity SWVA, including its activities with The Nest and the Oxbow Center in St. Paul. Spanning the 19 counties in Southwest Virginia, Opportunity SWVA is a collaborative effort to increase entrepreneurship in the region. The coalition of 26 small business support and community development organizations was formed in 2012 to champion the Blueprint for Entrepreneurial Growth & Economic Prosperity in Southwest Virginia, which outlines goals to:

1. **Build** the entrepreneurial ecosystem
2. **Grow** entrepreneurs and new ventures
3. **Promote** the region as a vibrant entrepreneurial hub

Highlights:

- To date, the initiative has served more than 400 entrepreneurs in the region.
- Opportunity SWVA launched a Kiva cohort at the 2018 SWVA Economic Forum. The Kiva initiative was a crowd-funding small loan platform that offered new and emerging businesses access to investment from their peers. It encourages the growth of small businesses as well as buy-in from peers and community members.

- Opportunity SWVA launched Rally SWVA in the summer of 2015. Rally SWVA is an action learning mini-grant program designed to build community leadership capacity and reinforce collaborative, entrepreneurial communities across the region. By granting \$3,000, the program provides communities with resources to accomplish a meaningful project, while molding a cohesive team of energetic leaders.

TEconomy:

Ryan Helwig, Principal and Project Director for TEconomy Partners LLC provided an overview of their work in Region One. The GO Virginia State Board engaged TEconomy to assess the state of the entrepreneurial economy in the 9 regions. In Region One, TEconomy worked closely with Opportunity SWVA and other regional stakeholders to evaluate entrepreneurial development and priority actions for SWVA. As a result, TEconomy prepared a high-level report for each region, which was recently submitted to the Virginia Department of Housing and Community Development (DHCD) for review. The GO Virginia State Board will review the report at their March 12, 2019 meeting.

Highlights:

- The presentation included an overview of their work plan, listing the following actions:
 - Quantitative trendline assessment
 - Qualitative inventory of ongoing activities and stakeholder perspectives
 - Competitive benchmarking assessment to peer regions
 - Regional situational assessment
 - Regional potential priority actions with incorporated best practices
- To date, there are 750 startups in SWVA that have created over 5,000 jobs.
- Ryan stated that Opportunity SWVA is a differentiating factor and an encouraging piece for the region.
- Ryan pointed out that the GO Virginia Region One Growth and Diversification Plan was on target with TEconomy’s findings, including the targeted industry sectors. TEconomy found that these industries are needed in Region One, but that new opportunities for drone technology in agriculture, cyber security, and the momentum in tourism and place making are peripheral initiatives that are no less important.
- TEconomy also found specific needs in the region or areas where Region One fell short. These gaps include:
 - Programming and resources targeting traded sector opportunities
 - Accelerator program
 - Entrepreneurial mentoring
 - Private equity
 - Angel funding
 - Venture capital

Regional Quarterback Position:

TEconomy also presented their recommendation of a “Regional Quarterback” position, designed to assemble the different pieces of the regional entrepreneurial development picture. Ryan noted that the benefit of such a position could be its ability to not only connect entities within SWVA, but outside of it also.

Council Discussion:

Josh Lewis encouraged TEconomy to take a deeper dive into which specific target industries need to be placed into focus for entrepreneurship by the regional council.

Chairman Quillen informed the Council that the regional councils will be expected to submit a proposal to the State Board to fund the regional quarterback position. Regions will have the opportunity to customize the position and funding amount, but the framework for the structure of the position will be set by DHCD and the State Board. More information will be forthcoming following the March State Board meeting.

Action Items:**GO-TEC 2 Project - Letter of Endorsement Approval:**

President Dean Sprinkle provided the Council with an overview of the GO-TEC 2 project and Wytheville Community College's (WCC) involvement. Led by Danville Community College (DCC), the GO-TEC 2 project is designed to increase capacity for training high demand, high income workers in fields such as machining and advanced manufacturing, and to increase the pipeline of students entering such fields.

President Sprinkle mentioned that the Council submitted a letter of endorsement to Region Three for the project in June 2018. The project has since been approved by the Region Three Council at \$4.8M for a statewide competitive proposal, which includes Region One's participation. The proposal includes \$65,536 for WCC to strengthen its precision machining program. WCC is currently functioning as a "spoke" institution that is sending students for specialized training to the "hub" at Danville Community College's Gene Haas Center. WCC will continue to build upon the current training around machining that is being piloted with a limited number of middle schools in the area. The goal will be to increase the outreach to all of the middle schools, with the intent of incorporating CNC machining at each. Funding is also included in the proposal to purchase related equipment to begin exploration of and support for Career Connection labs in Region One's middle schools. President Sprinkle mentioned that within the next two months, WCC and other regional stakeholders plan to visit Region Three GO TEC sites to see how the effort is working. He stated that when you look at birth rate numbers and the current manufacturing workforce, there is a strong indication that measures need to be taken to address the issues we have in workforce.

The Region One Council is revisiting the letter of endorsement, as the Region Three Council has sent a letter requesting that Region One consider utilizing a portion of its \$6.7M competitive cap for the proposal. The GO Virginia State Board funding policy stipulates that no more than 25% of any year's total allocation can go toward a single region. Committing a portion of the cap will demonstrate commitment in the project and will prevent Region Three from utilizing the majority of their cap. President Sprinkle explained that while the \$6.7M is Region One's cap, this is not specifically Region One money; it is competitive money that is available for all nine regions. Region One is not guaranteed this amount since there is just \$8.74M available in the FY18 competitive fund at this time.

In response, Chairman Quillen stated that Region One should show support for such a project, whether or not there is financial involvement. He explained that Region One does not have any current applications for competitive projects and this is a good opportunity to participate in one. Chairman

Quillen pointed the Council to the draft letter of endorsement in their packets. He mentioned that Liz Povar in Region Three stated that \$500,000 would demonstrate a strong statement of support, which is the amount committed in the draft letter.

Mike Stollings inquired about the work of the Southwest Virginia Alliance for Manufacturing (SVAM) Center of Excellence (COE), stating that the COE was going to focus on three particular areas of machining, welding and industrial maintenance, and would be a stepping stone to job seekers after community college. He also expressed his desire for more information about SVAM's work in light of the current GO-TEC 2 application.

Shannon Blevins stated that Region One will not look exactly like Region Three in a project such as GO-TEC 2, and that it is important to look at what we currently have in place in Region One to determine where the gaps are. She also noted that demonstrating our support for Region Three would give Region One a seat at the table in a competitive project.

Duane Miller motioned to approve the draft letter of endorsement for GO-TEC 2 as is with the commitment of up to \$500,000 of Region One's cap. The motion was seconded by Moir Beamer, followed by approval of the Council. President Sprinkle abstained.

Report Items:

Contracts:

Robyn Lee reported on the current funded Region One projects and informed the Council that Mountain Empire Community College's Smart Farming application will be submitted to DHCD on February 8 for review by the State Board on March 12. If approved, the Council will have \$1,214,072.85 available in per capita funding remaining. Robyn also shared that Virginia Tech's Coal to Graphene Market Study project was approved at the December 11 State Board meeting and contract negotiations are taking place.

Robyn explained to the Council that the Virginia Highlands Community College (VHCC) project, Advanced Technology and Workforce Development Center, was not recommended for funding by DHCD to the State Board. The DHCD Working Group had concerns that VHCC was centralizing existing resources and that not all the offerings were in traded sectors. Due to those concerns, as well as Tobacco Commission funding invested in the center, the project did not produce a positive return on investment for the state. Lastly, Region One was notified that a capital request such as this for construction of a building was not appropriate for GO Virginia funding. DHCD indicated that where a standard process for requesting capital improvement exists such as with the VCCS, requests should be made to them. GO Virginia funds should be used for new credentialing or equipment type purchases in this case, in order to demonstrate clear outcomes of funding. Robyn indicated that they will be meeting with VHCC to discuss redesigning the project in the next few weeks.

Robyn shared the contract execution process with the Council to outline the time it takes and steps involved with getting a project under contract. She also shared a slide of the GO Virginia funding stream to remind the Council of the different pots of GO Virginia funding and the allocations for Region One.

Reports from Sub-Committees:

Chambers of Commerce: Beth Rhinehart reported that the Chambers of Commerce committee met on February 4. The group in attendance discussed ideas to improve the way the chambers work together as a region. The need for collaboration includes SWVA and Northeast Tennessee. Beth stated that there was a regional resolution signed between the Bristol, Kingsport, and Johnson City Chambers of Commerce to improve a “regional look” of working together in asset based marketing. The committee also discussed a regional action plan to address issues of workforce, with a focus on training those who show no interest in post-secondary education.

Education: Dr. Dean Sprinkle reported that the Education and Economic Development committees held a joint meeting this morning. He reported that the Major Clarity software that is part of the Ignite Internships program, begins in the 6th grade and allows students to explore careers and interest inventories at an early age. At the high school level, the program also gives them access to internships now. One challenge is that many schools already have other software in place, so migrating to Major Clarity or allowing them to mesh may be an obstacle. Robyn Raines reported that there are 20 job postings planned for summer internships for up to 40 junior and senior students in the Ignite Internship program. Dr. Sprinkle also reported that an overall \$5M has been allocated for Virginia Community Colleges as part of the Governor’s G3 initiative, “Get Skilled, Get a Job, Give Back,”. The funding is proposed to provide financial assistance for training in high demand and high wage occupations.

Economic Development: Josh Lewis expressed the need for Region One to think toward pre-apprenticeships for young workers. He also placed an emphasis on the need for marketing the region’s efforts to make sure that students and parents are informed about the talent pipeline and available programs. Filling gaps and making connections in these areas may also supplement the efforts of Region Three and the GO-TEC 2 proposal.

Duane Miller spoke to the benefits of the combined Economic Development and Education sub-committee meeting and pointed to the benefits of combining them in the future. In response to Beth Rhinehart’s remarks about the need for continued and improved regional collaboration, it was suggested that the Chambers of Commerce sub-committee join the Economic Development and Education sub-committees for another joint meeting prior to the next council meeting.

Beth Rhinehart responded with the acknowledgement that meeting together as combined groups is beneficial for regional projects outside of GO Virginia’s scope as well.

Nominating: Duane Miller notified the Council that he would be filling the Nominating sub-committee chair position for the time being. He reminded the Council that some members have term limits ending in June 2019. Robyn has been in contact with those members to determine if they would be continuing membership. For those that are unable to, she is making a list of potential people to fill the vacancies. Duane also invited the Council to make recommendations for candidates. Donna Henry, Josh Lewis, Mike Stollings, and Sam Cassell have agreed to continue serving on the Council.

In response, Chairman Quillen stated the importance of maintaining the quota for private business representation on the Council. He also recognized George Cridlin’s efforts to the region and his service on the Region One Council, stating that he will certainly be missed. He also thanked the council members for their willingness to serve and attend the meetings.

Discussion Items:

GO Virginia State Board / DHCD Guidance Documents:

Chairman Quillen pointed the Council to the guidance documents drafted by State Board Chairman Dubby Wynne and DHCD. The documents were designed to assist the regional councils and support organizations in prioritizing and vetting regional projects. Chairman Quillen noted the issue of the regional council recommending projects that are rejected at the state level. These documents may provide more clarification concerning what the State Board is willing to fund. He requested that the Council review the documents and provide any feedback or questions to the support organization in order for them to address them on the next support organization call.

TRRC 2018/2019 Grant Awards:

Chairman Quillen directed the Council to the Tobacco Region Revitalization Commission spreadsheet in their meeting packets, which lists over \$17M in awards to the region for 2018/2019. Chairman Quillen confirmed the need to keep partners informed on regional projects that are being funded in order to collaborate, build upon and avoid duplication of efforts. Kyra Bishop inquired about the \$4.5M grant awarded to MPowerVA concerning who this group is and what the funding is being used for. Chairman Quillen and Shannon Blevins elaborated that the group is meeting with regional stakeholders and will be assisting with entrepreneurial and innovation efforts for the region. They are still working on obtaining their match for the award.

Conflict of Interest Act Training:

Chairman Quillen reminded the Council that the conflict of interest act training for several council members will be expiring soon. Robyn informed each council member of their training expiration date in an email and shared the link for them to renew their training, which has to be completed once every two years. Chairman Quillen informed the Council that the online training will take about an hour to complete.

SWVA Economic Forum: Shannon Blevins shared that the 2019 SWVA Economic Forum will be held on May 15th at the David J. Prior Convocation Center at UVa-Wise. The Forum engages participants through a shared vision of regional collaboration, growth and innovation for all Southwest Virginia. The SWVA Economic Forum has become the place for the region to discuss new ideas and work collaboratively to build Southwest Virginia's future. The theme for this year's forum is Technology, and will feature keynotes, panels, and breakout sessions exploring strategies on how rural areas are able to transform through technology. For the past three years, the event has averaged 350 attendees. GO Virginia Region One sponsored the Forum last year at the Corporate level and will be sponsoring as a Presenting sponsor this year. There will be a GO Virginia panel that will include participation from various rural regions across the state and their efforts in the technology industry. All of the council members are invited to attend under the sponsorship. Shannon requested that the Council let Robyn know if they would like to attend and she will register them for the event.

Public Comment:

Lennie Gail Mitcham, Executive Director of the Southwest Virginia Alliance for Manufacturing (SVAM) commented in response to Mike Stollings' question earlier in the meeting concerning SVAM's work. She gave a high-level overview of the actions of SVAM, including their machining training in the region, in which they are reaching out to the broader region to provide next level training. She offered to give a presentation to the Council at the next meeting concerning their regional work. Chairman Quillen agreed that this would be beneficial.

Adjournment:

Chairman Quillen thanked the Council for their participation and noted that the next meeting will be held on May 7, 2019. He opened the floor for suggestions for a location, in which Keith Perrigan and Beth Rhinehart invited the Council to Bristol. Chairman Quillen asked for a motion to adjourn the meeting. Beth Rhinehart made the motion and Lois Clarke seconded the motion, which was approved unanimously. Chairman Quillen adjourned the meeting.