

**GOVA REGION 3
EXECUTIVE COMMITTEE
MEETING PACKET**

September 20, 2023



GO Virginia Region 3 Executive Committee

Date and Time: September 20, 2023
10:00 am – 12:00 pm
Location: SOVA Innovation Hub
715 Wilborn Ave, South Boston, VA

Link: <https://tinyurl.com/2hahjk49>

Dial-In: 1-929-205-6099

Meeting ID: 83789795419

Password: 129267

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 Vice Chairman's Opening Comments | Tim Clark |
| II. Roll Call and Confirmation of Quorum | Deb Gosney |
| III. Public Comments | Tim Clark |
| a. Previously Submitted | |
| b. Submitted During Virtual Meeting | |
| IV. Declaration of Conflicts of Interest | Tim Clark |
| V. Approval of Meeting Minutes and Notes | Tim Clark |
| VI. Financial Report | Deb Gosney |
| VII. GO Virginia Region 3 Project Funding Matrix Report | Deb Gosney |
| Special Appearances and Presentations (none) | Tim Clark |
| Old Business | |
| VIII. Approved Projects Update | Bryan David |
| IX. Project Pipeline (closed meeting will be needed) | Tim Clark |
| New Business (none) | |
| Program Director's Report | Bryan David |
| X. Region 3 Demographic Trends | |
| XI. 2023 Growth & Diversification Plan Update | |
| XII. GO Virginia State Board – Region 3 Applications | |

Adjourn

MINUTES

**GO VIRGINIA REGION 3 EXECUTIVE COMMITTEE
MEETING MINUTES
Wednesday, June 21, 2023**

REGULAR BUSINESS

Call To Order

Chair Clark called the GO Virginia (GOVA) Region 3 Executive Committee meeting to order on Wednesday, June 21, 2023, at 10:00 a.m. This meeting is being held in person.

Roll Call and Confirmation of Quorum

Chair Clark declared a quorum was present.

Region 3 Executive Committee Members

Members	In Person	Absent	Virtual
Timothy J. Clark			X
E. Randolph Lail	X		
Charles H. Majors	X		
Sherry Swinson		X	
Lauren Willis	X		

Region 3 Staff

Name – Organization - Role	In Person	Virtual	Absent
Bryan David (UVA Weldon Cooper Center) - Program Director – Region 3 Contract Staff	X		
Deborah Gosney - Southside PDC - Support Org. & Fiscal Agent	X		
Ann Wright (CTW Consulting, LLC) - Southside PDC Contract Staff		X	
Liz Povar (The Riverlink Group) - Southside PDC Contract Staff			X
Nancy Pool – Southside PDC Contract Staff	X		

Presenters & Guests

Name - Title	Organization	In Person	Virtual
Lauren Mathena- Director of Economic Development & Community Engagement	Mid-Atlantic Broadband, SOVA Rise	X	
Sheri McGuire- Associate VP for Community and Economic Development	Longwood University	X	
Erik Pages- Principle	Entreworks Consulting		X
Alex Veatch- Account Manager	LetterPress Communications		X
Ilsa Loeser- Principle	LetterPress Communications		X
Jacob Dolence- Director of Educational Innovation & Entrepreneur Ecosystems	Longwood University		X
Sara Dunnigan- Deputy Director of Economic Development & Community Vitality	Department of Housing & Community Development		X

Public Comments

No written or verbal public comments were received.

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

Approval of Minutes

Chair Clark noted that the minutes were received via email prior to the meeting and included in the meeting packet. **Lauren Willis made a motion that the minutes from the March 22, 2022, Executive Committee meeting be approved as presented; the motion was seconded by Charles Majors and approved unanimously.**

Financial Reports

Deborah Gosney reviewed the Financial Report and Funding Matrix that were included in the meeting packet for the period May 1, 2023, to May 31, 2023. **Charles Majors made a motion that the Financial Report be approved as presented; the motion was seconded by Randy Lail and approved unanimously.**

SPECIAL APPEARANCES & PRESENTATIONS

Dr. Pages of Entrenworks Consulting presented his assessment and recommendations for the scale-up of the Entrepreneurship Investment and Innovation Program. Lauren Mathena and Sheri McGuire further discussed the program.

OLD BUSINESS

Region 3 Approved Projects Update

Bryan David presented updates on all active projects. Additional details were provided in the meeting packet. Chair Clark asked members for questions or comments; there being none, there was no discussion regarding the updates.

Project Pipeline Updates

Bryan David reviewed the current project pipeline which was emailed to Committee members prior to the meeting. The following projects were discussed:

- GO Virginia Region 3 Entrepreneurship Investment & Innovation (EII) Strategy- Scale-Up (Per Capita)
- SOVA Innovation Labs (Per Capita)

Chair Clark asked members for questions or comments; there being none, there was no discussion regarding the report.

NEW BUSINESS

Nominating Committee

Bryan David presented the committee report and discussed the reappointment of seven council members and potential appointments for three vacant positions.

Contract Review

Bryan David and Ilsa Loeser presented the updated LetterPress Communications contract for Region 3. **Randy Lail made a motion to approve the LetterPress Contract; the motion was seconded by Lauren Willis and approved unanimously.**

PROGRAM DIRECTOR’S REPORT

Bryan David presented the Program Director’s Report as detailed in the meeting packet. Topics discussed were recent Per Capita applications, the updated G&D Plan, and the Weldon Cooper Center’s merger with the Karsh Institute for Democracy. Nancy Pool provided a recap of the 2023 All Hands Meeting. There were no questions, nor comments, from the Council.

OTHER BUSINESS/ADJOURN

There being no additional business matters to go before the GOVA Region 3 Executive Committee, Chair Clark adjourned the meeting at 12:14 p.m.

These minutes were approved by the Executive Committee on _____.

Deborah Gosney, Southside PDC
Executive Director

Timothy Clark, Region 3
Council Chair

FINANCIAL REPORT

BRIDGE TO RECOVERY

Grant Agrmnt Term: July 1, 2020 - April 30, 2023: Close Out in Progress

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: Southern Virginia Regional Alliance

GO VIRGINIA



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

GO VIRGINIA GRANT FUNDS

Budget Categories from CAMS	GOVA Budget	Previously Paid	DHCD Request Drawdown #8 7/13/2023	Total Paid After Remittance	Grant Balance
SPDC Project Monitoring/Reporting	\$ 12,000.00	\$ 7,643.99	\$ 3,635.75	\$ 11,279.74	\$ 720.26
Administration	\$ 117,000.00	\$ 90,811.77	\$ 14,528.82	\$ 105,340.59	\$ 11,659.41
Contract Services	\$ 309,000.00	\$ 129,231.16	\$ 82,385.19	\$ 211,616.35	\$ 97,383.65
Fringe Benefits	\$ 77,000.00	\$ 57,158.88	\$ 9,424.30	\$ 66,583.18	\$ 10,416.82
Salaries	\$ 160,000.00	\$ 110,755.87	\$ 24,500.04	\$ 135,255.91	\$ 24,744.09
Other: Collaborative Support	\$ 54,000.00	\$ 51,875.00	\$ 1,665.00	\$ 53,540.00	\$ 460.00
Other: Subscriptions	\$ 83,000.00	\$ 64,115.24	\$ 9,280.60	\$ 73,395.84	\$ 9,604.16
Other: Website Updates	\$ 8,000.00	\$ 7,125.00	\$ -	\$ 7,125.00	\$ 875.00
Other: Training/Marketing Program	\$ 5,000.00	\$ 4,300.60	\$ -	\$ 4,300.60	\$ 699.40
Other: E-Commerce Assistance	\$ 50,000.00	\$ 49,500.00	\$ -	\$ 49,500.00	\$ 500.00
Other: Marketing	\$ 50,000.00	\$ 49,881.63	\$ -	\$ 49,881.63	\$ 118.37
Awarded Total	\$ 925,000.00	\$ 622,399.14	\$ 145,419.70	\$ 767,818.84	\$ 157,181.16

REQUIRED MATCHING FUNDS

Budget Categories from CAMS	Committed Match	Previous Match	Current Match 3/13/2023	Total Match To Date	Match Balance
Construction	\$ 134,000.00	\$ 134,159.97		\$ 134,159.97	\$ (159.97)
Fringe Benefits	\$ 36,000.00	\$ 36,761.83		\$ 36,761.83	\$ (761.83)
Salaries	\$ 120,000.00	\$ 121,262.74		\$ 121,262.74	\$ (1,262.74)
Other: Finance Costs for Cash Flows	\$ -	\$ -		\$ -	\$ -
Other: Upgrade Costs for Shop Local	\$ -	\$ -		\$ -	\$ -
Other: PPE Tool Kits	\$ 14,000.00	\$ 14,079.34		\$ 14,079.34	\$ (79.34)
Other: Meeting Expense (Sites/Virtual)	\$ -	\$ -		\$ -	\$ -
Other: Finance & Procurement Admin	\$ 104,000.00	\$ 93,656.25	\$ 10,406.24	\$ 104,062.49	\$ (62.49)
Other: Business Services Match Funds	\$ 310,000.00	\$ 271,977.31	\$ 40,000.00	\$ 311,977.31	\$ (1,977.31)
Match Total	\$ 718,000.00	\$ 671,897.44	\$ 50,406.25	\$ 722,303.69	\$ (4,303.69)
					*Overmatched

Status: The project is complete, thus \$157,181.16 of budgeted statewide comitative funds will not be expended. Close out reports are in progress.

SVRA SITE DEVELOPMENT

Grant Agreement Term: Oct. 1, 2021 - Sept. 30, 2023: Extension Requested

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: Southern Virginia Regional Alliance

GO VIRGINIA



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

GO VIRGINIA GRANT FUNDS

Budget Categories from CAMS	GOVA Budget	Previously Paid	DHCD Request Drawdown #1 2/13/2023	Total Paid After Remittance	Grant Balance
SPDC Project Monitoring/Reporting	\$ 35,000.00	\$ -	\$ -	\$ -	\$ 35,000.00
Architectural and Engineering Fees	\$ 1,478,100.00	\$ -	\$ 83,550.00	\$ 83,550.00	\$ 1,394,550.00
Administration - IALR	\$ 21,800.00	\$ -	\$ 13,625.00	\$ 13,625.00	\$ 8,175.00
Awarded Total	\$ 1,534,900.00	\$ -	\$97,175.00	\$97,175.00	\$ 1,437,725.00

REQUIRED MATCHING FUNDS

Budget Categories from CAMS	Committed Match	Previous Match	Current Match 2/13/2023	Total Match To Date	Match Balance
Architectural and Engineering Fees	\$ 767,450.00		\$ 547,999.14	\$ 547,999.14	\$ 219,450.86
Match Total	\$ 767,450.00	\$ -	\$ 547,999.14	\$ 547,999.14	\$ 219,450.86

Status: GOVA funds are 6% expended. The project is nearing completion and invoices are starting to come in. Work is coming in under budget. DD#2 is expected soon. An extension through 3/31/2024 has been requested.

ENTREPRENEURSHIP & INNOVATION IMPLEMENTATION

Grant Agreement Term: April 1, 2021 - June 30, 2023: Close Out in Progress

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: SoVa Innovation Hub

GO VIRGINIA



VIRGINIA INITIATIVE FOR
GROWTH & OPPORTUNITY
IN EACH REGION

GO VIRGINIA GRANT FUNDS

Budget Categories (FROM CAMS)	GOVA Budget	Previously Paid	DHCD Request Drawdown #7 8/4/2023	Total Paid After Remittance	Grant Balance
SPDC Project Monitoring/Reporting	\$ 9,438.06	\$ 2,668.31	\$ 6,769.75	\$ 9,438.06	\$ -
Other : Entrepreneurship training	\$ 100,025.43	\$ 79,936.97	\$ 20,087.18	\$ 100,024.15	\$ 1.28
Other : Youth entrepreneurship program	\$ 82,399.35	\$ 50,300.36	\$ 31,220.52	\$ 81,520.88	\$ 878.47
Other : Program branding/marketing	\$ 148,245.29	\$ 133,395.48	\$ 14,849.81	\$ 148,245.29	\$ -
Other : Regional scorecard implement	\$ 3,724.77	\$ 3,724.77	\$ -	\$ 3,724.77	\$ -
Other : Farmville innovation space	\$ 8,100.00	\$ 8,100.00	\$ -	\$ 8,100.00	\$ -
Other : Consultants - out of region	\$ 97,067.10	\$ 68,199.60	\$ 28,867.50	\$ 97,067.10	\$ -
Awarded Total	\$ 449,000.00	\$ 346,325.49	\$ 101,794.76	\$ 448,120.25	\$ 879.75

REQUIRED MATCHING FUNDS

Budget Categories (FROM CAMS)	Committed Match	Previous Match	Current Match 8/4/2023	Total Match to Date	Match Balance
Administration	\$ 9,250.00	\$ 9,275.00	\$ -	\$ 9,275.00	\$ (25.00)
Other : Entrepreneurship training	\$ 48,381.92	\$ 45,998.10	\$ 2,480.13	\$ 48,478.23	\$ (96.31)
Other : Youth entrepreneurship program	\$ 7,385.51	\$ 5,780.00	\$ 1,605.51	\$ 7,385.51	\$ -
Other : Program branding/marketing	\$ 17,278.37	\$ 4,378.07	\$ 21,637.89	\$ 26,015.96	\$ (8,737.59)
Other : Regional scorecard implement	\$ 48,566.61	\$ 48,146.81	\$ -	\$ 48,146.81	\$ 419.80
Other : Farmville innovation space	\$ 109,119.52	\$ 49,871.73	\$ 59,247.79	\$ 109,119.52	\$ -
Other : Project Development/Admin	\$ 178,247.66	\$ 13,413.77	\$ 163,192.23	\$ 176,606.00	\$ 1,641.66
Match Total	\$ 418,229.59	\$ 176,863.48	\$ 248,163.55	\$ 425,027.03	\$ (6,797.44)

*Overmatched

STATUS: The project is complete, thus \$879.75 of budgeted per capita funds will not be expended and will be available for future projects. Close out reports are in progress.

EXPERIENCE WORKS

Grant Agreement Term: Oct. 1, 2021 - March 31, 2024

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: Institute for Advance Learning & Research

GO VIRGINIA



VIRGINIA INITIATIVE FOR
GROWTH & OPPORTUNITY
IN EACH REGION

GO VIRGINIA GRANT FUNDS

Budget Categories from CAMS	GOVA Budget	Previously Paid	DHCD Request Drawdown #3 5/10/2023	Total Paid After Remittance	Grant Balance
SPDC Project Monitoring/Reporting	\$ 15,018.00	\$ 1,340.38	\$ 2,887.00	\$ 4,227.38	\$ 10,790.62
Administration - IALR	\$ 37,082.00	\$ 1,885.44		\$ 1,885.44	\$ 35,196.56
Contract Services	\$ 25,000.00	\$ -	\$ 4,280.00	\$ 4,280.00	\$ 20,720.00
Fringe Benefits	\$ 21,000.00	\$ 5,342.98		\$ 5,342.98	\$ 15,657.02
Salaries	\$ 60,000.00	\$ 18,224.94		\$ 18,224.94	\$ 41,775.06
Supplies	\$ 10,500.00		\$ 602.07	\$ 602.07	\$ 9,897.93
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: Biz Meals for Sector Camp	\$ 13,500.00		\$ -	\$ -	\$ 13,500.00
Other: Work Readiness Bootcamps	\$ 20,250.00			\$ -	\$ 20,250.00
Awarded Total	\$ 515,628.00	\$ 26,793.74	\$ 7,769.07	\$ 34,562.81	\$ 481,065.19

REQUIRED MATCHING FUNDS

Budget Categories from CAMS	Committed Match	Previous Match	Current Match 5/10/2023	Total Match To Date	Match Balance
Contract Services	\$ 63,000.00	\$ -	\$ 5,400.00	\$ 5,400.00	\$ 57,600.00
Fringe Benefits	\$ 14,000.00	\$ 3,942.01		\$ 3,942.01	\$ 10,057.99
Salaries	\$ 40,000.00	\$ 13,191.69		\$ 13,191.69	\$ 26,808.31
Supplies	\$ 3,000.00	\$ 755.10	\$ 595.21	\$ 1,350.31	\$ 1,649.69
Travel	\$ 7,380.00	\$ 2,561.19		\$ 2,561.19	\$ 4,818.81
Other: Internship Stipends	\$ 102,434.00		\$ 164,650.00	\$ 164,650.00	\$ (62,216.00)
Other: EXCITE Teacher Stipends	\$ 18,000.00			\$ -	\$ 18,000.00
Other: Career Expo and Camps	\$ 10,000.00		\$ 52,125.98	\$ 52,125.98	\$ (42,125.98)
Match Total	\$ 257,814.00	\$ 20,449.99	\$ 222,771.19	\$ 243,221.18	\$ 14,592.82

Status: GOVA funds are 7% expended. A project extension was granted through 3/31/24. The bulk of expenses are related to summer camp activities. Summer 2022 camp expenses have not been fully reported (due to IALR staff turnover) and will be submitted soon for reimbursement. The project extension will allow time for all invoices to be received for the summer 2023 activities.

CONTROLLED ENVIRONMENT AG (CEA)

Grant Agreement Term: March 15, 2022 - June 30, 2023: Close Out in Progress

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: Institute for Advance Learning & Research

GO VIRGINIA



VIRGINIA INITIATIVE FOR
GROWTH & OPPORTUNITY
IN EACH REGION

GO VIRGINIA GRANT FUNDS

Budget Categories from CAMS	GOVA Budget	Previously Paid	DHCD Request Drawdown #7 7/11/2023	Total Paid After Remittance	Grant Balance
SPDC Project Monitoring/Reporting	\$ 750.00	\$ -	\$ 262.50	\$ 262.50	\$ 487.50
Planning	\$ 77,053.00	\$ -	\$ 77,053.00	\$ 77,053.00	\$ -
Awarded Total	\$ 77,803.00	\$ -	\$ 77,315.50	\$ 77,315.50	\$ 487.50

REQUIRED MATCHING FUNDS

Budget Categories from CAMS	Committed Match	Previous Match	Current Match	Total Match To Date	Match Balance
Salaries	\$ 28,263.25		\$ 38,961.85	\$ 38,961.85	\$ (10,698.60)
Contract Services	\$ 2,955.00				\$ 2,955.00
Outreach	\$ 8,075.00		\$ 1,269.05	\$ 1,269.05	\$ 6,805.95
Match Total	\$ 38,543.00	\$ -	\$ 40,230.90	\$ 40,230.90	\$ (1,687.90)
					*Overmatched

Status: The project is complete, thus \$487.50 of budgeted per capita funds will not be expended and will be available for future projects. Close out reports are in progress.

SEED INNOVATION HUB

Grant Agreement Term: January 2, 2023 - January 1, 2025

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: Longwood University Real Estate Foundation

GO VIRGINIA



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

GO VIRGINIA GRANT FUNDS

Budget Categories from CAMS	GOVA Budget	Previously Paid	DHCD Request Drawdown #	Total Paid After Remittance	Grant Balance
SPDC Project Monitoring/Reporting	\$ 12,000.00				\$ 12,000.00
Equipment	\$ 611,438.00	\$ -	\$ -	\$ -	\$ 611,438.00
Contingencies	\$ 50,866.00	\$ -	\$ -	\$ -	\$ 50,866.00
		\$ -	\$ -	\$ -	\$ -
Awarded Total	\$ 674,304.00	\$ -	\$ -	\$ -	\$ 674,304.00

REQUIRED MATCHING FUNDS

Budget Categories from CAMS	Committed Match	Previous Match	Current Match	Total Match To Date	Match Balance
Construction	\$ 2,062,987.00			\$ -	\$ 2,062,987.00
A&E	\$ 150,000.00			\$ -	\$ 150,000.00
Site Work	\$ 155,235.00			\$ -	\$ 155,235.00
				\$ -	\$ -
Match Total	\$ 2,368,222.00			\$ -	\$ 2,368,222.00

Status: Contract has been executed. No draw activity to date. GOVA funds will be utilized for furnishings thus will be last dollars expended. **No remittance activity is expected until mid to late 2024.**

VIRGINIA'S GROWTH ALLIANCE (VGA) REFRESH

Grant Agreement Term: May 1, 2022 - December 31, 2023

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: Virginia's Growth Alliance

GO VIRGINIA



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

GO VIRGINIA GRANT FUNDS

Budget Categories from CAMS	GOVA Budget	Total Paid to Date	DHCD Request Drawdown #4 7/12/2023	Total Paid After Remittance	Grant Balance
SPDC Project Monitoring/Reporting	\$ 1,000.00	\$ 1,000.00		\$ 1,000.00	\$ -
Studies	\$ 99,000.00	\$ 36,000.00	\$ 21,000.00	\$ 57,000.00	\$ 42,000.00
Awarded Total	\$ 100,000.00	\$ 37,000.00	\$ 21,000.00	\$ 58,000.00	\$ 42,000.00

REQUIRED MATCHING FUNDS

Budget Categories from CAMS	Committed Match	Total Paid to Date	Current Match Drawdown #3	Total Match To Date	Match Balance
Contract Services	\$ 36,000.00	\$ 15,237.50	\$ 6,638.75	\$ 21,876.25	\$ 14,123.75
Other: Advisory Committee	\$ 15,000.00	\$ 3,723.53	\$ 5,251.79	\$ 8,975.32	\$ 6,024.68
Match Total	\$ 51,000.00	\$ 18,961.03	\$ 11,890.54	\$ 30,851.57	\$ 20,148.43

Status: GOVA funds are 58% expended. Studies are nearing completion.

MBC MIDDLE MILE CONSTRUCTION

Grant Agreement Term: September 1, 2023 - August 31, 2025

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: Mid-Atlantic Broadband

GO VIRGINIA



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

GO VIRGINIA GRANT FUNDS

Budget Categories from CAMS	GOVA Budget	Previously Paid	DHCD Request Drawdown #	Total Paid After Remittance	Grant Balance
Construction	\$ 5,000,000.00	\$ -	\$ -	\$ -	\$ 5,000,000.00
		\$ -	\$ -	\$ -	\$ -
Awarded Total	\$ 5,000,000.00	\$ -	\$ -	\$ -	\$ 5,000,000.00

REQUIRED MATCHING FUNDS

Budget Categories from CAMS	Committed Match	Previous Match	Current Match	Total Match To Date	Match Balance

Match Total	\$ 5,000,000.00	\$ -	\$ -	\$ -	\$ 5,000,000.00
--------------------	------------------------	-------------	-------------	-------------	------------------------

Status: The NTIA award of \$16.3M was announced on 8/31/2023. GOVA contract execution in progress.

GUPTON INITIATIVE

Grant Agreement Term: July 15, 2022 - December 31, 2023

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: The Commonwealth Alliance for Rural Colleges

GO VIRGINIA



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

GO VIRGINIA GRANT FUNDS

Budget Categories from CAMS	GOVA Budget	Previously Paid	DHCD Request Drawdown #5 7/13/2023	Total Paid After Remittance	Grant Balance
SPDC Project Monitoring/Reporting	\$ 3,000.00	\$ 769.00	\$ 1,321.00	\$ 2,090.00	\$ 910.00
Market & Feasibility Study	\$ 91,900.00	\$ 33,478.28	\$ 30,434.80	\$ 63,913.08	\$ 27,986.92
Travel	\$ 4,300.00	\$ -		\$ -	\$ 4,300.00
Awarded Total	\$ 99,200.00	\$ 34,247.28	\$ 31,755.80	\$ 66,003.08	\$ 33,196.92

REQUIRED MATCHING FUNDS

Budget Categories from CAMS	Committed Match	Previous Match	Current Match Drawdown #5	Total Match To Date	Match Balance
Marketing/Advertising/Promotions	\$ 10,000.00		\$ -		\$ 10,000.00
Salaries	\$ 45,000.00	\$ 25,750.00	\$ 23,750.00	\$ 49,500.00	\$ (4,500.00)
Match Total	\$ 55,000.00	\$ 25,750.00	\$ 23,750.00	\$ 49,500.00	\$ 5,500.00

Status: GOVA funds are 66% expended. Project activities are nearing completion.

CRC REDO

Grant Agreement Term: October 24, 2022 - January 31, 2024

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: Commonwealth Regional Council

GO VIRGINIA



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

GO VIRGINIA GRANT FUNDS

Budget Categories from CAMS	GOVA Budget	Previously Paid	DHCD Request Drawdown #1 8/8/2023	Total Paid After Remittance	Grant Balance
SPDC Project Monitoring/Reporting	\$ 1,000.00	\$ -	\$ -	\$ -	\$ 1,000.00
Contract Services	\$ 64,000.00	\$ -	\$ 14,449.73	\$ 14,449.73	\$ 49,550.27
Awarded Total	\$ 65,000.00	\$ -	\$ 14,449.73	\$ 14,449.73	\$ 50,550.27

REQUIRED MATCHING FUNDS

Budget Categories from CAMS	Committed Match	Previous Match	Current Match	Total Match To Date	Match Balance
Administration (CRC)	\$ 2,500.00		\$ 3,080.20	\$ 3,080.20	\$ (580.20)
Contract Services	\$ 30,000.00		\$ 10,000.00	\$ 10,000.00	\$ 20,000.00
Match Total	\$ 32,500.00	\$ -	\$ 13,080.20	\$ 13,080.20	\$ 19,419.80

Status: GOVA funds are 22% expended. Studies are nearing completion.

SVCC: Expansion of GO TEC: Mechatronics Instructor

Grant Agreement Term: June 1, 2023 - May 31, 2025

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: Southside Virginia Community College

GO VIRGINIA



VIRGINIA INITIATIVE FOR
GROWTH & OPPORTUNITY
IN EACH REGION

GO VIRGINIA GRANT FUNDS

Budget Categories from CAMS	GOVA Budget	Previously Paid	DHCD Request Drawdown #	Total Paid After Remittance	Grant Balance
SPDC Project Monitoring/Reporting	\$ 2,000.00	\$ -	\$ -	\$ -	\$ 2,000.00
Salaries & Fringe	\$ 137,732.00	\$ -	\$ -	\$ -	\$ 137,732.00
Awarded Total	\$ 139,732.00	\$ -	\$ -	\$ -	\$ 139,732.00

REQUIRED MATCHING FUNDS

Budget Categories from CAMS	Committed Match	Previous Match	Current Match	Total Match To Date	Match Balance
Equipment	\$ 132,438.00				\$ 132,438.00
Dual Enrollment Tuition	\$ 90,770.00				\$ 90,770.00
Match Total	\$ 223,208.00	\$ -	\$ -	\$ -	\$ 223,208.00

Status: No remittance requests to date.

P&HCC: Expansion of GO TEC: Welding Instructor

Grant Agreement Term: June 1, 2023 - May 31, 2025

Report Period: August 1, 2023 to August 31, 2023

Sub-Grantee: Patrick & Henry Community College

GO VIRGINIA



VIRGINIA INITIATIVE FOR
GROWTH & OPPORTUNITY
IN EACH REGION

GO VIRGINIA GRANT FUNDS

Budget Categories from CAMS	GOVA Budget	Previously Paid	DHCD Request Drawdown #1 8/10/2023	Total Paid After Remittance	Grant Balance
SPDC Project Monitoring/Reporting	\$ 2,000.00	\$ -	\$ -	\$ -	\$ 2,000.00
Salaries & Fringe	\$ 116,545.00	\$ -	\$ -	\$ -	\$ 116,545.00
Awarded Total	\$ 118,545.00	\$ -	\$ -	\$ -	\$ 118,545.00

REQUIRED MATCHING FUNDS

Budget Categories from CAMS	Committed Match	Previous Match	Current Match	Total Match To Date	Match Balance
Equipment	\$ 129,261.00		\$ 129,261.00	\$ 129,261.00	\$ -
Match Total	\$ 129,261.00	\$ -	\$ 129,261.00	\$ 129,261.00	\$ -

Status: Match has been met. No remittance requests to date.

PROJECT FUNDING MATRIX

GO VIRGINIA REGION 3 PROJECT FUNDING MATRIX

Project Name	G & D Plan Investment Strategy	Project Status	Region 3 Projects	Region 3 Per Capita Projects	Budget Project Type	Date of Award
GO VA TOTAL ALLOCATIONS (2018-2024)				6,762,092.59		
GO TEC Phase 1	Workforce Dev	Closed	617,172.79	617,172.79	Per Capita	02/13/18
SOVA Innovation Hub	Startup Ecosystem	Closed	79,919.80	79,919.80	Per Capita-ECB	07/25/18
GO TEC Phase 2A	Workforce Dev	Closed	1,320,787.00		State Competitive	03/12/19
E&I Strategic Initiative	Startup Ecosystem	Closed	77,662.12	77,662.12	Per Capita-ECB-REI	10/09/19
Operation Last Mile Drone	Cluster Scale Up	Closed	75,000.00		COVID ERR Fund	04/15/20
IALR Common Platform	Workforce Dev	Closed	88,914.96	88,914.96	Per Capita-ECB	04/15/20
GO TEC Phase 2B	Workforce Dev	Closed	3,575,741.00		State Competitive	06/23/20
MBC Middle Mile Planning	Broadband	Closed	99,017.68	99,017.68	Per Capita-ECB	08/04/20
Bridge to Recovery	Cluster Scale Up	Closed	767,818.64		COVID ERR Fund	06/23/20
E&I Implementation	Startup Ecosystem	Closed	448,120.25	448,120.25	Per Capita-REI	03/16/21
SVRA Site Development	Site Development	Active	1,534,900.00	1,534,900.00	Per Capita	09/23/21
ExperienceWorks	Workforce Dev	Active	515,628.00	515,628.00	Per Capita	09/23/21
Controlled Environment Ag (CEA) Planning	Cluster Scale Up	Closed	77,315.50	77,315.50	Per Capita-ECB	11/29/21
SEED Innovation Hub	Startup Ecosystem	Active	674,304.00	674,304.00	Per Capita	12/15/21
VGA Refresh	Site Development	Active	100,000.00	100,000.00	Per Capita-ECB	01/19/22
MBC Middle Mile Construction	Broadband	Approved	5,000,000.00		State Competitive	03/10/22
Gupton Initiative	Workforce Dev	Active	99,200.00	99,200.00	Per Capita-ECB	06/23/22
CRC REDO	Startup Ecosystem	Active	65,000.00	65,000.00	Per Capita-ECB	08/18/22
GO TEC Virginia 2025	Workforce Dev	Approved	3,474,821.00		State Competitive	12/13/22
PHCC GO TEC Welding Instructor	Workforce Dev	Approved	119,733.00	119,733.00	Per Capita	03/14/23
SVCC GO TEC Mechatronics Instructor	Workforce Dev	Approved	139,732.00	139,732.00	Per Capita	03/14/23
VGA Site Development	Site Development	Approved	335,050.00	335,050.00	Per Capita	06/13/23
RISE Build to Scale	Startup Ecosystem	Approved	600,000.00	600,000.00	Per Capita	09/12/23
SoVA Partnership for Health Sciences Careers	Workforce Dev	Approved	133,000.00		Talent Pathways	09/12/23
TOTAL PROJECT FUNDING			\$20,018,837.74	\$5,671,670.10		
FY 24 PER CAPITA PROJECT BALANCE				1,090,422.49		
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		
Projects highlighted in green are not funded by the Region 3 Per Capita allocation.				REI-Regional Entrepreneurship Initiative		
				ECB-Enhanced Capacity Building		

OLD BUSINESS

APPROVED PROJECT UPDATE



DATE: September 14, 2023

TO: Region 3 Executive Committee

FROM: R. Bryan David, Program Director

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

RE: Approved Projects Update

The approved projects update report is currently being prepared and will be presented to the Executive Committee at the September 20th meeting.

RECOMMENDATION:

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

PROJECT PIPELINE



DATE: September 14, 2023

TO: Region 3 Executive Committee

FROM: R. Bryan David, Program Director

A handwritten signature in blue ink, appearing to read 'RBD', is positioned to the right of the 'FROM:' line.

RE: Project Pipeline Report

Below is information about projects that are in varying stages of development, as evidenced by the data presented:

I. SOVA Innovation Labs

- the SOVA Innovation Hub has been developing plans to expand the SOVA Innovation Campus in South Boston for the past year. This expansion would involve acquiring and adaptive reusing an adjacent structure and developing the greenspace adjacent to its existing building.

- the SOVA Innovation Hub had acquired the adjacent property and building from the South Boston Volunteer Fire Department as part of the grant process.

- staff-level discussions with principals from the SOVA Innovation Hub and Mid-Atlantic Broadband Communities Corporation on the potential for GO Virginia Region 3 Council funding support for technology-related equipment for the “The Labs” project. This funding support from the Region 3 Council would be similar to the Per Capita grant awarded to the SEED Innovation Hub in Farmville.

- the Tobacco Region Revitalization Commission approved a grant for the project for \$400k at its January 2023 meeting.

-the US EDA announced on September 12th an award of \$1.3MM for the renovation and creation of a digital makers space, community gathering space, and co-working offices (attached is the media release)

-timing and amount of the Region 3 Per Capita grant is to be determined.

II. Region 3 Leadership Development Project – preliminary discussions have been held with principals at the University of Virginia’s Sorenson Institute for Leadership and the Virginia Institute for Government (Cooper Center units) about developing a community leadership program in Region 3. This program would complement and align with the SOVA Rise Collaboratives training for entrepreneurs. These discussions and those with other Region 3 stakeholders have shown heightened interest in pursuing an Enhanced Capacity Building feasibility study to better frame the program, outcomes, and partner organizations.



Region 3 Executive Committee
September 14, 2023
Page 2

-early project development shows that it may complement the SOVA Rise Collaborative and its outreach to entrepreneurs.

-project development will continue.

III. Brunswick County Public Schools – GO TEC Lab Development

-the Brunswick County Public Schools administration has indicated an interest in developing a GO TEC Lab at James S. Solomon Russell Middle School.

-Dr. Julie Brown advises that a Per Capita application in the range of \$100-150k could be prepared and submitted for consideration by the Region 3 Council at its meeting on January 17, 2024.

IV. Amelia County Economic Development Authority/Heartland Regional Industrial Development Authority – Richardson Road Industrial Park

-the Amelia County Economic Development Authority has expressed interest in a site planning grant for \$100k from the Region 3 Council for eligible “due diligence” work to complete the requirements for a Tier 3 classification by the Virginia Economic Development Partnership.

-the Heartland Regional Industrial Development Authority and the Commonwealth Regional Council would support the project.

-attached is the project summary prepared for the Amelia County Economic Development Authority.

-this matter involves several eligibility issues and other considerations, and it would be appropriate for the Executive Committee to convene a closed meeting at the September 20th meeting to discuss these matters.

RECOMMENDATION:

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

Virginia Heartland Richardson Road - Go Virginia Application Summary

Applicant – Virginia Heartland Regional Industrial Facilities Authority (Heartland Authority).

Background – The Heartland Authority is partnering with the Amelia County EDA to expand the inventory of industrial sites within the territory covered by the Authority. The Heartland Authority was formed originally to develop the Heartland Regional Industrial Park outside of Keysville along with the future development of additional industrial sites scattered throughout the Commonwealth Regional Council (CRC) footprint. The member localities of the Heartland Authority contemplated that there would be additional industrial sites developed under the umbrella of the Authority. The Amelia County EDA acquired a 133-acre site on the north side of Rt. 360, 4 miles west of Amelia Courthouse, in January of 2023, and the Amelia County Board of Supervisors rezoned the property to an Industrial M-1 classification in June of 2023. While Amelia County is not currently a member of a Regional Economic Development Organization (REDO), a GO Virginia grant-funded feasibility analysis is underway by the CRC to establish a REDO. Once established, the CRC REDO will be able to actively market the property.

Project Description - The goal of the project is to raise the Richardson Road site from a Tier 2 to a Tier 3 and to prepare a portion of the property for marketing. The Richardson Road Site Development Project includes 5 components: 1) Additional Site Due Diligence Investigations to raise the VEDP Business Ready Sites Program Tier level from 2 to 3; 2) Demolition of Existing Structures; 3) VDOT Entrance Design and Permitting; 4) Signage and Landscaping; 5) Clearing and Grubbing of approximately 23 ac.

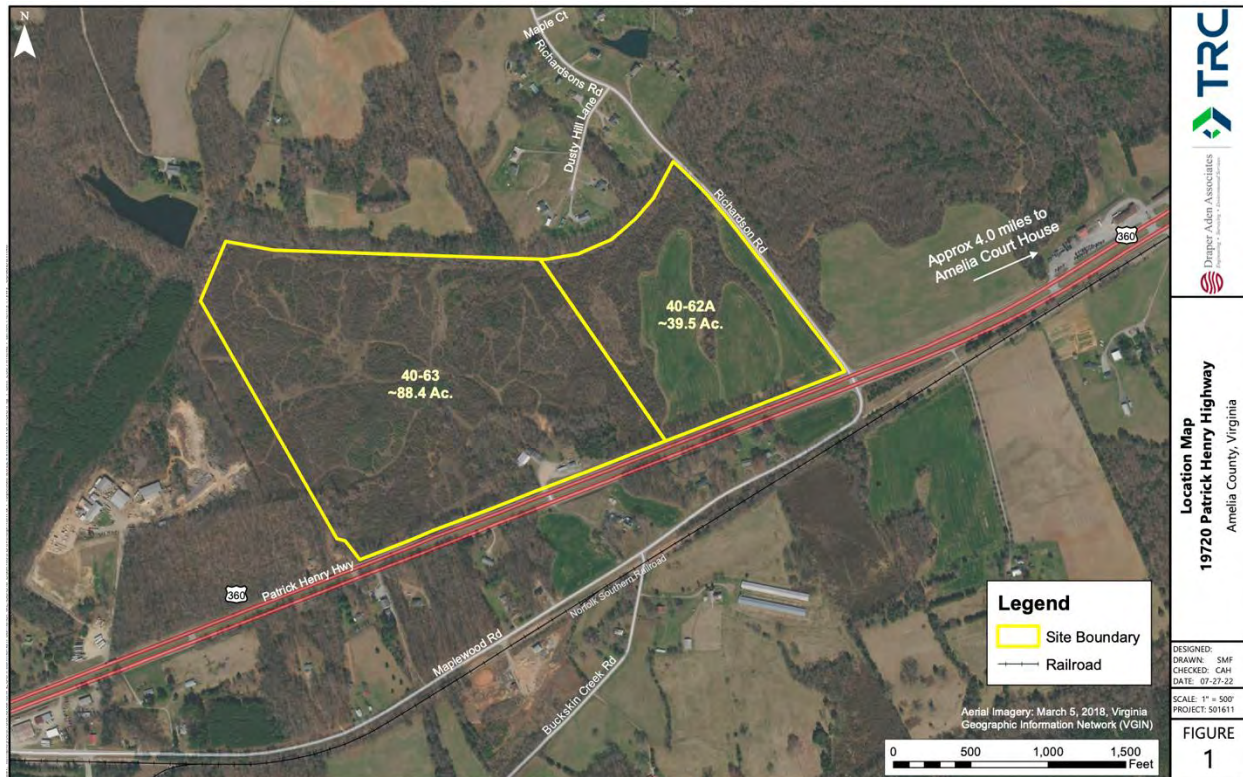
1. Additional Due Diligence Investigations, \$154,600, to include a traffic impact study (\$40,000), a “waters of the US” investigation including wetland and stream delineations (\$9,850), a geotechnical evaluation (\$16,750), a surveyed topo of the property (\$20,000), historical and cultural resources review (\$4,000), threatened and endangered species review (\$4,000), and a detailed master plan of development (\$20,000) including a PAER (\$40,000) for all infrastructure.
2. Demolition of the Existing Structures, \$25,000, including the two existing vacant and dilapidated structures along with the outbuilding sheds. The debris and abandoned vehicles are to be removed, and the site cleaned.
3. VDOT Entrance Design and Permitting, \$80,000, for the entrances off Rt. 360 and Richardson Road based upon the traffic impact study.
4. Signage, \$50,000, will be erected along Rt. 360 identifying the industrial site with Landscaping the area of the former antique shop will be used as a parking area for viewing of the property.
5. Clearing and Grubbing, \$453,050, of approximately 23 ac. of the site north of the former antique shop to make the site more marketable.

Funding Request – The applicant is requesting \$762,650 in GO Virginia funding to support the project activities described above. The matching funds for the grant are the acquisition costs of the property (\$735,000) and the due diligence costs incurred during the acquisition (boundary

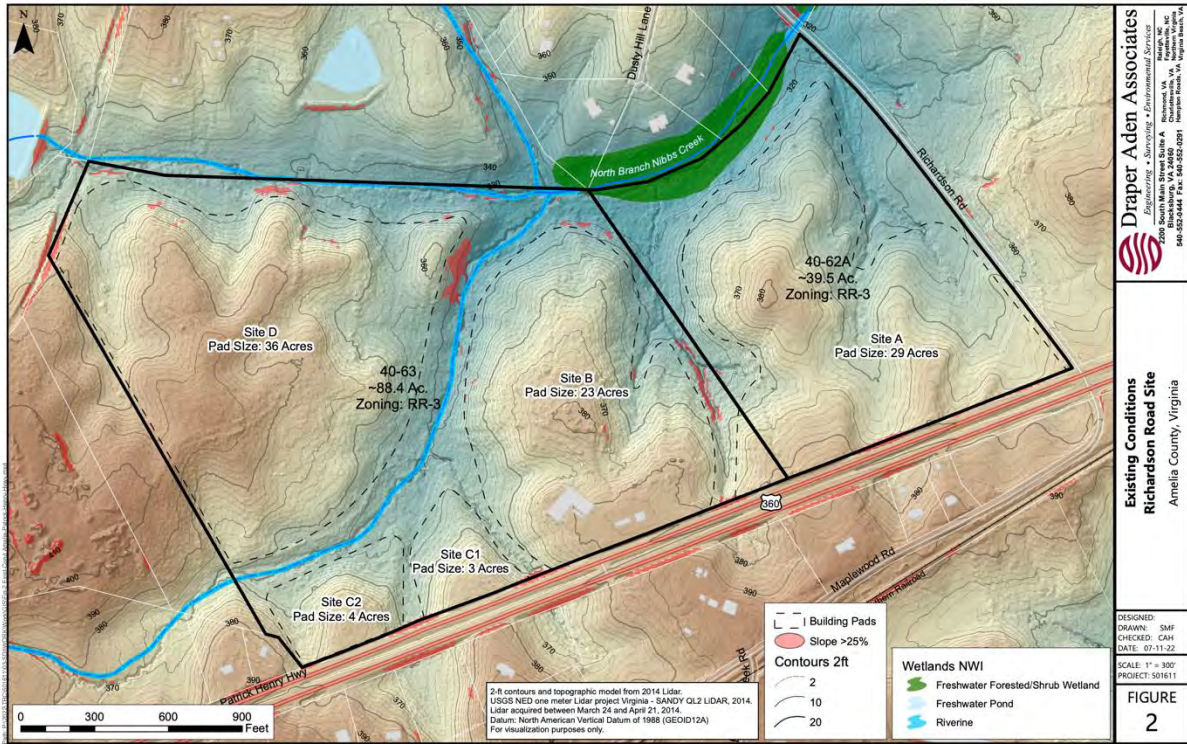
survey - \$10,000), Phase I and II ESA (\$10,350), title survey, appraisal (\$1,800), site classification report (\$5,000)).

Attachments - The following attachments provide an overview of the property and the most recent conceptual development plan: Attachment 1 – Location Map, Attachment 2 – Existing Conditions Map, Attachment 3 – Conceptual Development Plan.

Attachment 1 – Richardson Road Site Location Map



Attachment 2 – Existing Conditions Map



Attachment 3 – Conceptual Development Plan



NEW BUSINESS

Program Directors Report



DATE: September 14, 2023

TO: Region 3 Executive Committee

FROM: R. Bryan David, Program Director

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

RE: **Region 3 Demographic Trends**

The Region 3 Council has been updated on demographic trends affecting Southern Virginia for the past few years. Expressly, these trends point to a declining and aging population, which holds significant implications for Region 3's economy, the working-age population (labor force), and the corresponding impact on recruiting and retaining traded-sector businesses.

The following quotation from the USDA Economic Research Service's [Rural America at a Glance: 2022 Edition](#) gives some context to these issues:

"Declines in the working-age population may make it harder to meet labor demands in some rural industries and local labor markets. At the same time, many rural areas lack sufficient health care capacity, broadband service, community centers, and other services to address the challenges associated with an aging population."

A copy of the report can be found at this link:

[Rural America at a Glance: 2022 Edition](#)

Additionally, a recent projection released on September 11th from demographers at UVA's Weldon Cooper Center for Public Service highlights that most of Southern Virginia's localities are anticipated to experience population declines and an aging population between 2020 and 2030. The article from UVA Today can be found here:

[Metro Areas Will Grow Larger, Rural Areas Will Grow Older](#)

Furthermore, I have attached a newspaper article from the May 2023 edition of the Williamsport (PA) Sun-Gazette to underscore this situation and its direct impact on rural labor force numbers. The article can be found here:

[Rural Population Decline Continues to Stress Industry 5.23](#)

I have recently engaged two of my Cooper Center colleagues about these demographic trends to understand better what they could mean for Region 3's future economy and ability to continue with current economic and workforce development practices. The conversations have been enlightening and challenging. However, there could be an opportunity for the Region 3 Council to take up this matter through a planning process that could better position Southern Virginia to offset or mitigate these unfolding trends with actionable strategies under the GO Virginia program. Given these trends, this undertaking would be well within the Region 3 Council's mission, purpose, and business-oriented leadership role, in my opinion.



Region 3 Executive Committee
September 14, 2023
Page 2

My Cooper Center colleagues, Dr. Debra Jonas ([profile](#)) and Dr. Joao Ferreira ([profile](#)), will join us at the Executive Committee meeting on September 19th to introduce themselves and help support our collective discussion.

It should be noted this type of project could be pursued as an Enhanced Capacity Building planning grant from Region 3's Per Capita funds. Such a project would need a formal scope of work, schedule, budget, and deliverables and could not exceed \$100k. The level of effort and related details have not been worked through at this early stage.

I have prepared an early draft of what a potential work program could include for research items and other content, and it is attached for your reference. The next date that would line up for submitting an ECB planning application to DHCD GO Virginia staff would be December 15th. A project such as the one contemplated could be administratively approved by DHCD GO Virginia staff.

RECOMMENDATION:

Per the Region 3 Executive Committee discussion.

Attachment



Region 3 Demographic Trends Work Program

- I. Changing structure of the population, economic sectors, working-age population (labor force), and job growth in Southern Virginia**
 - past, present, and future trends and projections
 - calculation of a gross regional product and projected effects based on trends

- II. Southern Virginia assets or liabilities**
 - commuting access to growing metros (RDU, GBO, RIC) – shared laborsheds
 - remote/hybrid workers
 - the ubiquity of high-speed broadband to all inhabited structures in 4-years+/-
 - healthcare outcomes, access, quality, and affordability
 - transportation
 - services for an aging population
 - K12 education
 - arts, culture, and recreation
 - research and development (commercialization)
 - housing
 - ?others?

- III. Case studies of similarly situated regions (national and international)**
 - strategies to address declining and aging populations through economic and workforce development

- IV. Selecting and testing a strategy set for Southern Virginia**
 - social and political acceptance and viability
 - strategy alignment with local and state economic and workforce development policies and legal requirements
 - stakeholder identification
 - strategy implementation
 - alignment or not with GO Virginia focus on traded-sector business recruitment or retention
 - other medium or high-wage business sectors that may have growth opportunities for Southern Virginia
 - strategy selection and effect on gross regional product

- V. What else.....?**





DATE: September 14, 2023

TO: 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: 2023 Growth & Diversification Plan Update

The Region 3 Council and Executive Committee have been periodically briefed about developing the 2023 Growth & Diversification Plan. These plans are to be updated every two (2) years, with the last one for Region 3 being in 2021.

For this update, DHCD staff allows the regional council and staff to review the plans by completing a template versus a comprehensive update, as with the 2019 and 2021 updates. This template is intended to "...address any updates, evaluate what is working, and summarize their key goals and how they will be addressed through project development". Completion of the template is underway.

An essential element for this work is updating the econometrics from the 2021 Growth & Diversification Plan. These data were compiled and analyzed in 2021 by Brandon Hennessy at the Longwood Small Business Development Center. He has since left, and the 2023 data update is being developed by Jennifer Cox, Director of Local and Community Relations, with Longwood University's Office of Community and Economic Development. Attached is a draft of the econometrics for the 2023 Growth & Diversification Plan Update.

Based on the consensus guidance from the Region 3 Council and Executive Committee earlier in the year, the 2021 Growth & Diversification Plan's goals and strategies should remain unchanged for the 2023 update. This is except for adding *Controlled Environment Agriculture* as an emerging industry cluster in Region 3.

The following documents are also attached for your reference, and I will briefly discuss these at the September 20th meeting:

- 2021 Growth & Diversification Plan Executive Summary
- DHCD Growth & Diversification Plan - 2023 Review Template



Region 3 Executive Committee
September 14, 2023
Page 2

Finally, the schedule for reviewing, finalizing, and adopting the 2023 Growth & Diversification Plan update will be:

- 9.20.23_Executive Committee
- late September/early October ad hoc work group of four (4) members of the Region 3 Council to review the draft update
- 10.18.23_Region 3 Council review and adoption of update
- 10.31.23_submission of adopted 2023 Growth & Diversification Plan to DHCD GO Virginia staff

RECOMMENDATION:

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

Attachments



Performance of the Region 3 Economy

Prepared by the Office of Community & Economic
Development

Jennifer Cox
Director of Local & Community Relations



*REGION 3 ECONOMIC PERFORMANCE AND SKILLS GAP ASSESSMENT***EXECUTIVE SUMMARY**

This Economic Performance and Skills Gap Analysis, completed by the Office of Community and Economic Development at Longwood University, is provided for the Southern Virginia Region 3 Council as part of the GO Virginia Growth & Diversification Plan, for submission to the Virginia Department of Housing & Community Development. The analysis is intended to provide insight and direction to both the Regional Council and stakeholders with the region's status (historical, current, and forecasted) in:

- Employment growth across all sectors (pg 3)
- Wage growth across all sectors (pgs 4-6)
- Employment growth in targeted traded industry sectors (pgs 7-12)
- Wage growth in targeted traded industry sectors (pgs 12-13)
- New Business Formation Activity (pgs 14-15)
- Economic development announcements for new and expanding businesses (pg 16)
- Situational Analysis (SWOT) of Targeted Industry Traded Sectors (pgs 17-22)
- Identification and Recommendation of Broadening Current Targeted Sectors (incorporates existing targeted sectors) (pg 23)
- Workforce Gaps of Immediately Employable Talent in the Targeted Sectors/Clusters (pg 24)
- Summary Conclusions for GO Virginia Region 3 Growth & Diversification Plan Update 2023 (pg 25)

Employment Growth across All Sectors

As an update to the previous report, employment for the region from JobsEQ 2023Q1 datasets saw an increase in employment (0.84%) and an increase in annual wages (19.54%) compared to 2020Q3 datasets.

		2023 - Q1			2020 - Q3		
NAICS	Industry	Employment	Average Annual Wages	LQ	Employment	Average Annual Wages	LQ
	Total - All Industries	129,135	\$43,408	1.00	128,053	\$36,308	1.00

		2023 - Q1 5 Year History			2020 - Q3 5 Year History		
NAICS	Industry	Employment Change	Annual %		Employment Change	Annual %	
	Total - All Industries	-5,547	-0.8%		-6,703	-1.00%	

However, looking at the employment change forecasted for the next two years and the next five years, that attrition is expected to slow, at a change of -0.7% and -1,825 nominal value over two years and -4,513 nominal value over five years. This result is illustrative that the region's employment is improving and trending toward breakeven and positive employment growth.

2-Year Forecast				
Total Demand	Exits	Transfers	Employment Growth	Annual %Growth
27,537	12,495	16,866	-1,825	-0.7%
5-Year Forecast				
Total Demand	Exits	Transfers	Employment Growth	Annual %Growth
68,696	31,156	42,053	-4,513	-0.7%

Wage Growth Across All Sectors

(Sorted by Region)

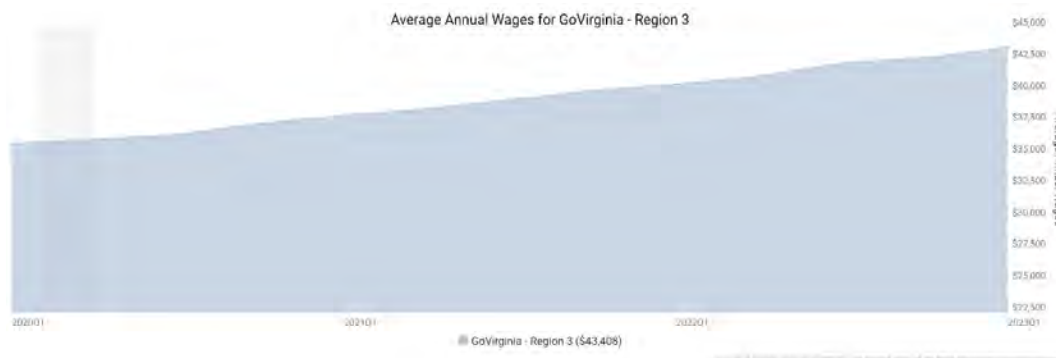
Regions	2021 Q1 Average Annual Wages	2022 Q1 Average Annual Wages	2023 Q1 Average Annual Wages	Growth Rate (% increase) from 2021Q1 to 2023 Q1
1	\$37,080	\$39,492	\$42,517	14.66%
2	\$46,516	\$49,183	\$51,842	11.45%
3	\$38,001	\$40,471	\$43,408	14.23%
4	\$58,449	\$61,813	\$64,411	10.20%
5	\$52,092	\$54,600	\$57,128	9.66%
6	\$51,137	\$52,865	\$55,136	7.82%
7	\$85,852	\$88,530	\$91,426	6.49%
8	\$45,900	\$48,478	\$50,696	10.45%
9	\$54,273	\$56,783	\$59,499	9.63%
Virginia	\$63,745	\$66,870	\$69,733	9.39%

(Sorted by 2023 Q1 Average Annual Wages)

Regions	2021 Q1 Average Annual Wages	2022 Q1 Average Annual Wages	2023 Q1 Average Annual Wages	Growth Rate (% increase) from 2021Q1 to 2023 Q1
7	\$85,852	\$88,530	\$91,426	6.49%
Virginia	\$63,745	\$66,870	\$69,733	9.39%
4	\$58,449	\$61,813	\$64,411	10.20%
9	\$54,273	\$56,783	\$59,499	9.63%
5	\$52,092	\$54,600	\$57,128	9.66%
6	\$51,137	\$52,865	\$55,136	7.82%
2	\$46,516	\$49,183	\$51,842	11.45%
8	\$45,900	\$48,478	\$50,696	10.45%
3	\$38,001	\$40,471	\$43,408	14.23%
1	\$37,080	\$39,492	\$42,517	14.66%

(Sorted by % Increase 2021 to 2023)

Regions	2021 Q1 Average Annual Wages	2022 Q1 Average Annual Wages	2023 Q1 Average Annual Wages	Growth Rate (% increase) from 2021Q1 to 2023 Q1
1	\$37,080	\$39,492	\$42,517	14.66%
3	\$38,001	\$40,471	\$43,408	14.23%
2	\$46,516	\$49,183	\$51,842	11.45%
8	\$45,900	\$48,478	\$50,696	10.45%
4	\$58,449	\$61,813	\$64,411	10.20%
5	\$52,092	\$54,600	\$57,128	9.66%
9	\$54,273	\$56,783	\$59,499	9.63%
Virginia	\$63,745	\$66,870	\$69,733	9.39%
6	\$51,137	\$52,865	\$55,136	7.82%
7	\$85,852	\$88,530	\$91,426	6.49%



Observing the tables above, GOVAR3 has shown positive average annual wage increases from 2021 Q1 to 2023 Q1. This is also true for the entirety of Virginia, as each of the other regions highlight positive growth rates. However, it's important to note that while the growth rate is 2nd highest of all the regions, this can be contributed to lower annual wages compared to most of the other regions.

GO Virginia Region	2023 Q1 Regional Average Wages	PDC Name	2020 Sub Regional Average Annual Wages	2023 Q1 Sub Regional Average Wages
3	\$43,408	West Piedmont PDC	\$35,116	\$42,551
		Southside PDC	\$36,096	\$44,074
		Commonwealth RC	\$35,051	\$43,294

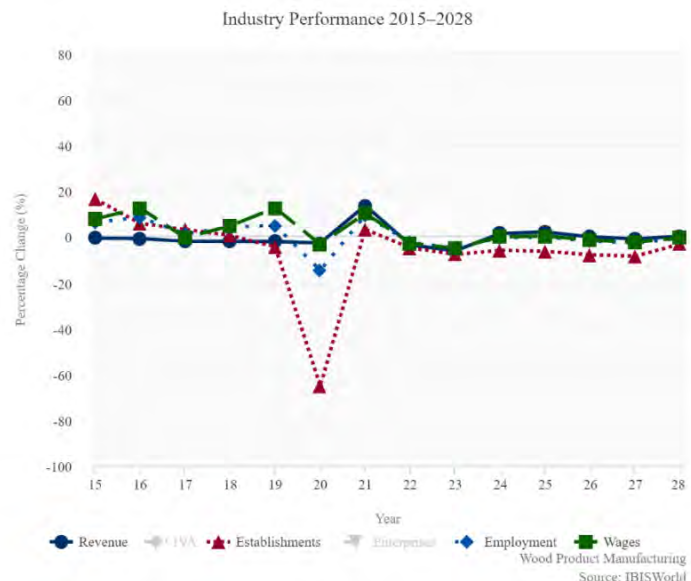
Referencing the table above, the sub region average annual wages (based on 2023 Q1 data) have risen and are within close proximity to each other. There is a 1.7% disparity in wages between the West Piedmont PDC and the Commonwealth RC and a 1.8% wage disparity between the Commonwealth RC and the Southside PDC. The largest disparity is between the West Piedmont PDC and the Southside PDC for a total of 3.5% disparity in wages. There could be some influence on the average wages by region based on large employers in the region (such as medical and educational employers). These employers traditionally pay wages that are more competitive and as such affect the average earnings.

Employment Growth in Targeted Traded Industry Sectors

High Value Natural Wood Resource

IBISWorld Q42022 Executive Summary (Wood Product Manufacturing)

The Wood Product Manufacturing industry produces a diverse range of wood products, including wood ladders, cabinets, toothpicks, wood flour and kiln-dried lumber, among others. The construction sector is the industry's largest source of demand and as a result, operators have benefited going into 2022 from strong growth in housing starts and consumer spending, boosting demand from households for other wood products. However the current performance of the Wood Product Manufacturing industry is strong, but is projected to experience a slight decline in 2023. This is due to the former economic effects of the COVID-19 pandemic and the rising potential of a recession. Over the past five years, total revenue has been decreasing at a CAGR of 0.3% to an estimated \$6.8 billion, including a decrease of 6.0% in 2023 alone.



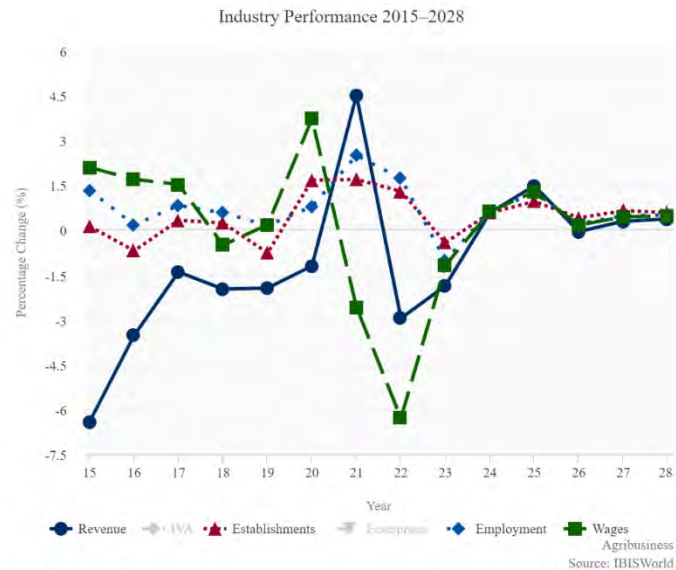
A decrease in the residential construction market has continued declines first caused by the COVID-19 pandemic. Additionally, historically high interest rates have further decentered construction activity, leading to decreased demand for miscellaneous architectural products. Similarly, consumer spending faltered in 2020, temporarily decreasing revenue sourced from miscellaneous retail and consumer wood products. Moreover, a surge in the price of sawmill lumber, a primary input cost, is causing profit to contract during the period.

The value of residential construction is expected to increase, helping demand from one of the industry's key markets. Moreover, due to an anticipated devaluation of the US dollar, industry exports are expected to increase as foreign demand for wood pellets used for renewable energy wanes. However, increases in consumer spending will likely partially sustain industry demand. Ultimately, industry revenue is expected to increase at a CAGR of 0.7% to \$7.0 billion over the next five years.

Agribusiness

IBISWorld Q42022 Executive Summary (Agribusiness)

Agribusiness includes the production, wholesale and processing levels of the food supply chain to the point of retail sale. Businesses in the industry include meat processors, grain wholesalers, agricultural machinery manufacturers and farmers. In recent years, COVID-19 caused revenue for the industry to decline, as spending on food away from home took a big hit. Despite this, agribusinesses benefited from the fact that grocery spending was still strong. The recovery from the pandemic created supply chain disruptions and excess demand, which resulted in high agricultural prices, boosting revenue. The relaxation of pandemic restrictions also made more people eat out, creating another source of income for agribusinesses.



Despite these positive trends, the industry faces major threats from rising interest rates, which has made the cost of borrowing for new food processing plants and farm equipment more expensive, causing revenue to drop in 2022 and 2023. International markets have also disrupted agribusinesses, as trade wars and the appreciating dollar has caused exports and revenue to fall. Overall, revenue for agribusiness has declined at a CAGR of 0.7% over the past five years, reaching \$4.1 trillion in 2023. Revenue will creep downward 1.9% in that year.

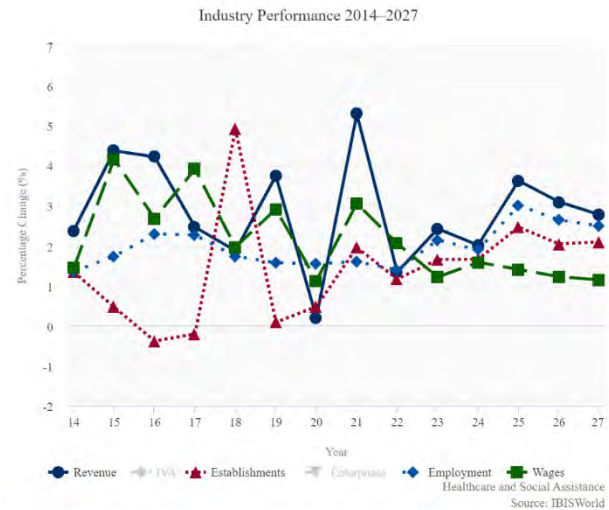
The near future looks more optimistic for agribusinesses. The growing economy will result in rising incomes, raising spending on agricultural products and boosting revenue. The dollar will also depreciate, causing a boom in exports and reviving international markets. Biofuels are forecast to become more important, as concerns about climate change will increase their production. Since biofuels are made from crops, more investment in them will benefit the industry. Agricultural prices will decline modestly, so this will dampen the performance of agribusinesses somewhat. Overall, revenue for agribusiness will rise at a CAGR of 0.5% during the outlook period, reaching \$4.2 trillion in 2028. Profit will remain steady, comprising 4.8% of revenue in 2028.

Healthcare

IBISWorld Q42022 Executive Summary (Healthcare)

The Healthcare and Social Assistance sector has steadily grown over the five years to 2022. The majority of services offered by subsectors in the industry, which includes hospitals, ambulatory healthcare services, residential care facilities and social assistance services, experienced steady demand during the five-year period, driven by demographic changes and rising health expenditure. At the same time, many health providers have had to

adjust to a complex and changing regulatory environment. Past and future changes to the Patient Protection and Affordable Care Act will continue to have profound effects on operators in the sector. More recently, the industry experienced a demand shift as the COVID-19 (coronavirus) pandemic overwhelmed hospitals while causing non-essential healthcare services to be postponed. Though pandemic concerns have alleviated more broadly, the long-term effects of the coronavirus continue to shape and define this industry.



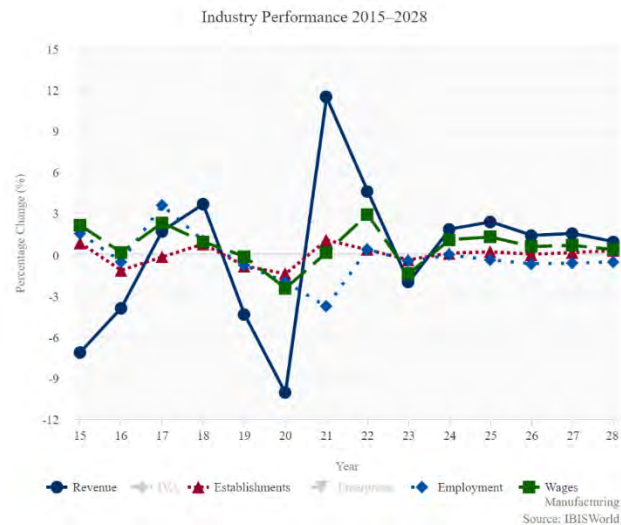
Rising health expenditure and federal funding for Medicare and Medicaid were the principal drivers of sector revenue during the current period. Total health expenditure, which measures private and public spending on health, grew an annualized 2.8% to \$3.7 trillion over the five years to 2022, according to IBISWorld estimates. In addition, federal funding for Medicare and Medicaid grew substantially at an annualized rate of 4.4% during the same period. Accordingly, industry profit increased slightly from 9.9% of revenue in 2017 to 10.4% in 2022. Thus, IBISWorld estimates revenue for the Healthcare and Social Assistance sector to rise over the five years to 2022, increasing an annualized 2.5% to \$3.3 trillion, growing an estimated 1.3% by year-end 2022.

Over the five years to 2027, sector revenue is forecast to continue rising. Spending on sector services is expected to be driven by aging and growing populations, which will require more health services from the nursing and residential care facilities subsector, in particular. Expanded federal funding for Medicaid and Medicare also reflects this shift. In addition, federal funding allocated for the sector is expected to target rural areas and the growing unmet need for mental health and substance abuse treatment. Rising demand, however, will be met with labor shortages, placing an upward pressure on wage growth and constraining growth in profit. In all, sector revenue is estimated to expand an annualized 2.8% to \$3.8 trillion during the five-year period to 2027.

Advanced Manufacturing & Materials

IBISWorld Q42022 Executive Summary (Manufacturing)

The Manufacturing sector has been experiencing a revenue decline at a CAGR of 0.4% to \$7.0 trillion over the past five years, including an estimated 2.0% decline in 2023, while profit is projected to fall to 8.0%. The outbreak of COVID-19 had a negative effect on the sector, but it recovered with the rollout of vaccines and stimulus money in 2021. In 2022, revenue continued to grow, but at a slower rate, driven by a favorable international trade climate and growth in the US GDP. However, manufacturing revenue is forecast to decline in 2023 because of rising interest rates and high uncertainty. The sector remains vital to the US economy, but its importance has been declining as the economy becomes more service-oriented and manufacturers offshore production to countries with lower labor costs.



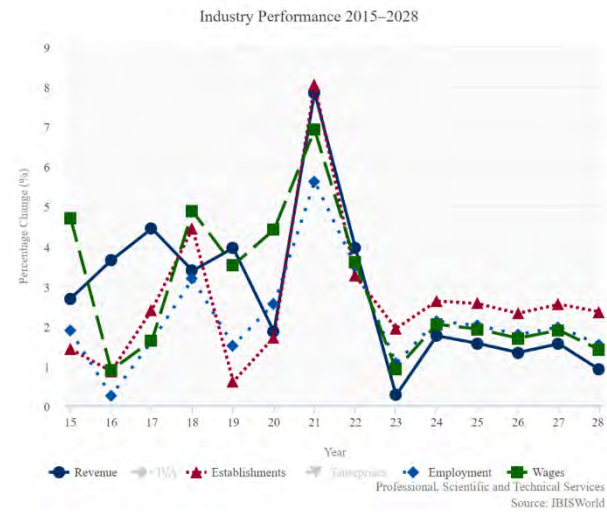
Wholesalers, retailers and construction companies are some of the key markets for manufacturers. These markets have been affected by the COVID-19 pandemic in different ways. For example, wholesalers' demand for manufactured goods declined following the outbreak of COVID-19, but recovered in 2021 and stayed strong in 2022. Retailers continued to purchase manufactured goods in 2020 despite the pandemic, with demand from retailers remaining strong in the following years. Demand from other manufacturers fluctuated largely in line with the economy, declining in 2020 and rebounding in the second half of the current period.

Over the next five years, the Manufacturing sector is expected to see growth, with revenue increasing at a CAGR of 1.6% to reach \$7.6 trillion. This growth is expected to be driven by an increase in the overall economy and a decline in the value of the US dollar, which will make US-manufactured goods more affordable for foreign markets. Profit, measured as earnings before interest and taxes, for the sector, is also forecast to increase to 8.4%. Manufacturers will likely continue to integrate advanced technologies to improve efficiency and supply chain resilience.

Business Services & IT Data

IBISWorld Q42022 Executive Summary (Business Services & IT Data)

In recent years, consumer spending and business investment growth drove growth for the sector. The sector even grew in 2020 amid the outbreak of COVID-19. Demand for architects, engineers, lawyers and interior designers surged alongside a booming housing market. Advertisers enjoyed heightened demand in 2020 as companies demanded COVID-19-focused advertising campaigns. Sector-wide revenue has been growing at a CAGR of 3.6% over the past five years and is expected to total \$3.1 trillion in 2023, when revenue will increase by an estimated 0.3%.



The sector has been highly affected by the rise in cloud computing and data analytics, prompting downstream businesses to hire consultants to upgrade outdated systems. Demand for these services has driven growth for IT consultants and management consultants. IT systems have become more prevalent amid the coronavirus pandemic and remote work conditions. Digital media has continued to shake up industries offering advertising-related services.

Sector revenue is forecast to grow at a CAGR of 1.4% through the end of 2028 to total \$3.3 trillion. The sector will benefit from consumer spending and corporate profit growth. The recently passed infrastructure bill will provide a source of consistent demand for engineers, architects and scientific and economic consultants in the next few years. Ongoing trends in technology change, globalization and environmental needs will drive substantial demand for many industries in the sector. Sector profit will creep downward as wage costs rise.

Controlled Environment Agriculture

Executive Summary*

Controlled environment agriculture is an emerging industry. “CEA refers to the utilization of technology and automation to enhance the indoor growing conditions for crops, fish, and related products. The industry is projected to grow 10.32% annually, reaching \$239.8 billion by 2027. The economic potential of CEA includes the attraction, growth and retention of industry prospects; the support of start-ups and smaller-scaled CEA operations; and the potential in support and related sector firms, from lighting to sensor technologies. Jobs in CEA tend to be higher-paying, higher-skilled, and more varied than traditional agriculture and food production” (Controlled Environment Agriculture Strategy and Roadmap in GO Virginia Region 3 by Virginia Tech Center for Economic and Community Engagement).

As an emerging industry, there are no dedicated series of NAICS codes. Current best practices include utilizing higher level NAICS codes to encompass the variety of specialties under the CEA umbrella. CEA can include a combination of multiple focus areas includes engineering, plant science, IT management, marketing, etc.

Some salient data points to focus on in the future may include:

1. Number of degrees completed in Region 3 to support CEA (skillsets will include engineering, IT, etc.) These skillsets are varied and tend to appeal to a younger workforce. Trained workforce will be critical to fill the industry needs.
2. As an emerging industry there is a lack of understanding about the industry itself
3. To date there are a limited number of crops that can thrive with CEA. As the industry and technology expands, there may be opportunities to expand and diversify crop type.

*Note there is no IBIS world Executive Summary available at this time as this in an emerging industry.

Wage Growth In Targeted Traded Industry Sectors for Region 3

Industry	Year	Average Wage	Growth Rate
HVNRP	2021	\$44,376	5.30%/year
	2022	\$49,125	
	2023	\$51,816	
Healthcare	2021	\$41,130	4.42%/year
	2022	\$43,069	
	2023	\$46,841	
Adv. Manu. & Materials	2021	\$52,339	-0.94%/year
	2022	\$48,585	
	2023	\$50,875	
Business Services & IT	2021	\$52,236	5.02%/year
	2022	\$57,757	
	2023	\$60,504	
Controlled Environmental Agriculture	TBD	TBD	TBD

Although wages are trending upwards across most of the target sectors for the region, it is evident when referencing the table set above, that high levels of wage growth have occurred after a period of stagnated wages during the pandemic.

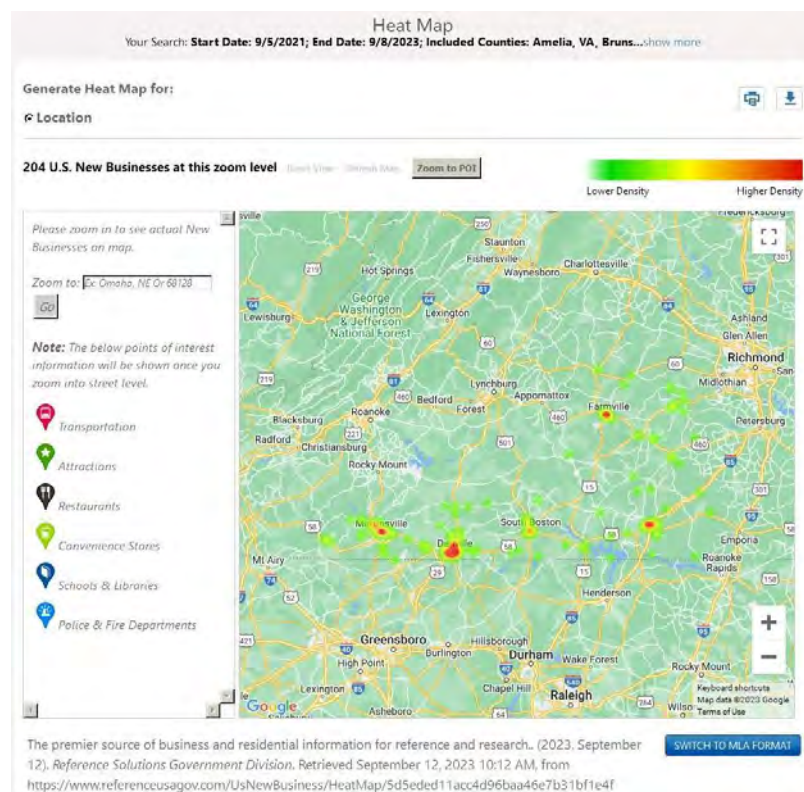
New Business Formation Activity

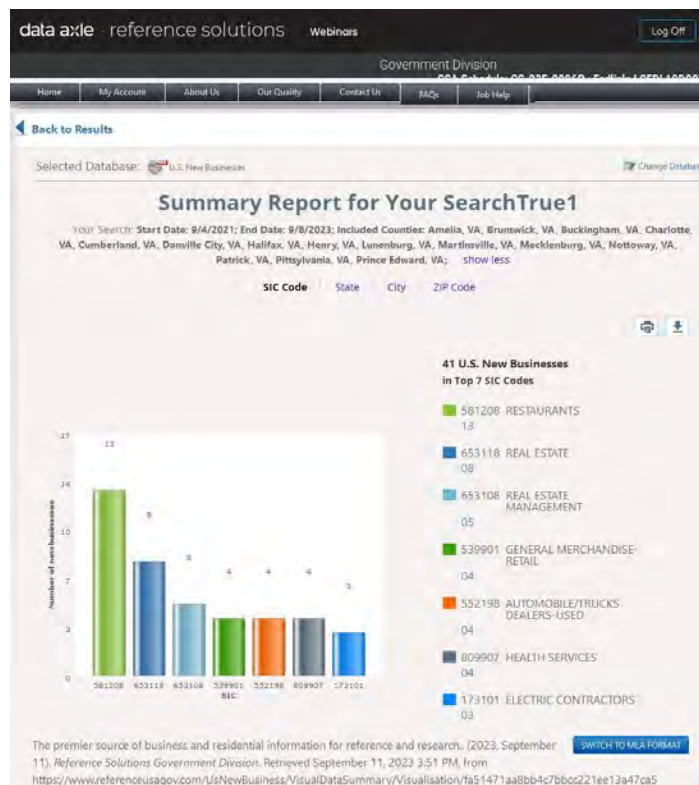
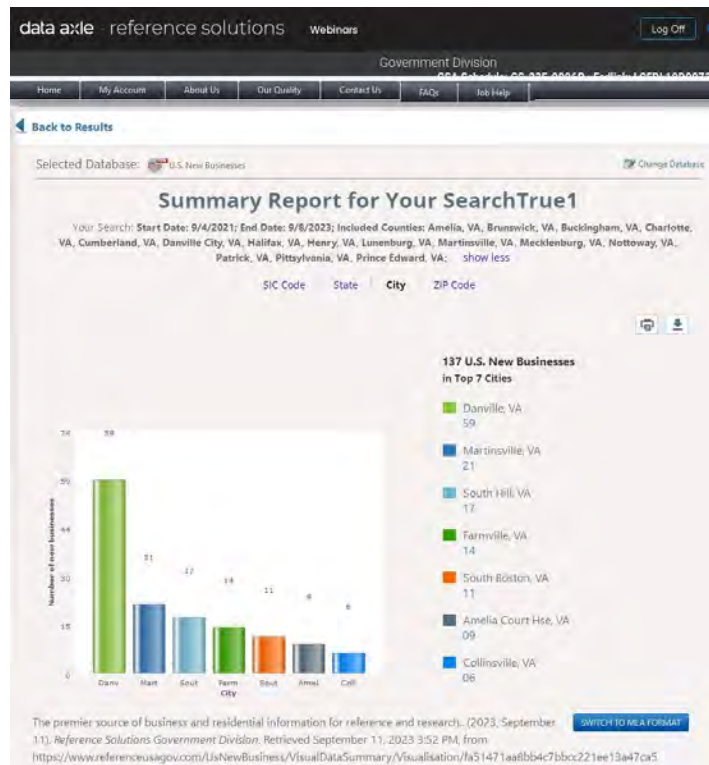
Based on information from Data Axle/Reference USA a total of 204 new businesses were formed in Region 3 from September 4, 2021 to September 8, 2023. The heat map shows the concentration of businesses. The top 5 areas of concentration for new business formation for the previous two years are:

- Danville (59 new businesses)
- Martinsville (21 new businesses)
- South Hill (17 new businesses)
- Farmville (14 new businesses)
- South Boston (11 new businesses)

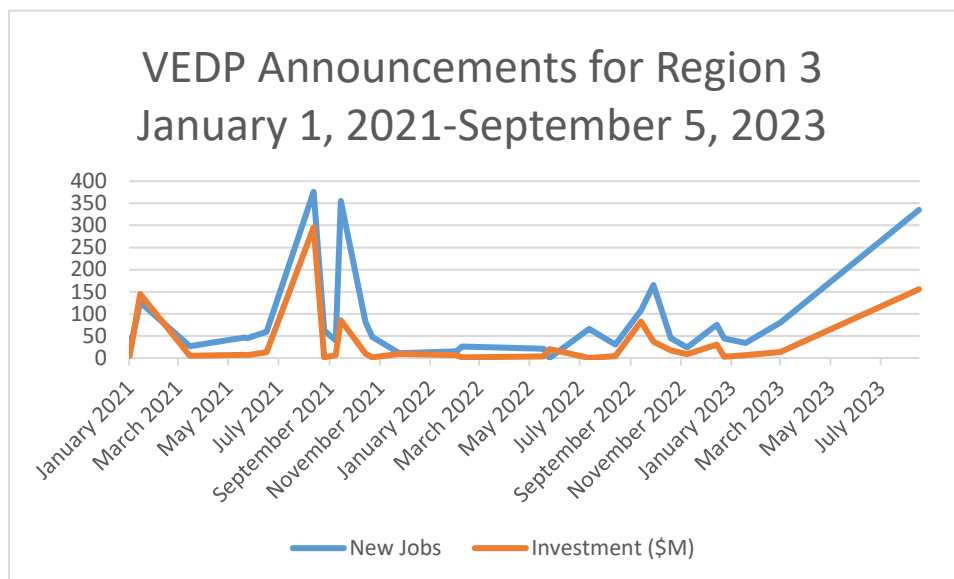
Of the 204 new businesses, the top SIC codes are:

- Restaurants (13 total businesses)
- Real Estate (8 total businesses)
- Real Estate Management (5 total businesses)
- General Merchandise – Retail (4 total businesses)
- Automobile/Truck Dealers (4 total businesses)
- Health Services (4 total businesses)
- Electric Contractors (3 total businesses)





**Economic Development Announcements
(New and Expanding Businesses)
(Source: VEDP Website)**

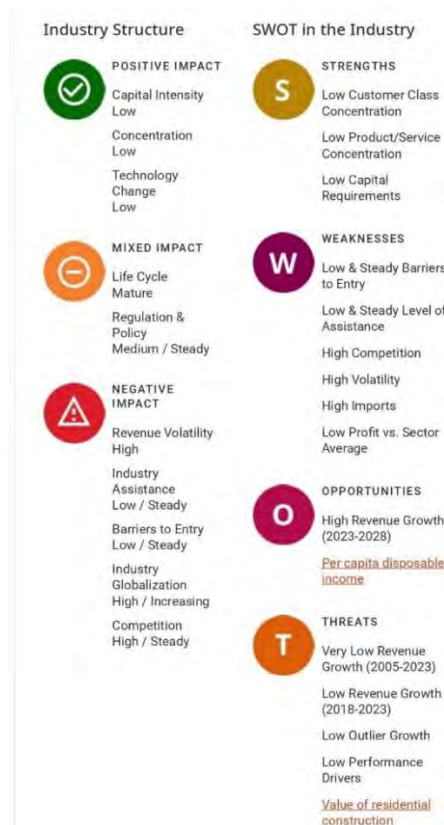


When looking VEDP announcements compiled from January 1, 2021-September 5, 2023 there were 29 announcements made. Of those 29 announcements 21 pertained to Manufacturing which represents ~72% of total investment within all of GOVA Region 3, be it new or expanding operations.

It is worth noting that the VEDP announcements (29) represents a miniscule percent (0.01%) of business activity within the region, according to cross referencing a dataset from Data Axle/ReferenceUSA; which includes verified U.S. historical businesses in Region 3 (15,157 total businesses).

Situational Analysis (SWOT) of Targeted Industry Traded Sectors

High Value Natural Resource Products - *Wood Product Manufacturing*



Highlights/Key Trends:

- The ability of a corporation to control input and operating expenses has a direct effect on industry profitability
- The United States is a net importer of various wood products
- Industry exports have increased in value
- Demand for home furnishings and architectural items will likely be hampered by the greater contraction of the residential sector
- Manufacturers of domestic wood products will certainly face competition from substitute materials
- The European Union's renewable fuel standards will probably continue to sustain stable export demand
- Resurgence in the residential construction market has offset more substantial declines

High Value Natural Resource Products – Agribusiness



Highlights/Key Trends:

- Trade tensions with China have limited revenue growth
- The recovery from the pandemic resulted in a surge in revenue
- The significant appreciation of the US dollar has made US agricultural products less competitive
- Profit will remain steady
- Exports will be strengthened by the appreciating US dollar
- Demand for agricultural products will remain strong
- The industry faces threats from the fluctuating US dollar, the pandemic, rising interest rates and high gas prices

Healthcare



Highlights/Key Trends:

- Spending on healthcare and social assistance providers won't slow in the coming years. Providers will contend with the drop-offs in federal programs related to COVID-19, but demographic and economic forces will continue driving healthcare consumption.
- Healthcare and social assistance providers will be increasingly vital in meeting an aging population's complex medical and societal needs. As Medicare enrollment expands, healthcare providers will become more reliant on these reimbursements as a revenue source. Still, private insurers will remain the top payer.
- COVID-19 exacerbated staffing shortages predating the pandemic. Staffing shortages and employee burnout will continue challenging healthcare and social assistance providers.
- Healthcare providers will permanently pay more for pharmaceuticals and labor. Rising drug costs will be the main factor driving costs upward for providers.
- Tech advances can potentially transform every aspect of healthcare and social assistance delivery. Providers will hasten their adoption of digital tools, yet higher capital costs could slow the pace of a digital transformation for many.
- Many healthcare and social assistance providers will adopt digital and telehealth tools to bridge the gap between urban and rural communities regarding healthcare access.

Advanced Manufacturing & Materials



Highlights/Key Trends:

- The outbreak of COVID-19 has had a negative effect on the Manufacturing sector
- The US economy has continued to become increasingly service-oriented, contributing to the declining role of the sector
- A substantial portion of the variance in the value of exports is explained by the strength of the US dollar
- Despite high uncertainty in 2023, US GDP is expected to grow over the next five years
- Over the next five years, the value of exports will likely increase at a faster rate than revenue
- More manufacturers will continue to invest in additive manufacturing to make the supply chain more resilient
- Wholesalers, retailers and construction companies are some of the key markets for manufacturers

Business Services & IT Data

Industry Structure	SWOT in the Industry
<p> POSITIVE IMPACT</p> <ul style="list-style-type: none"> Capital Intensity Low Concentration Low Regulation & Policy Light / Increasing Industry Globalization Low / Increasing 	<p> STRENGTHS</p> <ul style="list-style-type: none"> Low Customer Class Concentration Low Product/Service Concentration Low Capital Requirements
<p> MIXED IMPACT</p> <ul style="list-style-type: none"> Life Cycle Mature Revenue Volatility Medium Technology Change Medium 	<p> WEAKNESSES</p> <ul style="list-style-type: none"> Low Profit vs. Sector Average
<p> NEGATIVE IMPACT</p> <ul style="list-style-type: none"> Industry Assistance Low / Steady Barriers to Entry Low / Steady Competition High / Increasing 	<p> OPPORTUNITIES</p> <ul style="list-style-type: none"> High Revenue Growth (2018-2023) High Revenue Growth (2023-2028) High Performance Drivers US Gross domestic product (GDP)
	<p> THREATS</p> <ul style="list-style-type: none"> Low Revenue Growth (2005-2023) Low Outlier Growth Value of residential construction

Highlights/Key Trends:

- Growing consumer spending and corporate profit will likely benefit some subsectors
- Fluctuations in the level of residential and nonresidential construction activity also influence sector demand
- Investment in technology is expected to increase in 2023
- Sector profit is expected to marginally decrease during the outlook period
- Increased advertising expenditure will likely stem from demand for online advertising services
- This sector will experience an increasing number of enterprises
- Increasing consumer spending and business investment drove revenue growth

Controlled Environment Agriculture*

Strengths:

- Extensive knowledge, R&D Assets, and track-record of technical assistance
- Existing industry presence and agricultural heritage
- Progress in entrepreneurial, small business, and existing agricultural producer support
- High site availability suitable for CEA
- Coordinated workforce and talent programs and relevant credentialing
- Strong coordinated statewide support

Weaknesses:

- Limited awareness, knowledge and understanding of CEA
- Some gaps in entrepreneurial support
- Limited prepared sites
- Workforce and talent attraction limitations

Opportunities:

- Positive growth trajectory due to demand
- Industry sustainability and resilience due to predictability and reliability
- Positive for promoting resilient food systems for local communities
- Alignment with entrepreneurship and potential for new allied support industries
- Good jobs for workforce and talent

Threats:

- Nascent industry status
- Limited economies of scale at present
- Lack of public awareness and understanding
- Industry sustainability and resilience due to predictability and reliability
- Positive for promoting resilient food systems for local communities
- Alignment with entrepreneurship and potential for new allied support industries
- Good jobs for workforce and talent

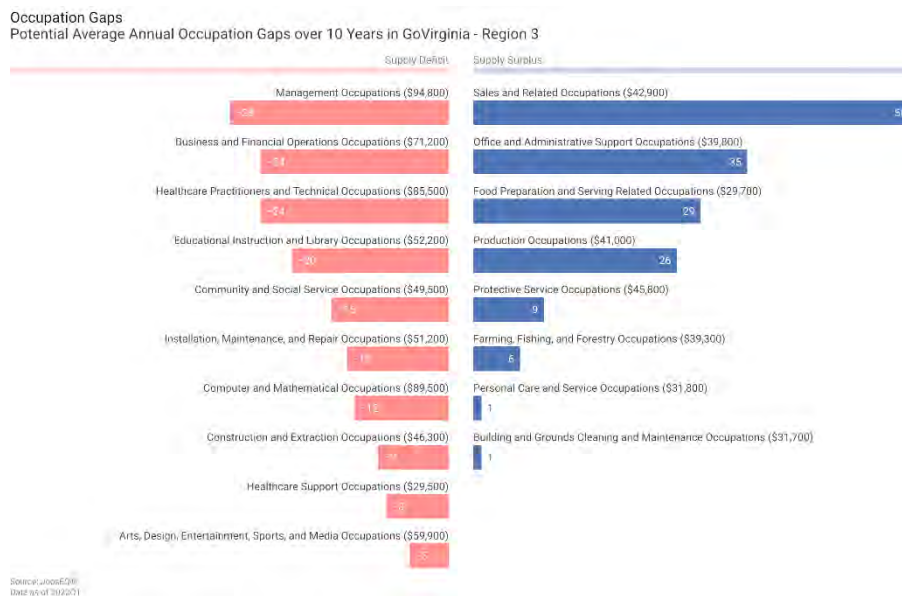
*SWOT Analysis from Controlled Environment Agriculture Strategy and Roadmap in GO Virginia Region 3 by the Virginia Tech Center for Economic and Community Engagement

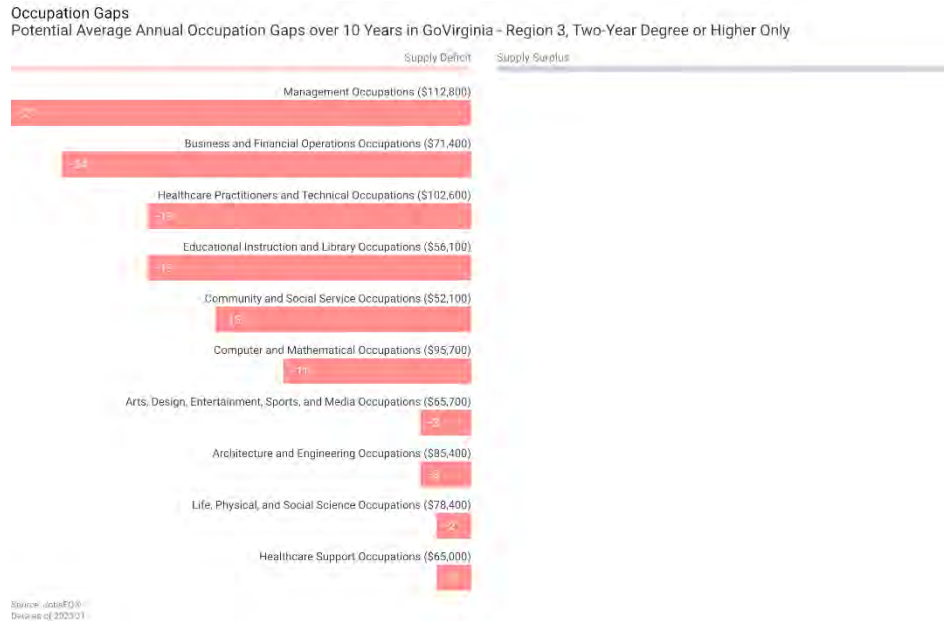
Identification and Recommendation of Broadening Current Targeted Sectors (Incorporates Existing Targeted Sectors)

- **Encompassing the current target sectors is still important**, evident by a 2023Q1 Industry Cluster analysis in JobsEQ.
 - Above average wages are notable for manufacturing including the areas for Wood/Paper, Food, Chemical, Metal, and Electronics.
 - Similar to the report published two years ago, the sheer volume of employment (the largest amongst the targeted sectors) and higher wages than the regional mean for healthcare warrants retention and advancement of initiatives; especially considering its one of only two industry clusters (the other being consumer services) within the region expected to grow over the course of the next two years.
- **Redefining target sectors definitions/protocols to cast a wider net** would be beneficial for the following reasons:
 - More encompassing of industry/occupation mix (shared occupations between 5-6 digit NAICS)
 - Leaves room (not limiting scope) within an umbrella industry to fund specific projects.
 - Options to fund projects within traded sectors
 - Directly attributable to macroeconomic and trend data (IBIS world, JobsEQ, etc.)
 - Beneficial, as traded sector industries are affected more by macroeconomic factor
- **Intention needs to be placed around supporting emerging opportunities**
 - As noted earlier in this report, Region 3 has an opportunity to utilize resources and growing momentum to capitalize on the emergence of Controlled Environment Agriculture
 - Other Environmental Technologies
 - Ag-Based Products (hemp)
 - Aerospace and integration of technology (including drones, autonomous vehicles, etc.)
- **An “emerging industries” R&D process/committee could be developed and incorporated to examine ongoing opportunities**

Workforce Gaps of Immediately Employable Talent in the Targeted Sectors/Clusters (Source: JobsEQ)

- A JobsEQ snapshot 2-digit Major SOC Code analysis for the historical average annual occupation gaps from 3, 5, and 10 years illustrates a positive trend in many of the occupations for the region.
- An example of an important industry to consider related to CEA is Computer and Mathematical Occupations (15-0000). For the 3, 5, and 10 year analysis options there is a deficit in the supply of workers at each interval.
- A more profound delineation for the region’s occupation gaps can be seen when observing the same analysis with a 2 year degree or higher accreditation filter.
 - The gaps for healthcare and professional/technical occupations highlight a significant deficit.
 - This is telling of the region’s employment from a wage perspective, as talent availability is more concentrated in lowering paying wages.





Summary Conclusions for GO Virginia Region 3 Growth & Diversification Plan Update 2023

- While VEDP traded sector announcements throughout the region are exciting and bring media attention to Region 3 localities, the vast majority of economic growth is new business formation and business expansion from small businesses.
- Region 3 will need to pay attention to the population. Overall, the region is anticipated to lose population (through a combination of out-migration and lower birth rates). The population retained is expected to age which will put additional pressure on industries such as Healthcare.
- A deficit of workers through migration, an aging population, or a general mismatch in worker supply for industries will create a competitive environment for jobs.





2021 Update – Growth & Diversification Plan

Executive Summary with Goals

December 2021

Table of Contents

<i>1. Executive Summary</i>	<i>Page 3</i>
<i>2. Goals and Strategies</i>	<i>Page 7</i>
<i>3. Region 3 Council Membership</i>	<i>Page 13</i>

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 Site Development		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 Talent Evolution		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



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

Virginia Growth and Opportunity Fund (GO Virginia) Growth & Diversification Plan - 2023 Review Template

INSTRUCTIONS: Please use the following template to guide the plan review. Please attach the Review Template to the front of the 2021 Growth and Diversification Plan as a cover sheet or to a revised plan or revised section, if changes are made.

TITLE PAGE:

- Include Region, 2023 Growth & Diversification Plan Review, Support Organization contact information

PRIORITY INDUSTRY CLUSTERS:

- Please summarize the region's priority industry clusters identified in the Growth and Diversification Plan using the below table format. Example:

Priority Industry Cluster

(If a NEW cluster is added, please describe the process and research that led to the decision in the narrative and include a definition of the cluster including NAICS codes)

WHERE WE ARE - STATE OF THE REGIONAL ECONOMY:

- Please summarize the state of the regional economy *as presented in the 2021 plan*, and reflect on any major trends, shifts, or developments that impact the picture, if any.

SKILLS GAP ANALYSIS AND TALENT PATHWAYS - TARGETED INDUSTRY SECTOR PATHWAYS:

- Please discuss the **skills gap analysis for targeted industry sectors** *as presented in the 2021 plan* and in the context of the new Talent Pathways Initiative Planning funding opportunity. What existing goals and strategies in the plan could be addressed through the new TPI Planning funding?



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

GOALS, STRATEGIES, AND HOW TO ACHIEVE THEM:

- Please as succinctly as possible summarize the identified goals and strategies *as presented in the 2021 plan*, using a table format. You should have at least one row for each targeted industry but could have multiple rows and repeated industry sectors listed, if a goal and/or strategy applies to multiple industries. If strategies or goals are updated in this process, please highlight any new goals or strategies and explain these changes from the previous plan version.

TARGETED INDUSTRY(IES)	GOALS	STRATEGIES	OUTCOMES / IMPACT MEASURES	STRATEGIC PARTNERS	CURRENT PROJECTS / UPDATES
<i>Instructions: Fill in identified industry</i>	<i>List goal identified in 2021 G&D Plan</i>	<i>List related strategy(ies) identified in 2021 G&D Plan</i>	<i>How will success be measured? Reference core GOVA Outcomes if relevant</i>	<i>List identified strategic partners for achieving goals and strategies</i>	<i>List current projects that are working in this industry and addressing the goal and/or strategy outlined and provide any relevant updates that have impacted the goal since the last plan version</i>

PROJECT DEVELOPMENT

- Please discuss how this 2023 Growth and Diversification Plan Review will impact project development. Please discuss current projects and how they relate to the Review.

FUTURE PLANNING/G&D PLAN EFFORTS:

- Please describe how this 2023 Growth and Diversification Plan Review was facilitated. Please detail how Regional Council members and whether stakeholders were involved in the process.





DATE: September 14, 2023

TO: 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: GO Virginia State Board – Region 3 Applications

The GO Virginia State Board met on September 12th and approved two (2) pending applications, which were previously approved by the Region 3 Council, as follows:

- **SOVA Partnership for Health Science Careers**

- \$133,000 with \$67,000 matching funds from the Claude Moore Charitable Foundation

- this project will develop a talent pathway plan to address the competitive disadvantage faced by Southern Virginia when recruiting and retaining traded sector business investment because of the region's low healthcare outcomes, diminishing access to healthcare providers, and the availability of healthcare workers.

- **Rise Collaborative Build-to-Scale Initiative**

- \$600,000 with \$350,000 matching funds and \$260,000 in additional leverage from Mid-Atlantic Broadband Communities Corporation/SOVA Innovation Hub, Microsoft, Longwood Small Business Development Center, and Hampden-Sydney College

- this is the next phase of the SOVA RISE Collaborative, which began with the Region 3 Entrepreneurship & Innovation Strategy in 2019 and will scale and expand the entrepreneurship ecosystem in Region 3

RECOMMENDATION:

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