



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

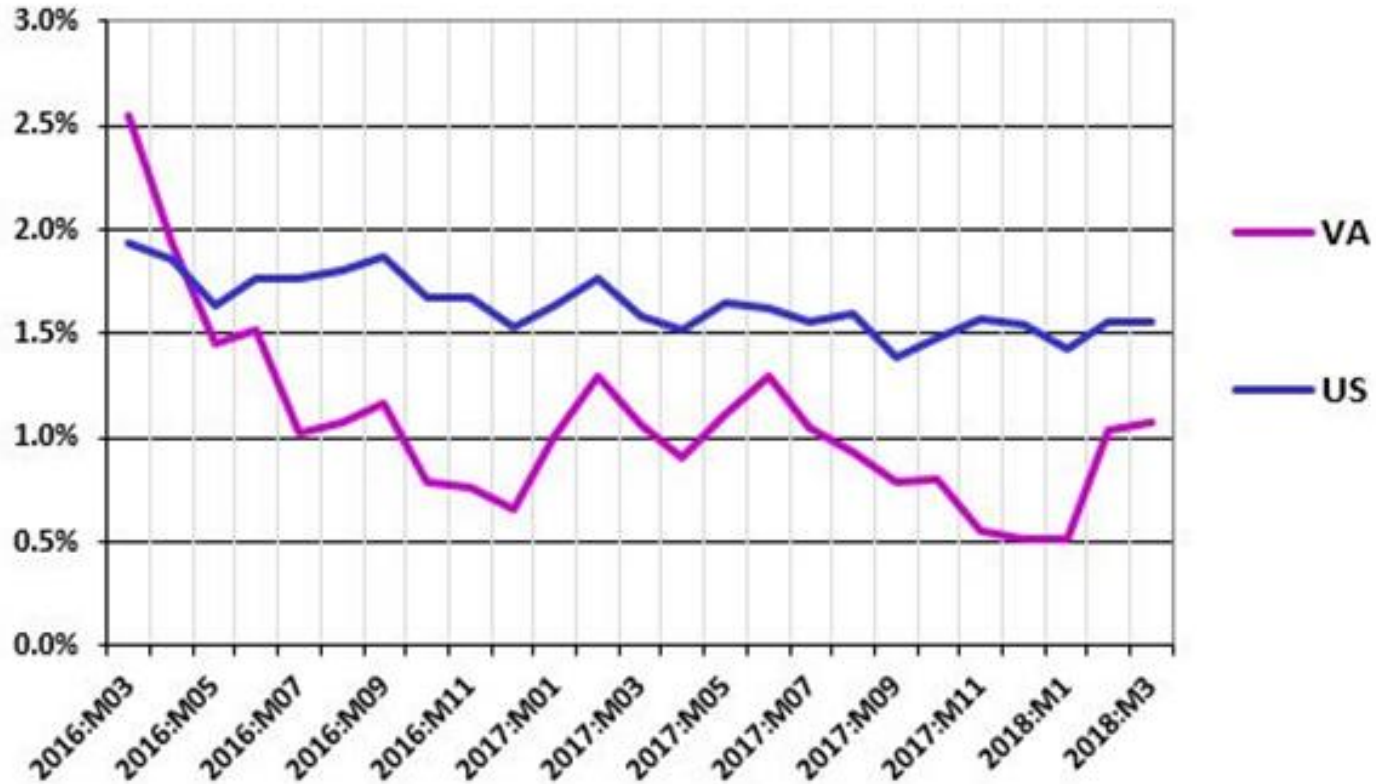
**A BUSINESS-LED STATEWIDE INITIATIVE
TO GROW AND DIVERSIFY THE PRIVATE SECTOR
IN EACH VIRGINIA REGION**



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GO Virginia Purpose Statement

“Create more higher paying jobs through incentivized collaboration, primarily through out-of-state revenue, which diversifies and strengthens the economy in every region”



Year-over-Year Percentage Change in Total Nonfarm Employment: March 2016 to March 2018

Virginia Metro Area Economic Growth

	2008	2009	2010	2011	2012	2013	2014	2015	2016	Average
Blacksburg	-7.2	-3.11	1.46	2.97	7.47	-3.79	1.61	-0.98	-2.06	-0.40
Bristol	1.84	-2.06	2.15	4.41	1.30	-2.84	-6.09	-0.47	-1.75	-0.31
Charlottesville	1.24	-0.19	3.79	3.22	2.69	0.59	2.94	-0.26	n/a	1.75
Harrisonburg	-4.64	9.12	3.34	-0.97	-0.53	-1.38	0.21	-2.61	-2.18	0.04
Lynchburg	-1.06	-0.45	1.86	-1.72	-1.49	-0.73	0.79	-0.64	-0.51	-0.43
Richmond	0	-0.98	1.41	-0.06	0.91	0.78	0.62	3.89	2.63	1.02
Roanoke	-0.52	-1.79	-1.59	-1.01	-0.58	-0.14	0.36	0.80	-0.40	-0.54
Hampton Roads	-0.29	0.65	-0.16	0.66	0.83	0.28	-0.73	3.71	-1.09	0.43
NOVA	2.11	0.02	3.29	1.56	0.25	-0.55	0.96	1.27	0.21	1.01
U.S.	-0.3	-2.8	2.5	1.6	2.2	1.7	2.4	2.6	1.49	1.27

Source – Bureau of Economic Analysis



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Core Values

- **Growing economy requires focus on higher paying traded sector jobs**
- **Must generate revenues from outside the region**
- **Economic development is changing to be more collaborative, holistic, aligned with other stakeholders**

»» VEDP and GO Virginia alignment

VEDP leads

- Marketing, branding, and lead generation
- Biz recruitment and project mgmt. for target industry sectors (e.g., IT, advanced manufacturing, BPO, distribution)
- One-stop shop for prospects, with close local/regional coordination and alignment
- Proactive business retention and expansion program for large/medium-sized firms, in partnership with localities
- Custom workforce recruitment/training incentive program for firms, with VCCS
- Trade development services
- Administration of business incentives
- Research / business intelligence
- State/local economic competitiveness

VEDP/GOVA Collaboration

- Site intelligence and development (VEDP will focus on site intelligence and managing site database; GOVA could fund site development)
- Cluster development (VEDP could focus on larger firms; GOVA could focus on cluster scale-up initiatives)
- Design of human capital development strategies, including various initiatives to fully leverage higher education's economic development potential

GOVA leads

- Design of targeted, regional product development initiatives (e.g., broadband strategy for a region)
- Workforce development initiatives for sectors/regions
- Research and technology commercialization initiatives
- Initiatives to encourage capital and/or business formation (?)
- Funding for development of regional growth plans
- Incentives to encourage regional collaboration

GO Virginia and VEDP both are focused on increasing growth in traded-sector employment and earnings



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GO Virginia Funding (FY19-20)

- Introduced budget level funded grant funding at \$24.5 million per year (\$250,000/year for regional councils, \$10.9 million in per capita grants, \$11.3 million in statewide competitive grants)
- Introduced budget also included \$637,000 per year for consulting and capacity building at DHCD to support regional councils
- Current budget compromise increases funding by **\$15 million across all 3 funding pools**, allows Board to **waive local match on regional council funding**, **establishes \$1 million floor per region**, maintains proposal for additional consulting and capacity building funds



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GO Virginia-Related Budget Items

- Collaborative task force with Chief Broadband Advisor on economic development-related broadband framework
- Alignment between regional council industry clusters and VCCS credentialing program
- Cyber-X Initiative - \$40 million cash, \$10 million bonds for cybersecurity moonshot (currently at \$20 million cash and \$5 million in bonds)
- Virginia Internship Initiative – pilot program at SCHEV
- \$16 million for biennium for Virginia Research Investment Committee (6 of 9 members on GO Virginia Board)
 - * VRIC implementation task force, start up initiative underway



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GO Virginia – Implementation

- All planning grants committed/allocated
- 5 of 12 projects approved at December 2017 meeting (\$2.2 million in state funds)
- 13 projects approved at February 2018 meeting (\$2.8 million in state funds)
- 5 of 7 projects approved at April 2018 meeting (\$1.1 million in state funds)
- Leveraged over \$12.4 million in additional funds
- Many projects focused on workforce, site infrastructure, and entrepreneurship



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GO Virginia Region 1 – Implementation

- \$650,000 of planning and capacity building funding approved
- Ignite Internships project with United Way approved at April 2018 meeting (\$250,000)
- Seeking clarifications to Washington County Tech Spec Facility



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GO Virginia – Project Themes

- Regional startup accelerators
- Regional site development
- Internship programs
- Graduate retention programs
- Talent development (start building pipeline in middle school, emphasize credentials) focused on regional industry clusters



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GO Virginia – Lessons Learned

- Board has established a high standard for project approval
- Board/SMEs want direct links between projects and regional plans
- Capacity building, without immediate link to job creation, is vital
- Need to provide regions more ownership and flexibility



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GO Virginia – Program Changes

- Allow regions to advance capacity building projects (up to \$250,000 per year, \$100,000 per project) without state board approval
- Advocated for board waiver of matching requirement on planning and capacity building funds



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GO Virginia – Future Needs

- **Tell success stories resulting from grants**
- **Broaden and deepen legislative awareness of the program**
- **Encourage local governments to set up “match funds” in annual budgets**
- **Prime the pump for eligible projects (particularly the statewide competitive grants)**



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GO Virginia – Emerging Policy Issues

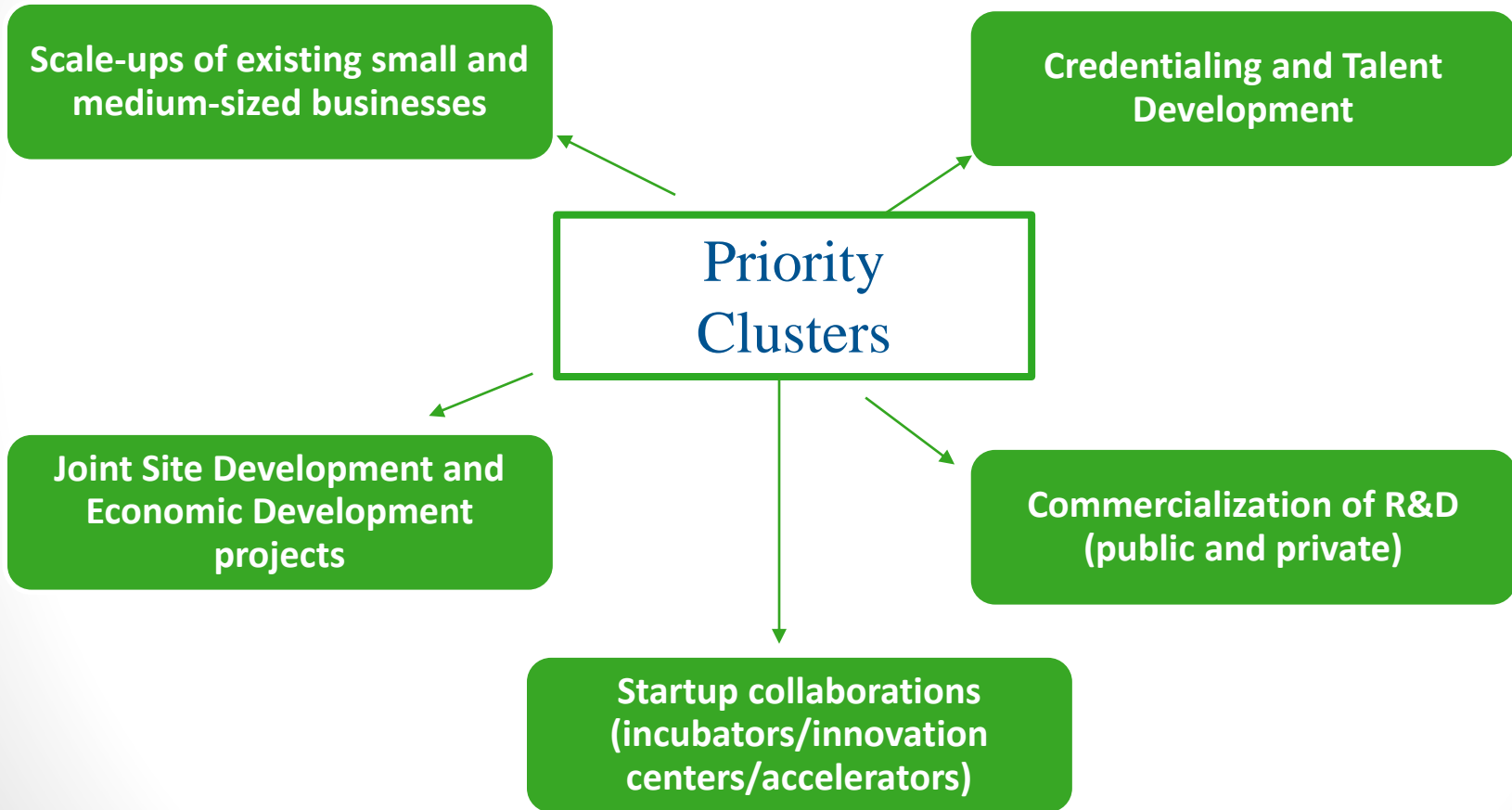
- **Alignment and coordination with VEDP on site development and workforce development issue**
- **Entrepreneurship Ecosystem**
- **Talent Development**
- **Broadband strategy (limit GO Virginia scope to issues related to business and higher paying jobs)**
- **Alignment and coordination with Governor’s Chief Workforce Advisor on healthcare issues, outreach**
- **Governor’s Economic Development Strategic Plan**



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Regional Challenge Grant Initiative

- Every region identified importance of developing new sites and enhancing startup ecosystem as vital to growth and diversification
- Want to maintain “bottom up” approach to project development while providing guidance on templates to achieve statewide goals
- Will work with appropriate state agencies and consultants to study current framework, review best practices, and develop templates to move regions to the next level





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Charge to Regional Council Leadership

- Be bold
- Be innovative
- Be collaborative
- Be willing to fail
- Get local governments more integrated
- Leverage other stakeholders



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Questions and Comments