

**GOVA REGION 3
FULL COUNCIL
MEETING PACKET**

January 19, 2022



GO Virginia Region 3 Council

Meeting Info:

Date: January 19, 2022
Time: 1:00 pm – 3:00 pm
Location: Virtual Zoom

Virtual Access:

Link: <https://tinyurl.com/mr22vfpz>
Dial-in: 1-301-715-8592
Meeting ID: 339 011 5898
Password: 202011

Purpose Statement:

"Create more high paying jobs through incentivized collaboration, primarily through out-of-state revenue, which diversifies and strengthens regional economies."

AGENDA

- | | |
|---|----------------|
| I. Call to Order and Chairman's Opening Comments | Randy Lail |
| II. Roll Call and Confirmation of Quorum | Deborah Gosney |
| III. Public Comment | Randy Lail |
| a. Previously Submitted | |
| b. Submitted During Virtual Meeting | |
| IV. Declaration of Conflicts of Interest | Randy Lail |
| V. Approval of Minutes | Randy Lail |
| VI. Financial Report | Deborah Gosney |
| VII. GO Virginia Region 3 Project Funding Matrix Report | Deborah Gosney |

Special Appearances and Presentations

- | | |
|--|------------|
| VIII. 2020 US Census Findings for Rural Virginia – Hamilton Lombard,
Demographer, Demographics Research Group, UVA Weldon
Cooper Center for Public Service | Randy Lail |
|--|------------|

Old Business

- | | |
|--|-------------|
| IX. GO Virginia Region 3 Region 3 Growth & Diversification Plan
Adoption of 2021 Update | Randy Lail |
| X. Approved Projects Update | Bryan David |
| XI. Closed Session (if needed) | Randy Lail |
| XII. Project Pipeline | |
| a. Project Pipeline | |



AGENDA

(continued)

- | | | |
|-------|--|------------|
| XIII. | Action on Closed Session Items (if needed) | Randy Lail |
| XIV. | Motion to Return to Open Session | Tim Clark |
| XV. | Motion to Certify Closed Session | Tim Clark |

New Business

- XVI. Committee Reports
 - a. Project Review Committee
 - i. Mid-Atlantic Broadband Communities Corporation: Middle Mile Fiber Expansion Project
 - ii. Virginia's Growth Alliance: Refresh/Restart – A Strategy for Regional Economic Development in Southern Virginia
 - iii. The Virginia College Fund: The Gupton Initiative

Program Director's Report

Bryan David

- XVII. SEED Innovation Hub and Controlled Environment Agriculture Strategy and Roadmap
- XVIII. 2022 GO Virginia Region 3 All-Hands Meeting
- XIX. GO Virginia State Board Input Session
- XX. Governor Youngkin – GO Virginia Region 3 Letter
- XXI. GO Virginia Region 3 Council 2022 Master Calendar

Adjourn

MINUTES

**GO VIRGINIA REGION 3 FULL COUNCIL MEETING
MEETING MINUTES
Wednesday, October 20, 2021**

The GO Virginia Region 3 Council met on Wednesday, October 20, 2021 at 1:00 p.m.

REGULAR BUSINESS

1. Call To Order And Chair's Opening Comments

Chair Lail called the meeting to order at 1:00 p.m.

2. Roll Call and Confirmation of Quorum

Chair Lail declared a quorum was present.

A. Region 3 Council Members:

Members	In Person	Virtual	Absent	Members	In Person	Virtual	Absent
Robert Bates	X			James McClain II		X	
W. Scott Burnette			X	John Parkinson			X
Timothy J. Clark			X	Jeff Reed			X
Melody Foster	X			Alfreda Reynolds	X		
Amy Griffin	X			Jeremy Satterfield	X		
Tim Hall	X			Roger Scott	X		
Keith Harkins			X	Karl N. Stauber		X	
Rhonda Hodges	X			Sherry Swinson		X	
E. Randolph Lail	X			Lauren Willis	X		
Charles H. Majors		X					

B. Region 3 Staff in Attendance:

Name/Organization	Organization
Bryan David-UVA Weldon Cooper Center	Region 3 Program Director
Liz Povar-RiverLink Group	Region 3 Contract Staff
Nancy Pool	Region 3 Contract Staff
Deborah Gosney-Southside PDC Staff	Region 3 Support Org/Fiscal Agent
Lisa McGee-Southside PDC Staff	Region 3 Support Org/Fiscal Agent - Virtual
Ann Taylor Wright – Southside PDC Contract Staff	Region 3 Support Org/Fiscal Agent - Virtual

C. Guests in Attendance:

Name	Organization
Linda Green	Southern Virginia Regional Alliance
David Denny	Virginia's Growth Alliance
Zachary Jackson	Virginia Tech - Virtual
Brandon Hennessey	Longwood SBDC - Virtual
Sheri McGuire	Longwood SBDC
Scott Lohman	Institute for Advanced Learning and Research
Lauren Mathena	Mid-Atlantic Broadband Communities - Virtual
Kristy Johnson	Halifax County IDA

3. Public Comments

No written or verbal public comments were received.

4. Declaration of Conflicts of Interest

Conflicts of interest potentially exist for activities benefiting and/or contracts issued to the following organizations and projects listed below:

Name	Organization(s)
Charles H. Majors	Mid-Atlantic Broadband, Institute for Advanced Learning and Research, Danville Regional Foundation
Randolph Lail	Mid-Atlantic Broadband
Dr. Amy Griffin	Virginia Ed Strategies
Rhonda Hodges	GO TEC
Tim Hall	Henry County
Melody Foster	Longwood University, SOVA Innovation Hub, and Mid-Atlantic Broadband

5. Approval of Minutes

Chair Lail noted that the minutes of the July 21, 2021 Full Council meeting were received via email prior to the meeting and included in the meeting packet. **Melody Foster made a motion that the minutes from the July 21, 2021 Full Council meeting be approved as presented; the motion was seconded by Lauren Willis, and the minutes were approved by unanimous vote.**

6. Financial Reports

Deborah Gosney reviewed the Financial Reports that were included in the meeting packet for period ending September 30, 2021. Roger Scott **made a motion that the Financial Reports for period ending September 30, 2021 be approved as presented; the motion was seconded by Melody Foster, and the Financial Reports were approved unanimously.**

SPECIAL APPEARANCES AND PRESENTATIONS

7. Southern Virginia Regional Alliance and Virginia's Growth Alliance

Linda Green, Executive Director of the Southern Virginia Regional Alliance, and David Denny, Executive Director of Virginia's Growth Alliance, provided a brief overview to the Region 3 Council of their respective regional economic development organizations and some recent accomplishments.

OLD BUSINESS

8. Approved Projects Updates

Prior to the meeting, Bryan David provided the Council members with updated Project Progress Reports. All projects are tracking as expected.

The Southern Virginia Regional Alliance (SVRA) Regional Site Development Project and the Institute of Advanced Learning and Research (IALR) Experience Works Project were recently approved by Council and the State Board. Contract negotiations for each project are underway with the Department of Housing and Community Development GO Virginia staff. Both projects will soon begin. Media releases were included in the meeting package.

9. Project Pipeline

Randy Lail referred to the Project Pipeline Report that Bryan David emailed to Council members prior to the meeting. With no questions or concerns, the Council had no discussion regarding the Report.

NEW BUSINESS

10. Committee Reports

Project Review Committee

The Project Review Committee met on Tuesday, October 12th, to review applications for the Project SEED Innovation Hub and the Controlled Environment Agriculture (CEA) Strategy and Roadmap Projects.

SEED Innovation Hub Project – This project is a partnership between Longwood University, Hampden-Sydney College, and the Longwood University Real Estate Foundation to develop an entrepreneurship center in the former Barnes and Noble Bookstore in downtown Farmville. This project was identified and builds upon the Region 3 Entrepreneurship and Innovation Implementation Project currently underway. GO Virginia funds totaling \$662,304 will be utilized for the construction of maker-space and the purchase of equipment.

Controlled Environment Agriculture (CEA) Strategy and Roadmap – The Institute for Advanced Learning and Research (IALR), using its recently opened Controlled Environment Agriculture Innovation Center, proposes to engage the Virginia Tech Office of Community and Economic Engagement to develop a strategy and roadmap for supporting industry growth and workforce development in CEA within the Region. GO Virginia funds totaling \$77,053 will be utilized to prepare the study.

Each of these projects was recommended for approval by the Project Review Committee.

Roger Scott made a motion to approve the SEED Innovation Hub Project as submitted; Lauren Willis seconded the motion. The motion passed unanimously.

Tim Hall made a motion to approve the Controlled Environment Agriculture (CEA) Strategy and Roadmap Project as submitted; Roger Scott seconded the motion. Sherry Swinson and Melody Foster abstained. The motion passed unanimously.

11. GO Virginia Region 3 Council Policy for Members Participating By Electronic Means

Bryan David provided a draft policy regarding virtual participation in meetings by members. Per the Code of Virginia, virtual attendance at meetings, when not in a governor-declared state of emergency, is limited to three reasons:

- a. a temporary or permanent disability or other medical condition that prevents the member's physical attendance;
- b. a family member's medical condition that requires the member to provide care for such family member, thereby preventing the member's physical attendance; or,
- c. a personal matter that prevents the member's physical attendance. If a member cannot attend the meeting due to a personal matter, the member must identify with specificity the nature of the personal matter.

Mr. David explained that a quorum must be physically assembled prior to a member being allowed to actively participate in the meeting virtually.

Roger Scott made a motion to approve the Region 3 Council Policy for Members Participating by Electronic Means; Jeremy Satterfield⁷ seconded the motion. The Policy was approved by unanimous vote.

PROGRAM DIRECTOR'S REPORT

12. 2021 Region 3 Growth and Diversification Plan Update

Liz Povar provided an update on the Growth and Diversification Plan.

13. GO Virginia Region 3 FY2020-2021 Annual Report

The FY2020-2021 Annual Report, prepared by Deborah Gosney of the Southside Planning District Commission, was provided to the Council for review. No action was required.

14. GO Virginia Region 3 Project Funding Matrix Report

Bryan David shared the Region 3 Project Funding Matrix Report with the Council. The report presents each project approved by the Region 3 Council since the first award in 2018, along with the project's status and balances.

15. GO Virginia Region 3 Council 2022 Meeting Schedule

Bryan David provided a 2022 schedule for Full Council meetings.

OTHER BUSINESS/ADJOURN

There being no additional business matters to go before the GO Virginia Region 3 Council, Chair Lail adjourned the meeting at 3:00 p.m.

Deborah B. Gosney, Southside PDC
Support Organization/Fiscal Agent

Ernest “Randy” Lail
Chair

DRAFT

FINANCIAL REPORT

FY21 GO VIRGINIA OPERATING FUNDS

GO Virginia Region 3

Report Period: December 1, 2021 to December 31, 2021

GO VIRGINIA



virginia initiative for
GROWTH & OPPORTUNITY
in every person

FY 21 GO VIRGINIA FUNDS

Budget Categories	Operating Budget	Budget Revision #1 (+/-) Change	Budget Revision #2 (=/-) Change	Revised Operating Budget	Previously Paid Expenses	DHCD Request Remittance 10	Total Expenses To Date	FY21 Available Funds
Program Operations								
Rent Expense	\$ 5,415.00	\$ -	\$ -	\$ 5,415.00	\$ 3,610.00	\$ 451.25	\$ 4,061.25	\$ 1,353.75
Audit	1,170.00	-	-	1,170.00	-	-	-	1,170.00
SPDC UVA MOU	101,200.00	-	-	101,200.00	75,899.97	-	75,899.97	25,300.03
SPDC Contract Staff - Nancy Pool	7,200.00	-	1,000.00	8,200.00	7,025.00	400.00	7,425.00	775.00
SPDC Contract Staff - Riverlink	9,000.00	-	-	9,000.00	3,371.25	5,250.00	8,621.25	378.75
Marketing - Letterpress	31,900.00	-	7,000.00	38,900.00	29,795.00	1,850.00	31,645.00	7,255.00
Meetings and Facilitation	1,500.00	-	-	1,500.00	1,145.95	61.52	1,207.47	292.53
SPDC Staff Salaries	80,000.00	(12,700.00)	(8,000.00)	59,300.00	40,155.17	3,332.49	43,487.66	15,812.34
Supplies	500.00	-	-	500.00	295.02	-	295.02	204.98
Total Program Operations	237,885.00	(12,700.00)	-	225,185.00	161,297.36	11,345.26	172,642.62	52,542.38
Planning								
Technical Assistance	12,115.00	12,700.00	-	24,815.00	21,640.00	3,175.00	24,815.00	-
Total Planning	12,115.00	12,700.00	-	24,815.00	21,640.00	3,175.00	24,815.00	-
TOTAL	\$ 250,000.00	\$ -	\$ -	\$250,000.00	\$ 182,937.36	\$ 14,520.26	\$ 197,457.62	\$ 52,542.38

The Checking Account is comprised of:	\$47,039.72	Local Funds - Unexpended (Martinsville/Henry County)
	261.30	Interest
	\$47,301.02	
	(14,520.26)	(Checks Submitted - Remittance 10)
	\$32,780.76	Current Checkbook Balance

Checks Submitted in Remittance 10

9764 - The Riverlink Group - April to October 2021	\$ 8,425.00
9765 - SPDC - Salaries - November 2021	\$ 3,332.49
9766 - SPDC - Executive Meeting Meal Reimbursement	\$ 61.52
9767 - Nancy Pool - November 2021	\$ 400.00
9768 - SOVA Innovation Hub - Rent - December 2021	\$ 451.25
9769 - Letterpress Communications - November 2021	\$ 1,850.00
Total Checks Submitted in Remittance 10	\$ 14,520.26

GO VIRGINIA REGION 3 OPERATING FUNDS

FY21 PROFIT and LOSS

March 1, 2021 - December 31, 2021

	LOCAL FUNDS	STATE FUNDS	TOTAL
INCOME			
Local Money - Martinsville/HC	\$ 47,039.72	\$ -	\$ 47,039.72
State Money - DHCD	-	250,000.00	250,000.00
TOTAL INCOME	47,039.72	250,000.00	297,039.72
EXPENSE			
Program Operations			
Meetings and Facilitation	-	1,207.47	1,207.47
Marketing - Letterpress	-	31,645.00	31,645.00
Rent Expense	-	4,061.25	4,061.25
Supplies	-	295.02	295.02
Audit	-	-	-
Salaries - SPDC	-	43,487.66	43,487.66
Contract Services	-	91,946.22	91,946.22
Total Program Operations	-	172,642.62	172,642.62
Planning			
Technical Assistance	-	24,815.00	24,815.00
Total Planning	-	24,815.00	24,815.00
TOTAL EXPENSE	-	197,457.62	197,457.62
NET ORDINARY INCOME	47,039.72	52,542.38	99,582.10
Other Income			
Interest	261.30	-	261.30
Total Other Income	261.30	-	261.30
NET INCOME	\$ 47,301.02	\$ 52,542.38	\$ 99,843.40

* Income is Accrual/Expenses are Cash.

GO-TEC 2B

GO Virginia Region 3

Report Period: December 1, 2021 to December 31, 2021

GO VIRGINIA



Well-being. Better lives. **GROWTH & OPPORTUNITY**
for all Virginians

GO VIRGINIA FUNDS

Budget Categories from CAMS	GO VA Budget	Previously Paid	Drawdown (DD 6)	Total Paid After Remittance	Available Funds
Project Monitoring/Reporting	\$ 16,554.36	\$ -	\$ 786.06	\$ 786.06	\$ 15,768.30
Administration	\$ 248,315.35	\$ 124,607.42	\$ 11,140.48	\$ 135,747.90	\$ 112,567.45
Equipment	\$ 2,430,751.29	\$ 1,281,472.57	\$ 75,360.89	\$ 1,356,833.46	\$ 1,073,917.83
Salaries	\$ 791,120.00	\$ 361,792.64	\$ 61,900.11	\$ 423,692.75	\$ 367,427.25
Travel	\$ 89,000.00	\$ 18,166.81	\$ 11,278.78	\$ 29,445.59	\$ 59,554.41
Totals	\$ 3,575,741.00	\$ 1,786,039.44	\$ 160,466.32	\$ 1,946,505.76	\$ 1,629,235.24

MATCHING FUNDS

Budget Categories from CAMS	Committed Required Match *	Previous Required Match	Current Required Match	Cumulative Required Match To Date	Additional Match	Total Project Match	Match Balance
Totals	\$ 2,625,918.79	\$ 1,964,709.56	\$ 305,257.40	\$ 2,269,966.96	\$ -	\$ 2,269,966.96	\$ 355,951.83

* IALR received a match waiver on GO-TEC 2B. They do not have to meet the 1:1 match. They are also receiving credit for being over-matched on 2A. With both phases combined, they are still not meeting an overall 1:1 match, but the reduced match was approved by DHCD on 6/23/2020.

GOVA Grant Agreement Term = June 23, 2020 - June 22, 2022

Status: Project is approximately 54% complete.

IALR COMMON PLATFORM

GO Virginia Region 3

Report Period: December 1, 2021 to December 31, 2021

GO VIRGINIA



Investment and Public Works Program
GROWTH & OPPORTUNITY
FOR ALL VIRGINIANS

GO VIRGINIA FUNDS

Budget Categories from CAMS	GO VA Budget (Budget Revision 4/8/21)	Previously Paid	Drawdown (No Activity)	Total Paid After Remittance	Available Funds
Administration	\$ 4,292.38	\$ 4,234.05	\$ -	\$ 4,234.05	\$ 58.33
Fringe Benefits	\$ 4,296.00	\$ 4,295.91	\$ -	\$ 4,295.91	\$ 0.09
Meetings and Facilitation	\$ 884.62	\$ 390.00	\$ -	\$ 390.00	\$ 494.62
Salaries	\$ 15,500.00	\$ 15,500.00	\$ -	\$ 15,500.00	\$ -
Software	\$ 64,495.00	\$ 64,495.00	\$ -	\$ 64,495.00	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	\$ 672.00	\$ -	\$ -	\$ -	\$ 672.00
Totals	\$ 90,140.00	\$ 88,914.96	\$ -	\$ 88,914.96	\$ 1,225.04

**** Funds Forfeited

MATCHING FUNDS

Budget Categories from CAMS	Committed Required Match	Previous Required Match	Current Required Match	Cumulative Required Match To Date	Additional Match	Total Project Match	Match Balance
Totals	\$ 122,808.00	\$ 117,709.53	\$ -	\$ 117,709.53	\$ -	\$117,709.53	\$ 5,098.47

GOVA Grant Agreement Term = June 1, 2020 - August 31, 2021 September 30, 2021

Status: The project is complete. The final drawdown was submitted 11/10/2021. IALR submitted the close-out reports 1/5/2022.

REGION 3 BRIDGE TO RECOVERY

GO Virginia Region 3

Report Period: December 1, 2021 to December 31, 2021

GO VIRGINIA



VIRGINIA INITIATIVE FOR
GROWTH & OPPORTUNITY
IN EACH REGION

GO VIRGINIA FUNDS

Budget Categories from CAMS	GO VA Budget	Previously Paid	Drawdown (No Activity)	Total Paid After Remittance	Available Funds
Project Monitoring/Reporting	\$ 25,000.00	\$ 2,252.04	\$ -	\$ 2,252.04	\$ 22,747.96
Administration	\$ 160,000.00	\$ 8,565.20	\$ -	\$ 8,565.20	\$ 151,434.80
Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Contract Services	\$ 400,000.00	\$ 1,743.00	\$ -	\$ 1,743.00	\$ 398,257.00
Fringe Benefits	\$ 10,313.00	\$ 9,264.20	\$ -	\$ 9,264.20	\$ 1,048.80
Salaries	\$ 34,375.00	\$ 12,339.03	\$ -	\$ 12,339.03	\$ 22,035.97
Other: Collaborative Support	\$ 69,957.00	\$ 12,500.00	\$ -	\$ 12,500.00	\$ 57,457.00
Other: Subscriptions	\$ 61,683.00	\$ 17,141.03	\$ -	\$ 17,141.03	\$ 44,541.97
Other: Website Updates	\$ 8,000.00	\$ 1,125.00	\$ -	\$ 1,125.00	\$ 6,875.00
Other: Training and Marketing Program	\$ 5,672.00	\$ -	\$ -	\$ -	\$ 5,672.00
Other: E-Commerce Assistance	\$ 100,000.00	\$ -	\$ -	\$ -	\$ 100,000.00
Other: Marketing	\$ 50,000.00	\$ -	\$ -	\$ -	\$ 50,000.00
Other: Finance Costs for Cash Flows	\$ -	\$ -	\$ -	\$ -	\$ -
Other: Upgrade Costs for Shop Local	\$ -	\$ -	\$ -	\$ -	\$ -
Other: PPE Tool Kits	\$ -	\$ -	\$ -	\$ -	\$ -
Other: Meeting Expense (Sites/Virtual)	\$ -	\$ -	\$ -	\$ -	\$ -
Other: Finance and Procurement Admin	\$ -	\$ -	\$ -	\$ -	\$ -
Other: Business Services Match Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	\$ 925,000.00	\$ 64,929.50	\$ -	\$ 64,929.50	\$ 860,070.50

MATCHING FUNDS

Budget Categories from CAMS	Committed Required Match	Previous Required Match	Current Required Match	Cumulative Required Match To Date	Additional Match	Total Project Match	Match Balance
Totals	\$ 1,211,500.00	\$ 115,440.80		\$ 115,440.80	\$ -	\$ 115,440.80	\$ 1,096,059.20

GOVA Grant Agreement Term = July 1, 2020 - June 30, 2022.

Status: DD#2 to be submitted in January 2022; awaiting on revised invoices.

76 Suppliers have been prequalified.

76 approved applications, \$636,000.

MBC Middle Mile Project

GO Virginia Region 3

Report Period: December 1, 2021 to December 31, 2021

GO VIRGINIA



VIRGINIA INFRASTRUCTURE FUND
GROWTH & OPPORTUNITY
IN RURAL VIRGINIA

GO VIRGINIA FUNDS

Budget Categories from CAMS	GO VA Budget	Previously Paid	Drawdown (No Activity)	Total Paid After Remittance	Available Funds
Planning/Assessment	\$ 100,000.00	\$ -	\$ -	\$ -	\$ 100,000.00
Totals	\$ 100,000.00	\$ -	\$ -	\$ -	\$ 100,000.00

MATCHING FUNDS

Budget Categories from CAMS	Committed Required Match	Previous Required Match	Current Required Match	Cumulative Required Match To Date	Additional Match	Total Project Match	Match Balance
Totals	\$ 900,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$900,000.00

GOVA Grant Agreement Term = October 1, 2020 - ~~December 31, 2021~~ December 31, 2022

EDA Grant Agreement Term = March 24, 2021 - September 23, 2022

Status: EDA approved the A/E contract 12/10/2021. Design is underway. MBC will not start drawing down funds until design is underway.

Entrepreneurship and Innovation Implementation (R3EII) Project

GO Virginia Region 3

Report Period: December 1, 2021 to December 31, 2021

GO VIRGINIA



PROVIDING MATCHING FUNDS
GROWTH & OPPORTUNITY
FOR VIRGINIA BUSINESSES

GO VIRGINIA FUNDS

Budget Categories from CAMS	GO VA Budget	Previously Paid	(DD 2)	Total Paid After Remittance	Available Funds
Entrepreneurship training	\$ 110,000.00	\$ 12,966.38	\$ -	\$ 12,966.38	\$ 97,033.62
Youth entrepreneurship program	\$ 75,000.00	\$ -	\$ -	\$ -	\$ 75,000.00
Program branding/marketing	\$ 115,000.00	\$ 14,875.00	\$ 3,975.44	\$ 18,850.44	\$ 96,149.56
Regional scorecard implementation	\$ 5,000.00	\$ -	\$ 86.80	\$ 86.80	\$ 4,913.20
Farmville innovation space planning	\$ 40,000.00	\$ -	\$ -	\$ -	\$ 40,000.00
Out-of-region consultants	\$ 80,000.00	\$ 2,509.65	\$ -	\$ 2,509.65	\$ 77,490.35
Administrative Fee - R3 Support Org (SPDC)	\$ 24,000.00	\$ -	\$ 407.45	\$ 407.45	\$ 23,592.55
Totals	\$ 449,000.00	\$ 30,351.03	\$ 4,469.69	\$ 34,820.72	\$ 414,179.28

MATCHING FUNDS

Budget Categories from CAMS	Committed Required Match *	Previous Required Match	Current Required Match	Cumulative Required Match	Additional Match	Total Project Match	Match Balance
Totals	\$ 280,000.00	\$ 66,014.35	\$ -	\$ 66,014.35	\$ -	\$ 66,014.35	\$ 213,985.65

GOVA Grant Agreement Term = April 1, 2021 - March 31, 2023

Status: Project awarded on April 1, 2021.

DD#2 Received.

ExperienceWorks Project

GO Virginia Region 3

Report Period: December 1, 2021 to December 31, 2021

GO VIRGINIA



GROWTH & OPPORTUNITY
FOR ALL VIRGINIANS

GO VIRGINIA FUNDS

Budget Categories from CAMS	GO VA Budget	Previously Paid	Drawdown (No Activity)	Total Paid After Remittance	Available Funds
Administration - SPDC	\$ 15,018.00	\$ -	\$ -	\$ -	\$ 15,018.00
Administration - IALR	\$ 37,082.00	\$ -	\$ -	\$ -	\$ 37,082.00
Contract Services	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 25,000.00
Fringe Benefits	\$ 21,000.00	\$ -	\$ -	\$ -	\$ 21,000.00
Salaries	\$ 60,000.00	\$ -	\$ -	\$ -	\$ 60,000.00
Supplies	\$ 10,500.00	\$ -	\$ -	\$ -	\$ 10,500.00
Taxes and Insurance	\$ 19,278.00	\$ -	\$ -	\$ -	\$ 19,278.00
Travel	\$ 12,000.00	\$ -	\$ -	\$ -	\$ 12,000.00
Other - Internship Stipends	\$ 252,000.00	\$ -	\$ -	\$ -	\$ 252,000.00
Other - EXCITE Teacher Stipends	\$ 30,000.00	\$ -	\$ -	\$ -	\$ 30,000.00
Other - Business Meals for Sector Camp	\$ 13,500.00	\$ -	\$ -	\$ -	\$ 13,500.00
Other - Work Readiness Bootcamps	\$ 20,250.00	\$ -	\$ -	\$ -	\$ 20,250.00
Totals	\$ 515,628.00	\$ -	\$ -	\$ -	\$ 515,628.00

MATCHING FUNDS

Budget Categories from CAMS	Committed Required Match *	Previous Required Match	Current Required Match	Cumulative Required Match To Date	Additional Match	Total Project Match	Match Balance
Totals	\$ 257,814.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 257,814.00

GOVA Grant Agreement Term = October 1, 2021 - September 30, 2023

Status: Contract Executed 11/1/2021

Budget revision underway

**Strengthening Southern Virginia's Economy
by
Expanding the Inventory of Shovel Ready Sites**

GO Virginia Region 3

Report Period: December 1, 2021 to December 31, 2021

GO VIRGINIA



VIRGINIA INITIATIVE FOR
**GROWTH &
OPPORTUNITY**
Helping you grow your business

GO VIRGINIA FUNDS

Budget Categories from CAMS	GO VA Budget	Previously Paid	Drawdown (No Activity)	Total Paid After Remittance	Available Funds
Administration - SPDC	\$ 35,000.00	\$ -	\$ -	\$ -	\$ 35,000.00
Administration - IALR	\$ 21,800.00	\$ -	\$ -	\$ -	\$ 21,800.00
Architectural and Engineering Fees	\$ 1,478,100.00	\$ -	\$ -	\$ -	\$ 1,478,100.00
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
Totals	\$ 1,534,900.00	\$ -	\$ -	\$ -	\$ 1,534,900.00

MATCHING FUNDS

Budget Categories from CAMS	Committed Required Match *	Previous Required Match	Current Required Match	Cumulative Required Match To Date	Additional Match	Total Project Match	Match Balance
Totals	\$ 1,323,800.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,323,800.00

GOVA Grant Agreement Term = October 1, 2021 - September 30, 2023

Status: Contract Executed 10/21/21

First remittance anticipated February 2022

PROJECT FUNDING MATRIX

**GO VIRGINIA REGION 3
PROJECT FUNDING MATRIX**

GO VIRGINIA REGION 3 PER-CAPITA PROJECTS											
PDC Assigned Staff	Project Name	Investment Strategy	Project Status	Amount Funded	Project Type	Date of Award	FY18 Per Capita 757,401	FY19 Per Capita 1,000,000	FY20 Per Capita 1,000,000	FY21 Per Capita 1,000,000	FY22 Per Capita 1,000,000
							757,401	1,000,000	1,000,000	1,000,000	1,000,000
Sangi	GO TEC Phase 1	Workforce Dev	Closed	617,172.79	Per Capita	02/13/18	617,172.79				
Sangi	SOVA Innovation Hub	Startup Ecosystem	Closed	79,920.80	Per Capita-ECB	07/25/18	79,919.80				
Sangi	GO TEC Phase 2A	Workforce Dev	Closed	1,320,787.00	State Competitive	03/12/19					
Ashleigh	E&I Strategic Initiative	Startup Ecosystem	Closed	77,662.12	Per Capita-ECB-REI	10/09/19	60,308.41	17,353.71			
Ashleigh	Operation Last Mile Drone	Cluster Scale Up	Closed	75,000.00	COVID ERR Fund	04/15/20					
Sangi	IALR Common Platform	Workforce Dev	Closed	90,140.00	Per Capita-ECB	04/15/20		88,914.96			
Ashleigh	Bridge to Recovery	Cluster Scale Up	Active	925,000.00	COVID ERR Fund	06/23/20					
Sangi	GO-TEC Phase 2B	Workforce Dev	Active	3,575,741.00	State Competitive	06/23/20					
Sangi	MBC Middle Mile Expansion	Broadband	Active	100,000.00	Per Capita-ECB	08/04/20		100,000.00			-
Ashleigh	EII Implementation Project	Startup Ecosystem	Active	449,000.00	Per-Capita-REI	03/16/21		449,000.00			
Erika	SVRA Site Development Project	Site Development	Active	1,534,900.00	Per-Capita	09/23/21		344,731.33	1,000,000.00	190,168.67	
Erika	ExperienceWorks	Workforce Dev	Active	515,628.00	Per-Capita	09/23/21				515,628.00	
Erika	CEA Strategy and Roadmap	Cluster Scale Up	Approved	77,803.00	Per Capita-ECB	11/29/21				77,053.00	
Ashleigh	SEED-Innovation Hub	Startup Ecosystem	Approved	662,304.00	Per-Capita	12/15/21				217,150.33	445,153.67
Sangi	Virginia College Fund Gupton Initiative	Workforce Dev	Pending	35,000.00	Per-Capita-ECB						35,000.00
Erika	MBC Middle Mile Expansion	Broadband	Pending	5,000,000.00	State Competitive						
TBD	VGA Refresh/Restart	REDO/Planning	Pending	100,000.00	Per-Capita-ECB						100,000.00
	TOTAL PROJECT FUNDING			15,236,058.71			757,401.00	1,000,000.00	1,000,000.00	1,000,000.00	580,153.67
	Available Balance						(0.00)	-	-	0.00	419,846.33
Notes	Of the \$1,000,000 that is awarded annually, no more than \$250,000 can be utilized for ECB Projects.										
	ERR-Economic Resilience & Recovery Fund										
	REI-Regional Entrepreneurship Initiative										
	ECB-Enhanced Capacity Building										

Special Appearances & Presentations



DATE: January 12, 2022

TO: GO Virginia Region 3 Council

FROM: R. Bryan David, Program Director

A handwritten signature in blue ink, appearing to read 'RBD'.

RE: 2020 US Census Findings for Rural Virginia – Hamilton Lombard, Demographer, Demographics Research Group, UVA Weldon Cooper Center for Public Service

Several Region 3 Council members noted a column in a December edition of Cardinal News. The Executive Editor, Dwayne Yancey, for this non-profit news service covering Southern and Southwest Virginia, wrote a recent column a presentation made by Hamilton Lombard about the 2020 Census and rural Virginia at the Governor's 2021 Rural Summit hosted by Longwood University.

Hamilton is a Demographer with the Demographics Research Group at UVA's Weldon Cooper Center for Public Service. I have made arrangements for Hamilton to join us at the January 19th meeting to share his findings from the 2020 Census.

Attached is a copy of the Cardinal News column to give better context and background to the issues raised.

RECOMMENDATION:

For the Region 3 Council's information. No action is needed.

Attachment

OPINION

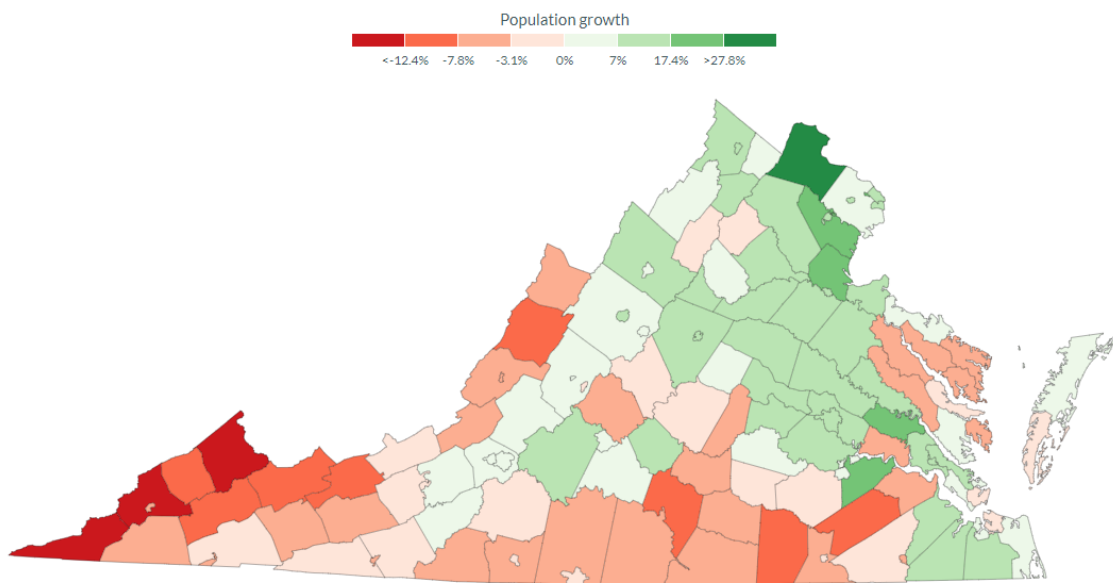
The numbers we ought to be paying attention to

1. Virginia has the nation's biggest disparity between affluent localities and poor ones. 2. The localities that benefit most from remote workers.



by **Dwayne Yancey**

November 16, 2021



Population changes by county between 2010 and 2020. Map courtesy of Virginia Public Access Project.

It is customary – nay, required, by the constitution – for the governor of Virginia to deliver a State of the Commonwealth address. I suggest that in January outgoing Gov. Ralph Northam – and incoming Gov.-elect Glenn Youngkin – turn over their speaking slot before the General Assembly to the one person who can deliver the true State of Commonwealth.

I refer, of course, to Hamilton Lombard.

The University of Virginia demographer is not a name most people know, and the subject of demography might strike legislators as even worse than that famously dismal science of economics. But what Lombard could tell legislators – and the governor, for that matter – is something that they should all understand before they start trying to pass any laws or fashion any budgets.

Demography, the saying goes, is destiny. Demography doesn't just shape the future, though – it also shapes the present, and anyone who wants to make policy in Virginia should understand the numbers that Lombard could tell them. Lombard, officially the estimates program manager for the Demographic Research Group at the Weldon Cooper Center for Public Service, spoke last week to the Governor's Summit on Rural Prosperity at Longwood University in Farmville. He used the occasion to deliver some eye-popping numbers. Here are some of them.

We all think we know the basic story – most rural areas are losing population. That's true but only part of the story. Here's the first headline: Virginia's rural areas are losing population at a faster rate than rural areas in neighboring states. Why is this?



Hamilton Lombard. Courtesy of University of Virginia.

Politicians might point to policies but Lombard points to something more difficult to change. "I think one of the reasons why we see this difference," he told the summit, "is in part due to the economic differences we have."

The three wealthiest localities in the country are all in Virginia; the U.S. Census Bureau ranks Loudoun County, Falls Church and Fairfax County first, second and third based on median household income. Arlington ranks eighth, Fairfax city 10th. That means [five of the 10 most affluent localities in the country](#) – half – are in Virginia.

So are some of the poorest. The median household income in Loudoun is \$142,299 per year. In Dickenson County, the figure is \$29,932. No other state, Lombard said, has such a vast disparity between its richest county and its poorest county. The gap is even wider if you include two small cities in the comparison. In Norton, the median household income is \$29,000. In Emporia, the figure is \$27,063. The only reason he counts them separately is that

Virginia is unique in that counties and cities are separate things. Regardless, whether you're comparing county-to-county – Loudoun to Dickenson – or locality-to-locality – Loudoun to Emporia – the result is the same. Virginia has more disparity than any other state.

Lombard told me in a follow-up email: “New Mexico has the second largest difference in other states, between two small counties: Los Alamos (where the lab is) and Guadalupe. But within Virginia there are 33 counties or cities that have a larger income gap with Loudoun (one of our largest counties) than exists between Los Alamos and Guadalupe.”

Now do I have your attention? And yes, this is why I keep harping on the Northern Virginia legislator who [earlier this year criticized Lee County](#) for not doing more to fix its schools (which a few years ago had such leaky roofs that students had to set out trash cans on rainy days). That legislator was a Democrat and Lee County in this past election was our most Republican locality, but maybe those partisan differences aren't the most important ones. Maybe this is: That legislator represented a county with a median household income of \$124,831 (Fairfax County). And he's telling the people of a county with a median household income of \$32,888 that they should dig a little bit deeper?

But back to the numbers. Lombard's point is that “having such a large economic difference creates a larger economic incentive to move out of rural Virginia.” My words, not his: Northern Virginia, and the rest of the urban crescent, becomes a black hole that inevitably pulls young adults out of rural areas. There's your “giant sucking sound,” just not the one Ross Perot warned about. Is there any policy fix for that?

The implications of this rural-to-urban migration – which, again, is higher than in

Virginia's disparities

Virginia has 33 counties or cities that have a larger income gap with Loudoun County (the wealthiest locality in the country with a median household income of \$142,299) than exist in any other state. Here they are, along with their median household income:

- \$ 45,535 Nottoway County
- \$ 45,011 Waynesboro city
- \$ 44,835 Carroll County
- \$ 44,434 Brunswick County
- \$ 44,303 Lunenburg County
- \$ 44,230 Roanoke city
- \$ 43,207 Mecklenburg County
- \$ 43,073 Patrick County
- \$ 42,669 Halifax County
- \$ 42,632 Lexington city
- \$ 42,099 Tazewell County
- \$ 40,932 Smyth County
- \$ 40,655 Covington city
- \$ 40,573 Charlotte County
- \$ 40,417 Franklin city
- \$ 39,820 Scott County
- \$ 39,758 Russell County
- \$ 39,030 Hopewell city

neighboring states – play out in more ways than simply a declining population in many rural counties.

“This pattern has really transformed our age structure in the state,” Lombard said.

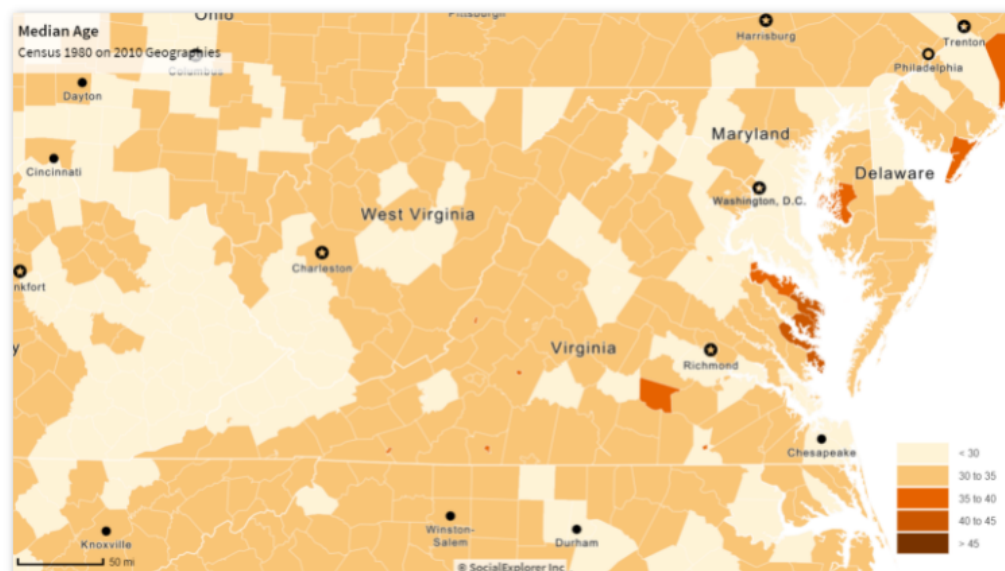
In 1980, the median age in Virginia didn’t vary that much from one locality to another. In fact, that year Arlington and Bath County both had the same median age – 32. Now, Arlington’s median age has edged up to 35 (the whole country is getting older), but in Bath County it’s soared to 52. And Bath County isn’t even the oldest county in the state. That would be Highland County next door, where the median age is almost 59. In 1980, it was 33. (Lombard, by the way, knows rural

Virginia from the inside. He grew up in Bath County, near the Highland County line).

\$ 38,888 Wise County
\$ 38,679 Petersburg city
\$ 37,952 Henry County
\$ 37,500 Bristol city
\$ 37,203 Danville city
\$ 36,544 Grayson County
\$ 36,297 Radford city
\$ 34,371 Martinsville city
\$ 33,575 Galax city
\$ 32,888 Lee County
\$ 32,455 Buena Vista city
\$ 31,956 Buchanan County
\$ 29,932 Dickenson County
\$ 29,000 Norton city
\$ 27,063 Emporia city

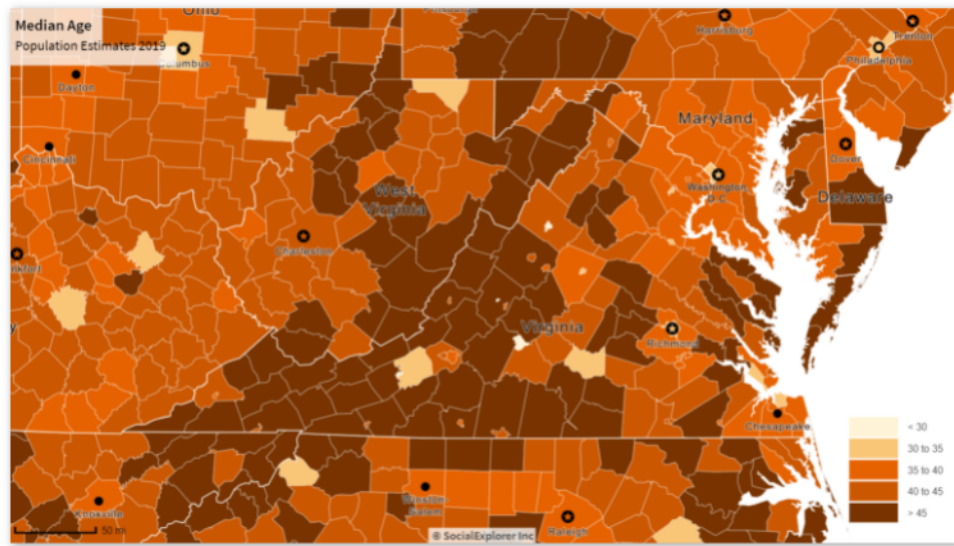
Source: U.S. Census Bureau

Median Age: 1980



Median age by county in 1980. Most of Virginia is about the same, and rural Virginia is about the same as in rural portions of neighboring states. Courtesy of Hamilton Lombard.

Median Age: 2019



Median age by county in 2019. Now an age gap has widened, not just between rural Virginia and the urban crescent but between rural Virginia and rural portions of neighboring states. Courtesy of Hamilton Lombard.

More amazing stats: In 1980, some coalfield counties were among the youngest in the state, if not the nation. The median age in Buchanan County was 26, in Wise County and Dickenson County 28, in Russell County and Tazewell County 29. Now it's 47.7 in Buchanan, 42 in Wise, 45.5 in Dickenson 46.7 in Russell, 45.6 in Tazewell. We see the same trends across Southside, just with different numbers. Campbell County in 1980 was a youthful 26; now it's 43.4. In fact, in 1980, localities in Southwest and Southside were consistently either the same median age as Northern Virginia or younger. Now they are distinctly older.

Lombard said if all the localities outside the urban crescent were their own state, "we'd probably be the oldest state in the country."

He ventured an opinion: "I think these disparities ... have made it harder to govern Virginia today than a few years ago. It's hard to pass regulations on counties that are so different."

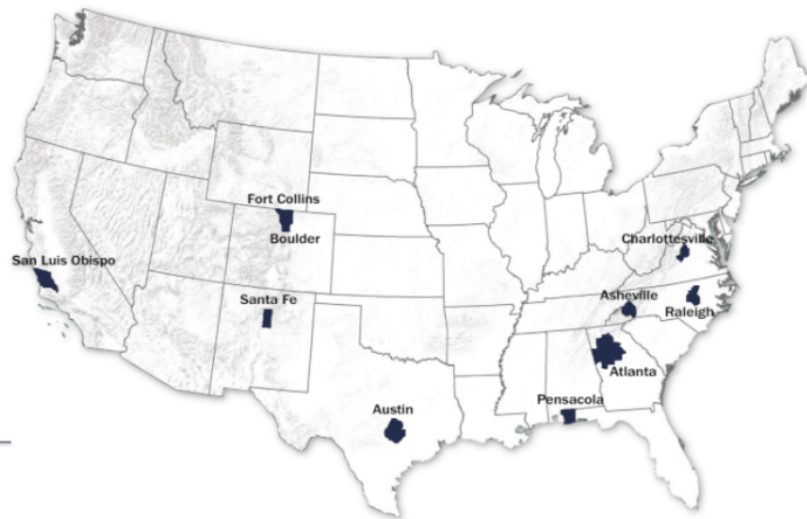
We often think of our differences as political, and they certainly are, but they are also much more than that.

Now for the really hard part: There's no policy change that's going to immediately close these gaps. Lombard pointed out that the age structure of rural Virginia has become so imbalanced that simply halting the outflow of young adults won't reverse these population declines. That's because deaths way outnumber births. To reverse the populations in many

rural counties, we'd need to halt the out-migration of young adults – and then have them stay and home and produce a baby boom of unrealistic proportions.

Now, before we throw up our hands and accept the population decline of Southwest and Southside to be inevitable and irreversible, consider this: “No trend lasts forever,” Lombard said. He pointed out that in the early 1900s the population of Southwest Virginia was growing, and it was parts of Northern Virginia that were seeing population losses. What changed? The economy did. And perhaps it might change again. Perhaps it already is.

The top metro areas for telecommuting are typically in areas with access to outdoor recreation



These are the places with the highest concentration of people working from home. Courtesy of Hamilton Lombard.

Lombard said the most fascinating trend to watch is the growth in the number of people working from home, which means they can live wherever they want to, as long as they have a broadband connection. Those numbers were ticking up before the pandemic, and the events of the past two years have only accelerated those trends. The question is whether they will now cause people to pick up and move out of cities and into rural areas. There's some theoretical reason to think this might happen: Before the pandemic, a Gallup Poll showed that far more people would prefer to live in a rural area than actually do – they just didn't because that's not where the jobs are. During the pandemic, we've seen some anecdotal evidence of people moving into rural areas. Grayson County administrator Bill Shepley [told me in September](#) that his county was seeing an influx of new residents. “We've gotten a tremendous amount of calls from people who want to build homes in Grayson,” he said. With the county's broadband project underway, “we're trying to market ourselves as a remote work community. I think that's part of the growth of the future for Grayson County.” [The Bluefield Daily Telegraph](#) quoted the president of the local chamber of commerce, Jeff Disibbio, saying much the same thing: “We may have a great influx of people coming back. We are already seeing the number grow with people who have

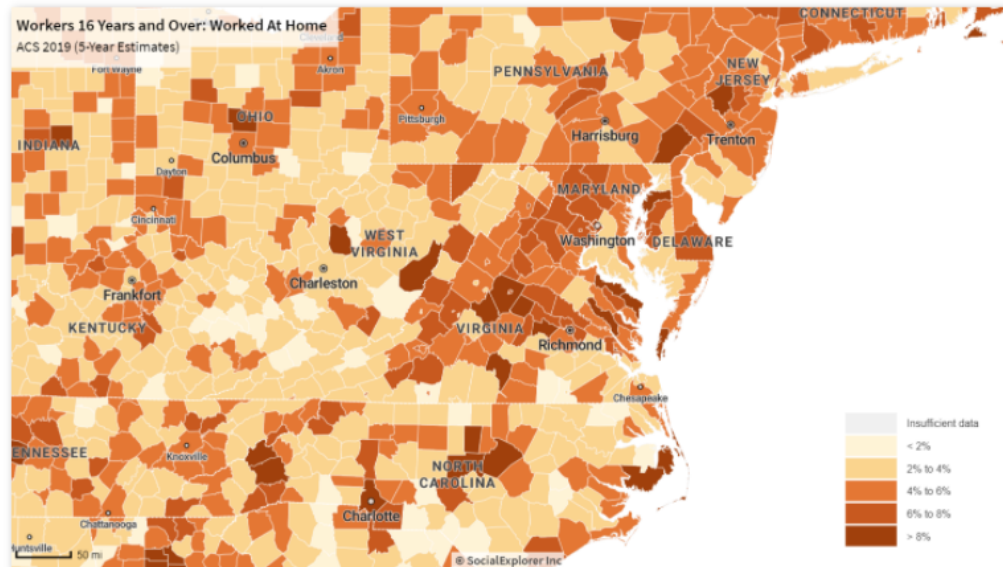
relocated here from larger cities. They love it here. And they feel safe here. We've had a great housing boom."

Now, whether those numbers are big enough to be a real trend that bends the arc of history, we'll see. Like Lombard, I like to see numbers. But here are some from before the pandemic: The localities with the highest percentage of people working from home tended to be in places with lots of outdoor recreation, which suggests those remote workers like to log off and then go hit the trails. The county with the single largest percentage of people working from home before the pandemic was Nelson County, where 11.7% of the workforce worked from home. That's a percentage high enough to constitute its own labor sector, which is exactly what people like Shepley are thinking. Lombard pointed out the economic ripple effects of a county having a lot of remote workers: They don't just bring their job (and their income), but they spend their money locally, which creates jobs for non-remote workers, from dentists to plumbers. He likened it to the rise of the suburbs after World War II. At first they were "bedroom communities," where people slept but didn't work. Then business followed because there was money to be made. If these population declines in rural Virginia are to get reversed, this is probably how it will happen.

Lombard pointed me to the 2019 statistics for people working for home. Here are the top localities in Virginia:

1. Nelson County: 11.74%
2. Westmoreland County: 9.06%
3. Charlotte County: 8.97%
4. Northampton County: 8.7%
5. King and Queen County: 8.47%
6. Albemarle County: 8.46%
7. Winchester: 8.35%
8. Fluvanna County: 8.34%
9. Powhatan County: 8.18%
10. Northumberland County: 8%

Percent Working from Home: 2019



Percentage of people working from home, pre-pandemic in 2019. The state's biggest cluster is around Charlottesville and counties near the Chesapeake Bay. Courtesy of Hamilton Lombard.

Big picture: We see a cluster around Charlottesville and the eastern slopes of the Blue Ridge, and another cluster along the Chesapeake Bay. (Charlotte County in Southside is a notable exception that bears more investigation.) These should be encouraging numbers for counties across Southwest and Southside, particularly as broadband gets expanded.

When we look down to the next tier of numbers, we see another cluster forming on the eastern slopes of the Blue Ridge near Northern Virginia. In Fauquier County, 7.99% work from home. In Rappahannock County, 7.93%. In Loudoun County, 7.88%. In Clarke County and Warren County on the other side of the Blue Ridge, the figures are 6.75% and 6.88%. And then there's Winchester at 8.35%. There are also a lot of remote workers in the rural counties around Richmond – with Louisa at 6.6%, Hanover at 6.2% and then Powhatan at 8.18%. Both of those make sense – they're near the big metros of Northern Virginia and Richmond.

However, we also see a cluster forming in the western part of the state, without the draw of a major metro (unless you count Roanoke). In Bath County, 7.32% work from home. In Franklin County, 7.48% do. In between Hot Springs and Rocky Mount, we see some localities that log in at rates just a little lower than that. In Rockbridge County, 6.52% work from home. In Botetourt County, 6.27% do. In Salem, the figure is 6.55%. In Floyd County, it's 6.27%. Farther southwest, Galax stands out at 6.47%. And if you want to take an even broader view, across the the state line in West Virginia, Pocahontas County has a work-

from-home rate of 8.62% and Pendleton County is at 7.38%. Some people seem to like living in or around mountains, eh?

It's not hard to imagine those numbers bumping up and that whole region developing a reputation as a good work-from-home location. (I'm happy to give a testimonial: I wasn't part of the ranks of remote workers when the Census Bureau tallied them up but I am now, so the Botetourt County figures are higher by at least one. As I type these words, I can look out my window and see what birds are showing up at the feeders. Of course, I also have to deal with an obnoxious cat who wants to lie on the keyboard as I type, so it's not all upside.) That proto-cluster, whether you describe it as running from Hot Springs to Rocky Mount, or Hot Springs to Smith Mountain Lake or Pendleton County to Galax, or simply a mountain-based cluster, raises the question of what other localities in Southwest Virginia need to do to attract more remote workers. Grayson, where the county has made more remote workers an official goal, weighs in at 3.92%. The counties around Bluefield, where the chamber president was talking up an influx of new people (who may not necessarily be remote workers), are pretty low. Mercer County on the West Virginia side is just 2.83%. Over on our side, the figure in Tazewell County is 3.58%. In Bland County, remote workers are almost non-existent — 0.66%. On the other hand, Bland County is a beautiful county with an interstate highway running right through it. Get some broadband and Bland could easily be a remote working hotspot, which might help reduce the 8.2% population decline the county saw over the past decade.

These are the numbers that are shaping and reshaping Virginia. Somehow we just made it through a gubernatorial campaign and neither of the candidates talked about them. But we will all live with the consequences of them, no matter what, so it would be good if our elected officials understood them. For that matter, it would be good if we all did.



DWAYNE YANCEY

Yancey is editor of Cardinal News. His opinions are his own. You can reach him at dwayne@cardinalnews.org. [More by Dwayne Yancey](#)

OLD BUSINESS

REGION 3 G&D PLAN 2021



DATE: January 12, 2022

TO: GO Virginia Region 3 Council

FROM: R. Bryan David, Program Director

A handwritten signature in blue ink, appearing to be 'RBD', is placed over the name 'R. Bryan David'.

**RE: GO Virginia Region 3 Region 3 Growth & Diversification Plan –
Adoption of 2021 Update**

The 2021 Growth and Diversification Plan update has progressed since the Region 3 Council last received an update at its meeting on October 20, 2021.

The Executive Committee on November 17th reviewed the draft plan, and the plan was then distributed to the Region 3 Council for review and input until December 10th. The Executive Committee had a final review of the draft plan at its meeting on December 15th. The plan's final draft was then submitted to the Virginia Department of Housing and Community Development GO Virginia staff for review by the due date of December 31, 2021.

As provided in the timeline for developing the updated plan, the Region 3 Council would formally approve the plan for its meeting on January 19th.

Liz Povar and Nancy Pool provided the comprehensive Region 3 staff support from the outset for this project. They will present the final draft at the Region 3 Council meeting on January 19th. A copy of the presentation is attached for your reference, along with a copy of the plan's Executive Summary. The complete plan may be accessed from the Region 3 website: <https://govirginia3.org/resources/diversification-update-2021/>

RECOMMENDATION:

Approve the 2021 Update GO Virginia Region 3 Growth and Diversification Plan.

Attachments



Growth & Diversification Plan 2021 Update





CONTENTS

Approach

Outcomes To Date

Findings

Strategies



APPROACH



APPROACH

Longwood Office of Community & Economic Development (LOCED)

1. Performance of the regional economy
2. Employment and wage growth across all sectors
3. Employment and wage growth in targeted traded industry sectors
4. New business formation activity
5. New business formation in targeted traded sector industries
6. Target sector situational analysis
7. Skills gap analysis for target sectors

Community Futures

1. Economic development project activity and announcements
2. Sites & buildings analysis
3. One-on-one stakeholder interviews

RiverLink Group and Nancy Pool

1. Review partner plans & strategies
2. Focus groups/stakeholder interviews (over 100 participants)
3. Develop Region 3 Plan goals and strategies



OUTCOMES TO DATE



SINCE 2017.....

Investment in 10 projects leveraging over \$9 million in non-state, private and philanthropic funding:

- **Talent & Workforce:**
 - *GO TEC Phase I and II* [Great Opportunities in Technology and Engineering Careers] – all Region 3 localities plus Region 1 partners
 - *IALR Common Platform* – all Region 3 localities
 - *ExperienceWorks* – all Region 3 localities
- **Entrepreneurship & Innovation**
 - *Region 3 Entrepreneurship & Innovation Strategy* – all Region 3 localities
 - *SOVA Innovation Hub* – 5 Region 3 localities
 - *EII Implementation Project* – all Region 3 localities
 - *MBC Middle Mile Project* – all Region 3 localities
- **Sites & Buildings**
 - *Operation Last Mile* – 2 Region 3 localities
 - *SVRA Site Development Project* – 4 Region 3 localities
- **Scale-Up**
 - *Bridge to Recovery* - all Region 3 localities



OUTCOMES FROM 2019 GOALS

- **Advanced Manufacturing:**
 - 5 subsector assessments completed *[11 completed]*
 - 10 Sites above 25 acres at Tier 2 *[33 completed]*
 - 2 companies engaged in supply chain *[91 thru Bridge to Recovery]*
 - Market validation for autonomous vehicles *[UAS Pilot project – Brunswick County]*
- **Business Services & IT**
 - Middle mile broadband supported *[MBC project underway]*
 - SOVA Innovation Hub fully utilized *[space occupied]*
- **High Value Natural Resource Products**
 - Market research underway for ag-based businesses *[CEA project]*

OUTCOMES FROM 2019 GOALS

- **Sites & Buildings**
 - 10 Sites above 25 acres at Tier 2 *[33 completed]*
 - 6 sites increase Tier rating & unique properties *[SVRA Business Ready Sites approved; Project SEED]*
- **Innovation and Entrepreneurship**
 - Complete an EI Strategy for Region *[approved 2020]*
 - Support innovation in ag and health care *[incorporated into EI Strategy]*
 - Support youth entrepreneurship *[incorporated into EI Strategy]*
- **Talent Development and Recruitment**
 - Achieve metrics for GO TEC 1 and complete approval for GO TEC 2 *[completed]*
 - Utilize GO TEC brand in economic development *[launched website and featured on ED websites; received Gold Award from Public Relations Society of America]*

FINDINGS - 2021



EMPIRICAL FINDINGS 2019-2021

- **COVID** dramatically impacted business revenues, job creation, and wages.
- **Target sectors continue to show a decline in the percentage of annual growth, but the decline is slowing despite the impact of COVID.**
- Business Services and IT/Data Centers forecast the least decline in growth at -0.3%, followed by Advanced Manufacturing & Materials at -1.6% and High Value Natural Resource Products at -1.7%.
- Health care (not a traded sector by GV definition) forecasts the strongest growth at 0.0%
- **Wage rates in the target sectors for the period 2018 – 2020 continue to increase:**
 - High Value Natural Resource Products wage growth rate = 0.55%
 - Advanced Manufacturing & Materials wage growth rate = 0.51%
 - Business Services & IT/Data Centers wage growth rate = 1.21%
 - Health care (not a traded sector by GV definition) wage growth rate = 1.21%

EMPIRICAL FINDINGS 2019 - 2021

- **Business Formation Trends:**
- In IT, Advanced Manufacturing, and Health Care, the percentage of job growth in new business formation exceeds the US percentage of job growth.
- IT is also above the new business formation rate for the Commonwealth in 2019 and 2020, whereas Business Services was below the new business formation rate for that same time period.
- Advanced Manufacturing and High Value Natural Resource Products each had one year above and one year below the new business formation rate for the Commonwealth.
- 6 communities are identified as having “moderate” or “significant” business formation activity: Danville and Martinsville - “significant”; Farmville, South Boston, South Hill and Lawrenceville - “moderate”



EMPIRICAL FINDINGS 2019 - 2021

- **Economic Development Prospect Activity and Sites Analysis – VEDP data**
- The concentration of VEDP-led business activity is within 5 jurisdictions along the North Carolina border; this concentration has increased over time since 2017.
- 84% of business-ready sites are concentrated in 8 jurisdictions along the North Carolina border.
- Few sites are ranked at the Tier 3 and above level.
- Unclear if there is enough site and building inventory to support the growth of business services, IT, data centers and health care.



STRATEGIES

Context of 2021 Plan Recommendations

- Impact of **COVID** not fully played out
- **Industry growth projections** from 2017 G&D Plan have not performed as anticipated
- Many **partner organizations** are in a reboot and refresh mode which will impact outcomes in Region 3
- Strategic partner organizations within Region 3 are in **leadership transition** (community colleges, regional development organizations, etc.)
- Many **state partners** are in leadership transition
- Region 3 investments have been strategic and transitional and have not yet produced full results. **Time is needed** to assess progress.
- Region 3 has a **limited project investment budget** with which to work but federal and non-profit resources are significant to support partnerships.

Recommendations

Project Investments

Required by Code of Virginia

Leadership Development

Necessary for the Future of Region

Recommendations for Project Investments

- Maintain **sectoral direction** with refinements
 - Sectors (broadened NAICS codes)
 - Business services/IT data centers
 - Advanced manufacturing
 - Advanced materials
 - High value natural resource products
 - Health care
 - Cross-walk sectors (i.e. Controlled Environmental Agriculture; Unmanned and Autonomous Vehicles; Environmental Technologies)
 - Investigate **emerging** sectors through a refined research process
 - **Act** on recommendations in the High Value Natural Resource Products Deep Dive

Recommendations for Project Investments

- Maintain **talent** direction with refinements:
 - Monitor and advance implementation of GO TEC
 - Support sector-based partnerships
 - **Identify investment areas for which talent and skills** can be cross-walked (see Sectors slide)
 - Build toward **apprenticeship** system using ExperienceWorks as the catalyst (moves toward implementation of the Apprenticeship Deep Dive)
 - Investigate the concept of a Talent **Attraction and Retention** strategy

Recommendations for Project Investments

- Maintain **entrepreneurship and innovation** direction with refinements:
 - Monitor and **assess the outcomes** of the EI strategy and its projects
 - Ensure the Region receives funding from the **CIT Regional Innovation Fund**
 - Build on the **health care & agri-business** sectors
 - Assess and support **emerging sectors** (see Sectors slide)
 - Build on the hub & spoke model of the EI strategy so that the **Location Concentration Scale** moves the “*moderate*” and “*limited*” localities toward the designation of “*significant*”

Recommendations for Project Investments

- Maintain **sites & buildings** direction with refinements:
 - Intentionally focus efforts to support **regional economic development** systems in the eastern and northern sub-regions that can serve as the mechanism to address the lack of **business-ready sites**
 - Continue to support the “**tiering-up**” of existing business-ready sites
 - Address the lack of prepared sites for **business services and health care locations** (strongest growth sectors)
 - Continue to support efforts to build on **unique real estate** assets in the Region

Recommendations for Leadership Development

- **Ensure a strong and sustained Council** with a long-term vision
 - Funding
 - Council leadership
- **Convene, educate, and build regional coalitions** (use Council's *SuperPower*)
 - CAOs and Mayors/Chairmen
 - Economic Developers
 - Young Leaders
 - Superintendents/School Board Chairmen
 - Chamber Executives/Board Chairmen
- **Manage and monitor**
 - Broadband infrastructure deployment
 - Current project investments

Recommendations for Leadership Development

- **Communicate** effectively to internal and external audiences
 - Utilize the communication strategy to educate citizens and civic leaders by sharing best practices, showcasing successes
 - Utilize the communication strategy to position the region visibly and positively to external audiences to induce investment and talent growth
 - Promote previously-funded successful platforms (GO TEC, Bridge to Recovery, SOVA RISE) to external audiences
- **Anticipate** the future
 - Look for opportunities to engage with other Regions both within and outside Virginia, that can build economic strength and career pathways for citizens.
 - Stay attuned to national and international trends that impact the Region.



Questions and Feedback



2021 Update – Growth & Diversification Plan

Executive Summary with Goals

December 2021

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Section 1

EXECUTIVE SUMMARY

Executive Summary

This Update to the 2019 Region 3 Growth and Diversification Plans focuses on strategies and opportunities for the Region to pursue over the next two years.

Development of the report occurred between March 2021 and November 2021, with much of the data provided by the Virginia Department of Housing & Community Development using JobsEQ taken from the third and fourth quarters of 2020, when the COVID-19 pandemic was active. Updating any regional strategy every two years is a challenge as economic indicators may not demonstrate visible change in such a brief time, particularly in rural areas. For this update, over 50% of the timeframe was in the midst of the COVID-19 pandemic, creating an even more difficult challenge to interpret data (and in some cases, to actually access relevant data).

The Organization for Economic Cooperation and Development (OECD) wrote this in June of 2020: *“Every major crisis, such as the Coronavirus (COVID-19) pandemic, brings opportunities to rethink our systems and make them more resilient to future shocks. This is also true for rural regions. (In the short term) rural economies...provide essential goods.....and can serve as a temporary, but safer, locations for urban dwellers. Taking a longer perspective, the pandemic can change consumption and production patterns, remote working habits and forms of mobility, which may open new opportunities for sustainable growth in rural regions. Revisiting the globalization of production chains could also open new opportunities in some rural areas.*

“However, rural businesses and (citizens) have been also confronted with several pressures, including those emerging from the pandemic and associated containment measures. Demographic characteristics (a higher share of elderly population) and geographic features (larger distances to access health care centers)....hamper the ability of rural regions to respond to the pandemic. Moreover, the overall slowdown in aggregate demand has affected some primary sectors, and the expected further slow-down in trade and global demand will hit rural economies severely given their higher reliance on tradable activities.”

In the preparation of this 2021 G&D Plan Update, both the data and the stakeholders' input affirmed the lack of factual knowledge about the long-term implications of the pandemic on business and citizens at a national or state level, let alone at the regional level. Complicating this research, many partner organizations were undertaking their own strategy updates at the same time as the 2021 G&D Plan update was underway. Additionally, in Region 3, several key partner organizations were in the midst of leadership changes, necessitating additional time and manpower to onboard the new leadership with knowledge about GO Virginia.

However, perhaps of equal importance is the work that the Region 3 Council has undertaken over the last five years. Through its intentional investment decisions, solid operational platforms for *talent development, sites, business scale-up, and entrepreneurship* have been established. These platforms provide the Region with powerful and adaptable mechanisms.

The empirical data analysis of this report was initiated by data from JobsEQ and complemented by additional sources such as IBISWorld, Data Axle, and TEconomy. The empirical analysis was conducted by the *Longwood Office of Community and Economic Development* during the months of May – October 2021.

The analysis related to prospect activity and sites & buildings was prepared by *Community Futures*, utilizing data sourced from the Virginia Economic Development Partnership.

Stakeholder engagement sessions were held from May – October 2021 to enable the authors to understand the “real world” context of these extraordinary years. Nearly 100 stakeholders were involved in these discussions.

Five virtual group sessions held during May 2021 covering the topics of Entrepreneurship, Business Retention and Scale-Up, Sites, and Talent. During the months of September and October 2021, additional one-on-one and group interviews were conducted, including interviews with groups such as chambers of commerce, educational institutions, community foundations, youth leaders, grant recipients, economic developers, local government managers, state agencies, innovation catalysts, and business leaders. The stakeholder sessions were conducted by *Community Futures*, *The RiverLink Group*, and *staff from the Southside Planning District Commission*.

The overall findings affirm that the Region 3 Council’s previous approach to its investment strategies should be continued, particularly as it relates to talent development, business cluster scale-up, entrepreneurship and sites.

The one major change that the data recommends is expansion and broadening of the targeted industry sectors identified in the 2017 and 2019 Growth & Diversification Plans for Region 3. **Encompassing the current target sectors is still critical.** Specifically, most of the industry/employment gains within the past two years is in **advanced manufacturing** (Food Processing, Automotive, Coal/Power, Pharmaceuticals) which has a high job multiplier. Secondly, the sheer volume of employment and higher wages than the regional mean for **healthcare** warrants retention and advancement of initiatives, especially considering it is the only industry cluster expected to grow over the course of the next two years. **Business Services & IT Data** highlights the highest average wage of all target sectors and mid-tier employment, despite having the lowest Location Quotient (LQ). **High Value Natural Resource Products** occupations account for the lowest total employment for the region, but mid-tier in wage; additionally, the LQ of the sector illustrates a significantly concentrated talent and advantage of the region. For these reasons, the current target sectors should remain.

Despite classifying a robust and comprehensive viewpoint of the target sectors shown above, restricting the Region to these five sectors inherently inhibits innovative business models that are demonstrating cross-connectivity in ways that do not singularly align with specific NAICS codes. Research has demonstrated that there are shared occupations among widely different NAICS codes. There is also evidence of macroeconomic and trend data that drives cross-sector opportunities; such factors also are more affected by macroeconomic factors.

Redefining target sectors to cast a wider net would be beneficial and would necessitate “intention” to be placed around emerging opportunities. Broadening the target sectors leaves room within an umbrella industry to fund specific projects and it provides options to fund projects that benefit connected-traded sectors. For purposes of analysis, target sectors are defined by the NAICS code. The first two digits of the code designate the sector, the third designates the subsector, the fourth digit designates the industry group, the fifth digit designates the NAICS industry, and the sixth digit designates the national industry. Utilizing the subsector level (3-digit) is recommended.

The stakeholder interviews also uncovered an ardent desire for the GO Virginia Regional Council to address and support **leadership development** within the Region. Those who recommended this clearly understand that the primary purpose of the Regional Council is to invest in transformational projects that align with its Growth & Diversification Plan and investment strategy. They also view the Region 3 Council as a successful leadership organization that has laid a foundation of trust, inclusion, diversity and communication among its subregions and believe that building on this foundation is one key to the long-term success of the Region's economic health. This 2021 Update therefore includes recommendations regarding leadership engagement as a strategy for the next years.

The full Growth & Diversification Update includes **Goals and Strategies** which were identified through the empirical analysis and stakeholder engagement sessions; a summary of the **performance of the regional economy**, with the full analysis shown in Appendix A (including the situational analysis of the target industry sectors and an analysis of the skills gaps for the target industry sectors); a summary of the findings of the **analysis of sites & buildings related to prospect activity**, with the full analysis shown in Appendix B; **outcomes from the 2019 Region 3 Growth & Diversification Plan**; and the **Appendices** which contain the full report for the performance of the regional economy, the sites & buildings analysis, the TEconomy 2021 Update, the VEDP listing of post-COVID subsector targets, the summary of the Virginia Chamber's Blueprint Virginia survey for Region 3, information on the 2021 Stakeholder Sessions, and the list of strategic partners as well as Council members and staff for GO Virginia Region 3.

Section 2

GOALS AND STRATEGIES

The Region 3 Growth & Diversification Plan Update for 2021 is intended to serve as a living document that creates a framework for decision-making for the Region 3 Council. It should guide the Council's investment decisions as well as its organizational sustainability and leadership development. Updating the Plan during the second year of the world-wide COVID pandemic creates a challenge for the Region 3 Council, in terms of determining the most effective strategies to achieve its goals. The goals are based on a snapshot in *this* time, and as is recognized by renowned economists and policy-makers, the implications of COVID will be felt for years to come.

“COVID.....ultimately changed all aspects of life including education, work-life balance, housing, and most drastically - the economy.”

The Balance, September 2021

The online publication *The Balance* states “the COVID-19 pandemic created a public health crisis that began in March 2020, ultimately changing all aspects of everyday life, including education, work-life balance, and most drastically, the economy. The damage was unprecedented in speed and ferocity. Most states ordered nonessential businesses to shut down in an effort to stop the spread of the disease. Supply chains were disrupted as a result. Workers were furloughed then laid off, and demand plummeted. The National Bureau of Economic Research (NBER) declared that a recession had started in early 2020.”

The goals, objectives and strategies of the 2021 Growth & Diversification Plan shown in this section are based on a review of data from 2019 – 2021, as well as stakeholder input that provides a real-time view of the economy of the Region. Even while the document was being created between April 2021 and November 2021, national and state economic conditions were rapidly changing. Simultaneously, many partner agencies at the state, regional and local level were in the midst of updating their own programs. Additionally, beginning in January 2022, leadership changes occurring within the Executive and Legislative branches of the Commonwealth create an unknown in terms of policy and budget tools that will impact Region 3.

While the objectives and strategies in this document could be implemented within a two-year timeframe, the continuing impact of COVID and the changes noted above create many unknowns for the Region's economy. Thus, this Growth & Diversification Plan is instead intended to serve as an evergreen document that can be updated as conditions warrant. It is the intent of the Council staff to create a dashboard that will be reviewed at least quarterly to determine the status and make any necessary modifications.

Goals and Strategies

Region 3 <i>Site Development</i>		Principal Champions: RDOs, PDCs, local governments
Goal	Objective	Strategy
Support Sustainable Regional Economic Development Systems in Eastern and Northern Sub-Region	Strengthen the capacity of the eastern and northern sub-regions' economic development organizations to be active partners for GO Virginia Region 3.	<ul style="list-style-type: none"> • Convene or support convening of local economic developers and county administrators and regional planning organizations • Support development of strategies and plans to sustain regional approach in the subregions
Increase the number of Business-Ready Sites to Tier Ratings 3, 4 & 5	Fund development of regionally-significant sites that support priority industry clusters to move up the Virginia Business Ready Sites Program (VBRSP) tier scale to Tier 3, 4, or 5 sites.	<ul style="list-style-type: none"> • Support sub-regional efforts to prioritize sites that align with Region 3 target sectors
Increase the number of Business-Ready properties (sites & buildings) for business services and health care sectors	Support identification and development of sites and buildings that align with the target sectors of business services and health.	<ul style="list-style-type: none"> • Support efforts to understand the real estate requirements for companies in the business services and health care sectors • Support sub-regional efforts to identify, characterize and promote properties that align with business services and health care sectors
Increase the marketability of unique properties in the Region	Support development of at least one unique real estate asset and complete assessments for at least four buildings in downtowns for adaptive reuse.	<ul style="list-style-type: none"> • Support efforts to identify unique real estate assets and assess for market alignment. • Support efforts to identify downtown properties and assess for market alignment.

Region 3 <i>Talent Evolution</i>		Principal Champions: Business, K-12, Community Colleges, Institutes
Goal	Objective	Strategy
Monitor and advance the implementation of GO TEC	Ensure the outcomes of GO TEC are assessed, communicated and linked to employers and economic development organizations.	<ul style="list-style-type: none"> Support efforts to extend the brand awareness of GO TEC within Region 3.
Support sector-based partnerships by identifying career paths for cross-walks incorporating new and emerging target sectors	Strengthen and expand non-degree programs (e.g., certifications and credentials) that enable employment pathways into new or emerging target sectors.	<ul style="list-style-type: none"> Support efforts that analyze current course offerings and gaps among educational institutions with the needs of employers Assess training gaps based on employers input Support efforts to promote collaborative workforce development and training solutions.
Support apprenticeship model implementation	Pilot an Apprenticeship Consortium leveraging the ExperienceWorks platform.	<ul style="list-style-type: none"> Support efforts to assess employer awareness and market demand for apprenticeship. Support efforts to assess benefits of, and engage if appropriate, state and federal partners
Develop an approach to talent attraction and retention	Develop and pilot a plan of action to retain and attract talent in Region 3.	<ul style="list-style-type: none"> Support efforts to identify target audiences and align communication strategies to create a regional brand for talent attraction. Support efforts to identify barriers to talent attraction including childcare and housing. Pilot an initiative for upskilling incumbent talent Invest in sustainable models that introduce career pathways at the elementary school level.

Region 3 Entrepreneurial Ecosystem		Principal Champions: Higher education, Innovation partners, Chambers
Goal	Objective	Strategy
Monitor and advance the implementation of the SOVA Rise Collaborative	Ensure the outcomes of the SOVA Rise Collaborative are assessed, communicated and the organization and partners are funded through the CIT Regional Innovation Fund.	<ul style="list-style-type: none"> Support efforts to extend the brand awareness of the entrepreneurial assets within Region 3.
Support programmatic emphasis on agribusiness and health care sectors	Invest in growth of the agribusiness and health sectors through market development, site development or talent development.	<ul style="list-style-type: none"> Convene and connect agribusiness stakeholders to identify barriers and opportunities Convene and connect health care stakeholders to identify barriers and opportunities
Identify and support efforts to grow emerging business sectors	Assess and support the growth of new business sectors identified through program participants and business formation data.	<ul style="list-style-type: none"> Create an emerging business workgroup to identify and analyze the development of emerging sectors that leverage existing capacities in Region 3 in talent, sites, and new business formation.
Sustain the designation of “significant” and increase the designation of “moderate” and “limited” in the entrepreneurial hubs within Region 3.	Identify barriers and build organizational capacity to improve outcomes in the entrepreneurial hubs by sub-region (measured by patents, venture capital, SBIR, SBA loans, new business formation)	<ul style="list-style-type: none"> Support efforts to ensure access to capital is aligned with various stages of entrepreneurial development from pre-seed to later stage. Support efforts to ensure access to program resources is available across the Region.

Region 3 Leadership		Principal Champions: Council, civic organizations, faith-based organizations, youth organizations
Goal	Objective	Strategy
Anticipate the future	Identify and share resources to inform Council leadership about trends impacting Region 3 enabling Council to adapt its strategies as needed.	<ul style="list-style-type: none"> Look for opportunities to engage with other Regions for investment opportunities. Conduct a retreat/advance to hear from experts in rural economic development. Monitor changes in state programs and leadership that may impact the economy of Region 3.
Ensure strong and sustained leadership for the Council and the Region	Identify a Council sustainability model that creates a bench of emerging leaders and funding models to support its operations.	<ul style="list-style-type: none"> Proactively identify and engage citizen leaders to serve on Council committees and initiatives. Proactively champion stable funding support from state, regional and private sources. Assess the creation of a leadership academy
Support Sustainable Regional Economic Development Systems in Eastern and Northern Sub-Region	Strengthen the capacity of the eastern and northern sub-regions' economic development organizations to be active partners for GO Virginia Region 3.	<ul style="list-style-type: none"> Convene or support convening of local economic developers and county administrators and regional planning organizations Support development of strategies and plans to sustain regional approach in the subregions
Build regional coalitions of strategic partners	Convene and report outcomes regularly to Council of meaningful cross-region conversations with at least five stakeholder audiences to develop a depth of partners for project support.	<ul style="list-style-type: none"> Convene and connect leaders of Chambers of Commerce, economic developers, Chief Administrative Officers and Chief elected officials, School Superintendents, and Young Leaders, both with their peers as well as across operational roles
Continue to build a multi-faceted communication strategy to reach diverse audiences	Increase the diversity and number of audiences within and outside the geography.	<ul style="list-style-type: none"> Ensure the positive outcomes of Region 3's investments are visible. Build awareness of new leaders to support the goals of Region 3.

GO Virginia Region 3 Council Members

The leadership and stewardship of GO Virginia Region 3 is provided by the following Council members at the time of this Plan's update. Their contributions of time and intellect create the environment for success in Region 3. Their commitment is appreciated.

Randolph Lail, Benchmark Community Bank, Region 3 Chairman

Timothy Clark, Blair Construction, Region 3 Vice-Chairman

Robert Bates, Benchmark Community Bank

Scott Burnette, VCU Health Community Memorial Hospital

Melody Foster, Commonwealth Regional Council

Amy Griffin, Cumberland County Public Schools

Tim Hall, Henry County

Dr. Keith Harkins, Southside Virginia Community College

Rhonda Hodges, Patrick and Henry Community College

Charles Majors, American National Bank

James McClain, SW Virginia Energy Industries

John Parkinson, Drake Extrusion

Jeff Reed, Evergreen Advisors

Alfreda Reynolds, Brunswick County Economic Development

Jeremy Satterfield, Microsoft Corporation

Roger Scott, Eclipse Enterprises

Karl Stauber, Future of the Piedmont

Sherry Swinson, Hull Springs Farm of Longwood University

Lauren Willis, Bank of Charlotte County

Region 3 Staff Leadership

R. Bryan David, Program Manager

Deborah Gosney, Southside Planning District, Support Organization

Nancy Pool, Southside Planning District Commission

APPROVED PROJECT UPDATE



DATE: January 12, 2022

TO: GO Virginia Region 3 Council

FROM: R. Bryan David, Program Director

A handwritten signature in blue ink, appearing to read 'RBD', is placed over the 'FROM' line.

RE: Approved Projects Update

For your review, updated progress reports for the following approved projects will be sent under separate cover before the January 19th meeting:

- Bridge to Recovery
- GO TEC
- Common Platform (Major Clarity)
- Genedge_Retooling Virginia Manufacturing for Strategic Industries
- Mid-Atlantic Broadband Communities Corporation (MBC) - Middle Mile Expansion for Economic Growth
- Virginia Small Business Development Centers
- Entrepreneurship Investment and Innovation Strategy
- Innovation Commercialization Assistance Program (ICAP) Virginia Small Business Development Center Network

RECOMMENDATION:

For the Region 3 Council's information. No action is needed.

PROJECT PIPELINE



DATE: January 12, 2022

TO: GO Virginia Region 3 Executive Committee

FROM: R. Bryan David, Program Director

A handwritten signature in blue ink, appearing to read 'RBD', is placed over the 'FROM' line.

RE: Project Pipeline Report

The updated Project Pipeline Report will be provided under separate cover before the January 19th meeting.

RECOMMENDATION:

For the Region 3 Council's information. No action is needed.

NEW BUSINESS



DATE: January 12, 2022

TO: Region 3 Council

FROM: R. Bryan David, Program Director

A handwritten signature in blue ink, appearing to read 'RBD', is placed over the name 'R. Bryan David'.

RE: Project Review Committee

The Project Review Committee met on Tuesday, January 11th, to review applications for the following projects:

- Mid-Atlantic Broadband Communities Corporation - The purpose of this project is to build six (6) open-access middle-mile backbone segments in GO Virginia Regions 3 and 4, totaling sixty-nine (69) miles. This will provide critical broadband connectivity and diversity for economic development purposes in nine (9) localities and serve 31 industrial and business park sites (3 sites in Region 3 and 28 sites in Region 4), totaling 5,514 acres. (GO Virginia Statewide competitive grant of \$5,000,000.00.)
- Virginia's Growth Alliance – Through a series of studies and planning documents, this regional economic development organization serving localities in the eastern portion of Region 3 will undertake a strategic reset of goals, priorities, marketing focus, and support to reflect better changes in the organization and the present-day economic development landscape. It is also intended to restart the organization in a more effective and sustainable posture. (GO Virginia Region 3 Enhanced Capacity Building (planning) grant of \$100,000.00)
- Virginia College Fund (VCF) – The project goal is to "...launch and demonstrate the sustainability of a career pathways partnership..." between VCF member institutions (Averett University, Bluefield University, Ferrum College, and Eastern Mennonite University) and Virginia Commonwealth University's College of Engineering to create a pipeline of internship and employment opportunities for undergraduate students to enroll in graduate programs in advanced manufacturing that include the emerging pharmaceutical cluster in central Virginia and other advanced manufacturing businesses elsewhere in Virginia. (Multi-GO Virginia Region (1, 2, 3, 4, & 8) Enhanced Capacity Building (planning) grant_\$100,000.00 total_Regions 3 share \$35,000.00)

Each of these projects is recommended for approval by the Project Review Committee.

A summary of these projects and the complete applications will be provided under separate cover before the meeting on January 19th. This being done as each application has many pages and attachments.

RECOMMENDATION:

For the Region 3 Council's information.

Program Directors Report



DATE: January 12, 2022

TO: GO Virginia Region 3 Council

FROM: R. Bryan David, Program Director

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RE: SEED Innovation Hub and Controlled Environment Agriculture Strategy and Roadmap

Following the Region 3 Council's approval at its October 20th meeting, the GO Virginia State Board and the Department of Housing and Community GO Virginia staff approved the following projects in December:

- SEED Innovation Hub (Longwood University/Hampden-Sydney College) – This funding would be used to acquire and install equipment for the building's innovation, makerspace, and other technology areas. This equipment will help operationalize the building (Per Capita Grant - \$662,304).
- Controlled Environment Agriculture Strategy and Roadmap (Institute for Advanced Learning and Research) - The Virginia Tech Center for Economic and Community Engagement will develop a strategy and roadmap for supporting industry growth and workforce development for Controlled Environmental Agriculture in Region 3. The project includes the formation of a *Situational Awareness Workgroup* for the engagement of all Region 3 economic and workforce development professionals (Enhance Capacity Building Grant - \$77,803).

The Region 3 Council will be provided updates on the implementation of these projects at future meetings.

RECOMMENDATION:

For the Region 3 Council's information. No action is needed.



DATE: January 12, 2022

TO: GO Virginia Region 3 Council

FROM: R. Bryan David, Program Director

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RE: 2022 All Hands Meeting

The Executive Committee received the following information at its December meeting on the plans to convene the GO Virginia Region 3 2022 All-Hands meeting:

- The meeting will be held on Thursday, March 31, 2022, with the hours for the event to be determined. The Prizery in South Boston will serve as the venue.

Governor Youngkin and state legislators representing Region 3 localities will be invited to attend.

A decision to move forward with finalizing plans for the event will be subject to public health considerations because of the pandemic.

- Letterpress Communications will be retained for event support, promotion, social media content, distribution, and “evergreen” video content. Promotion of the event will be directed toward Region 3’s leaders from business, education, local government, healthcare, and non-profits organizations. Additional promotion will be targeted towards Region 3’s emerging leaders.

Region 3 Council members are asked to identify and encourage emerging leaders they know to attend the event.

- Subject to developing event time allotments, the program will include a reintroduction of the Region 3 Council and its recent work; 2022 Growth and Diversification Plan; and presentations by individuals and groups who are participating from Region 3 projects which are underway (e.g., GO TEC/Major Clarity, Bridge to Recovery, Entrepreneurship & Innovation Investment Strategy, and Shovel Ready Business Sites).

RECOMMENDATION:

For the Region 3 Council’s information. No action is needed.



DATE: January 12, 2022

TO: GO Virginia Region 3 Council

FROM: R. Bryan David, Program Director

A handwritten signature in blue ink, appearing to be 'RBD', is placed over the name 'R. Bryan David'.

RE: GO Virginia State Board Input Session

The Department of Housing and Community Development GO Virginia staff has scheduled meetings for GO Virginia's regional council leadership and staff at the end of this month. This meeting will gather input about the GO Virginia program and build upon the similar statewide meeting convened in January 2020. The information received from these meetings will inform a GO Virginia State Board planning retreat in March.

Randy Lail, along with other Region 3 representatives, will be attending. If Region 3 Council would like to provide input and suggestions on improving the GO Virginia program, please let Randy or me know.

As a point of reference, attached is the report of the input received from the last stakeholder meeting in 2020.

RECOMMENDATION:

For the Region 3 Council's information. No action is needed.

Attachment



Memorandum

TO: Virginia Growth and Opportunity Board

FROM: GO Virginia Stakeholder Workgroup Members

Region 1, Mike Quillen

Region 2, Raymond Smoot

Region 3, Randy Lail

Region 4, William Goodwin Jr.

Region 5, Thomas Frantz

Region 6, William Beale

Region 7, Tom Rust

Region 8, George Pace

Region 9, Jim Cheng

Williamsburg Regional Alliance, Voncille
Gilbreath

VEDA, Jim Noel/Stephanie Landrum

Virginia Association of Planning District

Commissions (VAPDC), David Blount

Virginia Small Business Development Center,
Jody Keenan

Virginia Hispanic Chamber of Commerce,
Michel Zajur

Danville Regional Foundation, Clark Casteel
Virginia Association of Workforce Board

Directors, Shawn Avery

Deputy Secretary of Commerce and Trade,
Cass Rasnick

RE: Program Recommendations

DATE: March 17, 2020

At the direction of the GO Virginia State Board, the members of the Stakeholder Workgroup and other interested parties participated in four work sessions in January and February 2020 to deliberate on the questions brought forth by Regional Council leadership in December 2019. DHCD staff facilitated the discussions and more than 65 individuals participated in one or more sessions. This document represents our conversation and the consensus recommendations for action in the four program policy areas of Talent Development, Regional Collaboration and Project Match, Traded Sectors and High Wage Jobs, and Project Evaluation and Return on Investment.

TALENT DEVELOPMENT

1. Do the existing State Law, Board Policies, Administrative Guidance, and Metrics around Talent Development support GO Virginia's overall goals?

Yes, the workgroup felt that the policy framework was adequate in describing the program focus and desired outcomes.

Board Action(s) Requested: The group requests that the Board revisit its outcome metrics with consideration for investments in secondary education/workforce training and the results these programs could/should be driving. Return on Investment for these projects should be evaluated over a longer timeframe.

Currently, DHCD completes 3- and 5-year return on investment as part of application evaluation. The Board should take a position on a reasonable period to measure return on investment for workforce development projects.

2. Should GO Virginia consider aligning its investments to support a broader statewide workforce strategy?

The workgroup felt that there was a universal need for actionable labor market data and that GO Virginia could play a role in supporting regions and statewide efforts. Specifically, the group discussed the need for data that helped regions understand skills gaps relative to their industry targets and that this information would help drive more impactful projects.

Board Actions Requested: The group recommends that the Board engage other relevant state stakeholders in a discussion regarding the need for actionable labor market data and consider providing additional support to regions in understanding skills gaps relative to their priority industry sectors.

3. How should GO Virginia talent development projects be evaluated for effectiveness and impact?

Ideally, workforce projects would have scale across regions (involve multiple localities) and vertically (secondary to postsecondary) develop the full pipeline into employment.

Further, the group discussed the importance of employer satisfaction and engagement in workforce projects. Pre and post surveys could be used.

Board Actions Requested: The Board should recognize the degree to which the workforce project helped to retain jobs, in addition to creating new jobs, as an outcome. In addition to the existing evaluation methods (metrics), the group suggested that the Board consider measuring the degree to which existing resources are leveraged/repurposed in support of a workforce project as part of the evaluation of the application.

4. How can we evaluate the sustainability of workforce-related projects given the Board's position on not creating new obligations for the state (positions)?

The workgroup discussed sustainability in leadership and financial resources. The Board should consider the degree to which local and other non-state resources are being leveraged to support the project as an indicator of commitment and sustainability. In addition, workforce projects with committed

employer advisory boards can help regions develop sustainability plans and provide leadership that will lead to better outcomes.

No Board Action Requested.

5. Should GO Virginia consider investments in K-5 education?

The consensus was that GO Virginia should stay focused on projects involving grades 6-12 that are aligned to support targeted industry sectors and not directly fund K-5 projects.

The group recognized that this would be a dilution of GO Virginia's mission and that other funding sources were available. Regions can include K-5 investments in a continuum as additional leverage, but not part of the required 1:1 match for GO Virginia projects.

Board Actions Requested: Existing guidance discourages K-5 investments; however, the Board may wish to issue more formal policy in the area, restricting funding for K-5 projects.

Additional Board Requests for Consideration:

Board Actions Requested: Areas of Opportunity for Future Funding (memo dated Dec 11, 2018) states that talent attraction is important. What is the Board's position on the use of GO Virginia funds for regional talent attraction/recruitment efforts? What are the mechanisms to ensure that GO Virginia isn't funding instate intraregional competition for talent?

REGIONAL COLLABORATION AND PROJECT MATCH

1. Should Tobacco Commission Funds be considered as match?

Yes, the group supports legislative changes that would allow Tobacco Commission funds to be used as match.

Board Action Requested: Develop formal policy on the use of Tobacco Commission funds as match pending the passage of HB1597.

2. Should other state discretionary funds be considered as match?

The group recommended that the Board consider other state funds as match, specifically those that are distributed on a competitive basis. This would encourage alignment of state resources around projects of regional priority and significance.

Board Action Requested: Establish Task Force to bring back specific recommendations on funding streams and how/if such a change would advance the mission of the GO Virginia program and better align state resources.

3. Should the Board use its authority to modify match requirements from 1-1 to 2-1 for per capita and statewide competitive projects?

State code requires that GO Virginia projects have a 1:1 match. The Board has the authority to modify these match requirements to 2:1 based on exceptional economic opportunities or for regions that are fiscally distressed.

Board Action Requested: The Board should reduce match requirements to 2:1 for statewide competitive projects that involve more than 2 regions given their extraordinary economic opportunity.

Board Action Requested: The group requests that the Board refine its position on waivers and direct DHCD to develop administrative guidance that clarifies match policy for each project type and develop a formal, objective waiver procedure.

4. Should the Board reconsider its position on the guidance regarding Local Match to require local governments to provide a proportioned 20% of total required match (rather than 20% or \$50,000, whichever is greater)?

Board Action Requested: Yes. The group requests that the Board revise the local match policy to require that 20% of the total match required be contributed by local governments and eliminate the \$50,000 minimum.

5. Could the Board expand definition of “Local” to include any local business, community-based organizations or other local entities?

The group agreed that GO Virginia was designed to encourage regional collaboration; however, the Board should revisit its position on qualifying local match with a consideration for ANY locally contributed funds, including those contributed by local foundations, private businesses, etc.

Board Action Requested: Develop policy on qualifying local match and eligible contributors of local match.

6. Should the Board and/or DHCD provide more flexibility in qualifying match – combination of local and non-local funds?

The group discussed the process used by DHCD for qualifying match in each category. DHCD intends to issue additional administrative guidance and provide technical assistance.

No Board Action Requested

7. Should the Board consider a sliding scale for calculating required local match? If so, on what terms?

NO, this would add complexity to the program. Removing the \$50,000 minimum requirement for local match and moving to a 20% for local contributions would have the same effect.

No Board Action Requested

8. Should the Board consider special waiver ability for site implementation projects? (i.e. If business community provides 100% of match, Local Match requirement could be waived.)

Board Action Requested: The group requests that the Board take a position on appropriate timeframe to consider a locality’s prior year investments in sites as local match. (backdating match)

Further, the group would ask the Board to consider that if total match for a site/infrastructure project is provided as non-state, non-local match, then the match requirements for localities should be waived.

9. Should the Board waive match requirements in economically distressed communities?

Similar to the Board's authority to reduce match requirements for fiscal distress, the Board should consider a project that has a significant impact on an economically distressed community as an exceptional economic opportunity. This could include projects that occur in Opportunity Zones or that impact individuals in low income census tracts. This should be incorporated into administrative guidance on waivers mentioned above.

Board Action Requested: Direct DHCD to modify Administrative Guidance to recognize the extraordinary opportunity associated with projects that impact economically distressed communities as a waiver condition. Direct DHCD to develop guidelines around the definition of distress and application of the designation to projects and waiver procedures.

10. Allow projects to be approved contingent on receiving local match.

No Board Action Requested.

TRADED SECTOR AND HIGH WAGE JOBS

1. Should the Board consider allowing Healthcare sector investments?

Board Action Requested: The Board should consider modifying Board Policy #8 to include considerations for healthcare sector investments under one or more of the following three conditions:

- 1) If the region can demonstrate that the sector is serving a significant number of customers from an adjacent state and that the GO Virginia investment would allow it to expand services to those customers, thus increasing the export of health care services (non-state revenue generated).**
- 2) If the region can demonstrate that its health outcomes scores (or other similar measure of community health) are such that it is negatively impacting the region's ability to attract or retain businesses in its targeted sectors and that the investment would improve the measure.**
- 3) If the lack of available healthcare services in a region are causing residents to leave the state to seek services in neighboring states and the investment would stop the leakage of dollars to neighboring states.**

The workgroup also felt it important that the Board recognize the critical shortage of healthcare professionals, particularly nurses, in some parts of the state. These shortages are leading to the employment of "traveling nurses" from out of the state.

2. Should the Board be flexible with definition of traded sector (i.e. traded outside the region, not the state)?

The Board should be flexible in defining the characteristics of traded vs nontraded sectors, with continued emphasis on increasing overall economic activity in the Commonwealth; however, GO Virginia should continue its investment focus on increasing wages within regions through the creation of higher-paying jobs.

No Board Action Requested

3. Could the Board/DHCD consider “sub regional” wages and/or higher wages within a traded sector when qualifying a project a “higher wages”?

DHCD prepares regional/sub regional and sectoral wage analysis. No Board action is needed.

No Board Action Requested

PROJECT EVALUATION AND RETURN ON INVESTMENT (ROI)

1. Should other factors, in addition to those mentioned in state code, be considered by the Board when evaluating projects?

Board members should consider the degree to which a project improves regional economic competitiveness (economic impact) and how the program has helped to advance cultural changes within and among regions (regional collaboration).

No Board Action Requested

2. Are the grant application questions aligned to ensure the applicant can address the evaluation factors?

Yes, the application allows the applicant to provide narrative around the four primary review factors: Economic Impact, Regional and Interregional Collaboration, Project Readiness, and Sustainability.

No Board Action Requested

3. Are the weights assigned for each of the factors in the Competitive Application scoring rubric appropriate? Should the Board consider others?

The weights are appropriate. The current application weighs ROI as 10% of the total points.

No Board Action Requested

4. What timeframe should the Board consider as appropriate to generate a positive return on investment? Should it vary based on project type? (Current Competitive Scoring Guidelines suggest 3 years is desired.)

The Board should recognize the guidance it authorized in 2018 which recognizes that Return on Investment is one of several factors it should consider in its evaluation. Further, the nature of GO Virginia and its effort to create transformational change require that different projects have different return time horizons.

Board Action Requested: The group is requesting that the Board direct DHCD to modify the Competitive Application Review Scoring Rubric Question 3: ROI to better recognize the transformational nature of GO Virginia projects and to allow for more positive scoring for projects whose ROI occurs in later years.



DATE: January 12, 2022

TO: GO Virginia Region 3 Council

FROM: R. Bryan David, Program Director

A handwritten signature in blue ink, appearing to be 'RBD', is placed over the name 'R. Bryan David'.

RE: Governor Youngkin – GO Virginia Region 3 Letter

The Executive Committee at a recent meeting agreed to have a letter prepared and sent to Governor Youngkin. The purpose of this letter is to introduce the Region 3 Council and its economic development work in Southern Virginia and to invite him to the 2022 All Hands meeting in March.

Attached is a copy of the letter sent to Governor Youngkin.

RECOMMENDATION:

For the Region 3 Council's information. No action is needed.



January 4, 2022

RE: GO Virginia Region 3

Dear Governor-Elect Youngkin,

On behalf of the GO Virginia Region 3 Council, it is my honor and privilege to extend our congratulations on being elected Virginia's 74th Governor.

We want to introduce you to our work in Southern Virginia and have included a one-page highlight of workforce and economic development projects currently underway. Not only will these projects create high-wage jobs in Region 3, but each will also go far to increase the Commonwealth of Virginia's competitive advantage to retain and attract business investment.

Over the past few years, the GO Virginia Region 3 Council has hosted an annual "All Hands" meeting. This meeting is regularly attended by over 100 of Southern Virginia's business, education, and public sector leaders to learn more about the Region 3 Council's work and to strengthen their collaboration.

The 2022 All Hands meeting is scheduled for Thursday, March 31st, in South Boston at The Prizery. We would like you to join us that day and learn from the individuals and groups benefiting from our economic and workforce development projects. It is shaping up to be a perfect way to hear first-hand about GO Virginia's impact in Southern Virginia. Our Region 3 staff will follow up to make arrangements for your visit.

Again, congratulations on your election, and be assured the GO Virginia Region 3 Council stands ready to support you and your administration's work to create high-paying jobs and grow business investment in the Commonwealth. Thank you.

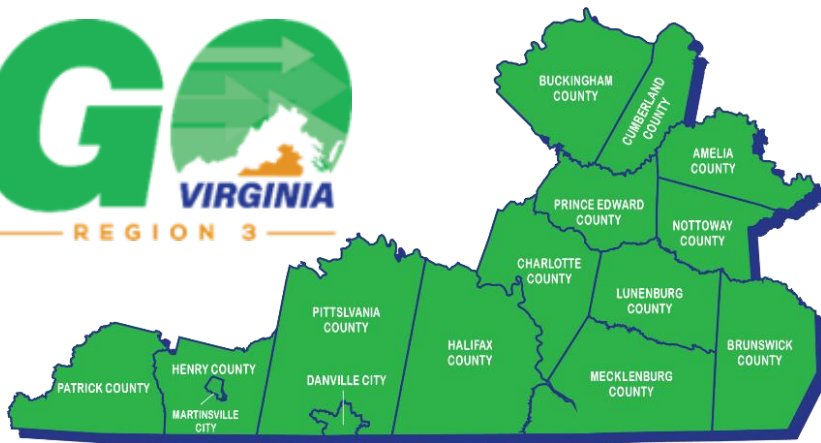
Sincerely,

A handwritten signature in black ink that reads "E. Randolph Lail".

E. Randolph Lail, Chair
GO Virginia Region 3 Council

cc: GO Virginia Region 3 Council

Attachment



Strengthening Southern Virginia's Economy by Expanding the Inventory of Shovel Ready Sites

Following an exhaustive review, this regional economic development organization used VEDP's site characterization program to screen 33 sites down to a priority pool of 10 sites. Region 3 in partnership with the Tobacco Commission then provided the funding for these sites to undergo the due diligence and engineering studies to elevate their tier levels to a higher VEDP tier ranking while reducing risks for future business prospects.



GO Virginia Region 3's *Entrepreneurship & Innovation Investment Strategy* includes the key partnership of Mid-Atlantic Broadband Communities Corporation and Microsoft. They teamed to open the SOVA Innovation Hub in South Boston. This new building provides a location for business and education partners to inspire the pursuit of digital careers and entrepreneurship. A recent addition to Region 3's ecosystem development is the collaboration of Longwood University and Hampden-Sydney College to open the SEED Innovation Hub in Farmville. RISE Collaborative is the programming initiative supporting development of an ecosystem for community-based, youth, and collegiate entrepreneurship in Region 3.

Controlled Environment Agriculture Strategy and Roadmap

In partnership with Virginia Tech's Center for Economic and Community Engagement and School of Plant and Environmental Sciences, the Institute for Advanced Learning and Research and Region 3 are developing a strategy and roadmap to promote Center as a regional economic development asset the recently opened Controlled Environment Agriculture Innovation Center. The project involves all Region 3's economic and workforce development professionals who will use it to advance this emerging and growing business sector.



Great Opportunities in Technology and Engineering Careers (GO TEC) stimulates job growth by creating dependable K-12 talent pipelines in strategic business sectors, fostered through public and private partnerships. These sectors include Advanced Materials, IT/Cybersecurity, Precision Machining, Welding, and Robotics, Automation and Mechatronics.



Bridge To Recovery

Responsive to the COVID-19 pandemic, Bridge to Recovery is a partnership between Region 3's regional economic development organizations and local chambers of commerce. This partnership created an extensive network of 76 prequalified suppliers assisting 107 businesses to date with discounted goods and professional services. These goods and services have supported business operations and continuity during the last 18 months.





DATE: January 12, 2022

TO: GO Virginia Region 3 Council

FROM: R. Bryan David, Program Director

A handwritten signature in blue ink, appearing to be 'RBD', is placed over the name 'R. Bryan David'.

RE: GO Virginia Region 3 Council 2022 Master Calendar

A master calendar showing Region 3 Council and Executive meetings for 2022 has been prepared. Dates for GO Virginia State Board meetings and due dates for Region 3 grant application submitted to the Department of Housing and Community Development GO Virginia staff are included.

This is intended as a reference document as calendar invitations for each of the Region 3 Council and Executive Committee meetings will be sent to council members by Julie Gill with the Southside Planning District Commission.

RECOMMENDATION:

For the Region 3 Council's information. No action is needed.

Attachment

2022

Master Calendar



January						
Su	Mo	Tu	We	Th	Fr	Sa
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December						
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25	26	27	28	29	30	31

Region 3 Council
1:00 pm - 3:00 pm

Region 3 Executive Committee
10:00 am - 12:00 noon (if needed)

*Region 3 Standing Committees

- Project Review Committee
- Communications Committee
- Innovation Strategy Committee
- Personnel Committee
- Growth & Diversification Plan Committee
- Nominating Committee

*meetings scheduled as needed

GO Virginia State Board

DHCD - Per Capita, Enhanced Capacity Building Applications

DHCD - Enhanced Capacity Building Application Due
(Administrative Approval)