



Application Package

2018-2019

Prepared by the Virginia Tech Office of Economic Development

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Grant Application

Overview:

The Region 2 GO Virginia Council is now accepting proposals for 2018-2019 funding on a rolling basis, while funds are available. Region 2 includes the counties of Alleghany, Amherst, Appomattox, Bedford, Botetourt, Campbell, Craig, Floyd, Franklin, Giles, Montgomery, Pulaski, and Roanoke; as well as the independent cities of Covington, Lynchburg, Radford, Roanoke, and Salem.

The Region 2 is soliciting per capita collaborative grant funding applications as well as statewide competitive applications. For FY 2019, there are over \$1.2 million in collaborative grant funds available for Region 2 focused projects and over \$12 million in statewide competitive funds for multi-regional projects. The Council anticipates endorsing multiple funding awards at varying amounts. GO Virginia funding seeks to grow jobs that pay higher than the regional median wage (\$19/hour or \$39,012 annually), and attracts new investment, especially new to Virginia. This requires a focus on industries with high growth potential, featuring in-demand occupations with higher wages.

Available funds:

The Region 2 GO Virginia Council anticipates funding multiple collaborative (per capita) awards of varying amounts (awards are generally in the \$100,000 to \$600,000 range). All projects must be completed within two years of funding. The Region 2 Council expects to disburse the vast majority of funds for collaborative grant projects as described below. All proposals must respond directly to the Region 2 Growth & Diversification Plan which can be found at the following link: <http://bit.ly/2ws9BI8>

Proposed projects should benefit an industry or region as a whole, rather than a single business entity. Projects should emphasize traded sectors and demonstrate an ongoing, region-wide demand for the project or program. Projects also are required to demonstrate strong local match and meaningful local participation and leadership.

There may be rare instances, however, where the Region 2 Council may award capacity building funds for a project not otherwise suitable for a collaborative grant award. During the project review process, Region 2 Council support organization personnel may advise applicants as to the degree to which their proposal is congruent with state and regional guidelines. Support organization staff may also discuss the appropriateness of enhanced capacity building awards, for projects that would not have immediate economic outcomes. As an example, a larger future project request might require pre-development activities, which the Council may want to encourage through a small amount of capacity-building award funding. Applications must hold a likelihood to build capacity for larger GO Virginia per capita or competitive projects.

In addition, the Region 2 Council encourages inquiries for multi-regional or state-wide competitive funds of \$1 million or greater. These are separate from the collaborative (per capita) funds, and represent a discretionary funding pool awarded by the state board on a competitive basis. Please use the letter of inquiry process described below to submit inquiries for this funding source, as well.

Funding Match:

A dollar for dollar match is required for any grant request. The match must come from non-state appropriated sources such as non-state public entities, private, federal, or local funds or in-kind commitments.

In addition to the dollar for dollar baseline match requirement, it is the goal of the State Board that there be a contribution from localities, 2 or more counties or cities, of not less than a total 20% of the required match, or \$50,000 in total, whichever is greater. Towns with substantive involvement in economic development may be substituted for cities or counties to meet this requirement.

The State GO Virginia Board may waive this requirement of locality match, to half of the required amount, upon a finding of fiscal distress or an exceptional economic opportunity within the collaborating localities. Likewise, the requirement for two city or county contribution to match may also be waived for projects that clearly serve more than 50% of the regions' population. A waiver is solely at the discretion of the state board, is offered rarely, and only with significant evidence applicants have exhausted possible local sources of match.

This local contribution may come from any combination of the participating localities and political subdivisions and may take the form of cash, revenue sharing, dedication of locally-owned or controlled assets to the proposed regional project, reallocation of existing funds, in kind contributions, or other local resources. Also, existing investments by localities and political subdivisions that are redirected, repurposed, or refocused towards collaborative regional grant requests will count as local match. Please note that the State Board also reserves the right to waive the local contribution for enhanced capacity building projects that demonstrate an ability to benefit multiple GO Virginia regions or grant requests.

Applicants should clearly identify how the participating localities will make available the required local contribution. The application should also outline the status of the other non-local government contributions to the project.

Letters of Interest and Regional Capacity Building:

Potentially interested applicants are required to submit a 1-2 page letter of interest that could speak to some or all of these points, though applicants are encouraged to submit even if these elements are not yet fully known:

- Includes the name and contact information of the expected primary applicant
- Identifies possible Region 2 jurisdictions to be impacted/involved
- Includes list of likely partners and collaborators
- Provides a brief narrative description of the project (250 words max)
- Identifies likely total costs including anticipated GO Virginia request and matching fund sources
- Includes a clear description of expected outcome or result - clearly describing how the project would spur growth of higher-wage jobs in one or more of Region 2's priority clusters AND respond to one or more of the identified strategies in the Region 2 Economic Growth and Diversification Plan

All those potentially interested are encouraged to submit a letter, even if brief and incomplete, in order to begin the process of engaging with support staff personnel. Letters may be submitted that do not yet have some of these details in order to accelerate staff feedback, and ensure that applicants are able to access and complete the full application in a timely manner. Interested applicants should review the Region 2 Growth & Diversification Plan prior to submitting their inquiry or application. The plan can be found at the following link: <http://bit.ly/2ws9B18>

The letter of interest process supports possible applicants by eliciting feedback and guidance on the appropriateness of potential projects for GO Virginia funding. Letters of interest should be submitted electronically to:

Scott Tate, Ph.D.
Associate Director, Virginia Tech Office of Economic Development
702 University City Blvd., Mail Code 0373
Blacksburg, VA 24061
atate1@vt.edu

Within 2 business days of receipt, Region 2 staff will contact inquirers to discuss the projects and to answer questions about alignment for a formal application. For questions prior to submission, please contact Scott Tate via email atate1@vt.edu or by phone 540-231-2351.

Eligible Applicants:

Region 2 includes the counties of Alleghany, Amherst, Appomattox, Bedford, Botetourt, Campbell, Craig, Floyd, Franklin, Giles, Montgomery, Pulaski, and Roanoke; as well as the independent cities of Covington, Lynchburg, Radford, Roanoke, and Salem. Proposals require the collaboration of at least two localities, which may be any combination of counties, cities and towns and/or political subdivisions, public bodies corporate and politic, along with other public or private entities. Political subdivisions or public bodies corporate that represent the same county or city will not be counted as a separate locality. Public or private entities that may pursue and administer grant funding include, but are not limited to, other political subdivisions of the state, foundations, non-profit entities, colleges and universities, other educational entities, economic development organizations, workforce boards, local governments, regional council support organizations, and other stakeholders. A town, with the county that surrounds it, may petition the Board for the ability to apply for a grant, if the parties can demonstrate that their collaboration is substantive and aligned with the goals of GO Virginia.

While a private company may apply, in cooperation with the collaborating localities and other stakeholders, to participate in or manage a project, grant funds are not to be used as economic development incentive payments or to promote the activities of a single entity. Instead, grant funds are to be used to support the implementation of requests aligned with plan priorities and that offer broad community benefits. Financial participation by the collaborating localities is required as part of any application for a grant allocation, and the minimum threshold for such participation is outlined in the funding match section of these guidelines. The roles of the various participants in applying for and administering a proposed project shall also be set forth in the grant application.

Full application submission:

Applicants who submit a letter of interest and who seem to meet the threshold criteria for eligibility will be encouraged to submit a full application. Full applications may be submitted at any time, but for consideration by the Regional Council in November 2018 and the state board in December of 2018, the applications must be received by **October 15, 2018 at 5pm**. Applications received after October 15 will not be reviewed by Regional Council and state GO Virginia board until early 2019. **Applicants who submit a letter of interest that are invited to submit a full application will receive an electronic application packet. Documents and all required attachments must be submitted by email to Scott Tate at atate1@vt.edu.** Support organization staff will oversee a review process, including Subject matter experts and Regional Council members for every full application.

Project evaluation criteria:

- Economic impact (35%):
 - To what extent does the project spur the growth of higher-wage jobs in one or more of Region 2's priority clusters: manufacturing; life sciences and health care; food and beverage processing; and emerging technologies and IT?
 - To what extent does the project respond to one of the strategies in the Region 2 Economic Growth and Diversification Plan related to: advancing technology and high-growth clusters; growing skilled talent; supporting entrepreneurship; and collaborative development of sites and buildings?
 - To what extent, does the proposal outline the expected return on investment of the proposed project and the timeline for achieving that return?
- Regional collaboration (30%)
 - To what extent does the project show evidence of widespread benefit to the larger region?
 - To what extent does the project engage localities and partnerships (including private or corporate partnership)?
 - To what extent does the project identify cost efficiencies, repurposing of existing funds, leveraging of existing assets or other evidence of collaboration benefits?
 - To what extent has the project involved businesses, colleges and universities, and other public and private entities within the region in the conceptualization of and the implementation of the project?
 - To what extent does the amount, timing, and form of the proposed project match indicate the depth of the commitment by the public and private funding partners to the effort?
 - To what extent does the proposed project inventory related efforts and seek to ensure it is not duplicative of, but additive to, other efforts to support economic diversification and the creation of more higher-paying jobs?
- Project readiness (20%)

- To what extent do the applicant and project partners demonstrate and describe capabilities to successfully execute the project?
- To what extent does the proposed project fully assess the barriers to successful implementation and other associated risks along with a plan to overcome them?
- To what extent do the project partners and lead entities have sufficient financial management, personnel, and organizational capacity to ensure effective management and compliance?
- **Project sustainability and innovation (15%)**
 - To what extent is the project innovative, forward looking, and offers potential to promote sustainable long-term economic growth in the region?
 - To what extent does the project provide a plan for sustainability beyond GO Virginia funding, if appropriate?
 - To what extent does the project demonstrate leverage above the required amounts, from any source?

The anticipated return on investment of a proposed project resulting from the GO grants is one of the key measures to be used by the Board in making funding allocations. In calculating the anticipated return on investment for proposed grant requests, applicants should outline the anticipated jobs and capital investment that could accrue from the project over a two-year period that aligns with the likely payout schedule of a grant, as well as over the longer term. Using those factors, the applicant should outline the anticipated state and local tax revenues that will result from the proposed activity. When determining the economic impact of a proposed grant request, the Board will give preference to those applications which can demonstrate that the GO Virginia portion of the grant is recouped within three years, however, projects that may have a smaller return in the initial phases, but a larger anticipated longer term impact (taking into account the likelihood of future success) will receive special consideration. In addition to these objective factors, applicants should outline other measures of success, such as new collaborative agreements, revenue sharing, cost savings and efficiencies resulting from the project, or other items that can be used by the Board to understand the financial viability of the project. Another variable that the Board will use in determining the return on investment is any information provided by the applicant about previous successes involving the applicant on similar initiatives. It is understood that certain project types will have a longer timetable to achieve their expected return on investment.

Projects will NOT be eligible for Council funding if the funds impact only a single locality; focus on quality of life activities; support trade missions; fund construction or transportation projects; fund museum or entertainment venues; or lack alternative or matching funding.

Project evaluation process:

Once submitted, Region 2 Council support organization staff will perform a technical review of all completed applications to assess compliance with minimum criteria and eligibility. Applications that meet the threshold criteria will be reviewed by subject-matter experts, Council members, and support

staff. All applications and review feedback will be provided to the Region 2 Council for review and action. The Region 2 Council, at their discretion and in some instances, may ask qualified applicants to provide additional information or to appear in-person. Subsequent to the review and approval by the Region 2 Council, the state GO Virginia Board must also review and provide final approval of all applications and the state GO Virginia staff will also lead a review process.

The Virginia Tech Office of Economic Development serves as the support organization for the Region 2 Council. In cases where Virginia Tech should appear as a primary applicant for Council funding, the technical and subject matter review will be led by representatives from a regional entity not directly associated with Virginia Tech.

Region 2 staff will ensure that any reviewers who are full-time employees of applicant organizations, will not perform reviews of their employer organizations. In some instances, reviewers may also have an interest in or connection to one or more of the applicant organizations (such as serving as a board member or volunteer). Reviewers and applicants should disclose any such connections.

Required Documents and Attachments for the full application will include:

- Project application questionnaire
- Executive Summary
- Milestones Overview
- Return on Investment
- Performance Metrics
- Letter of Commitment
- In-Kind Contributions From: Template
- Letters of Support
- Budget Overview: Sources & Uses Template

Optional Attachments

- Waiver request
- Resume for Project Managers

GO Virginia Region 2

Plan for Outreach and Communication

SUMMARY

Outreach for GO Virginia Region 2's RFP process includes:

1. Reaching parties who may be interested in submitting proposals for projects
2. Reaching the general public to encourage interest in the GO Virginia program

REACHING PARTIES WHO MAY BE INTERESTED IN SUBMITTING PROPOSALS FOR PROJECTS

In order to reach parties who may be interested in submitting proposals, GO Virginia Region 2 will engage in a social media campaign targeted at relevant organizations, distribute an official RFP email solicitation to our email list, and hold a series of RFP public meetings to advertise the program and provide in-person answers to questions about the proposal process.

Social media campaign

Using the Virginia Tech Office of Economic Development Twitter and Facebook accounts, GO Virginia Region 2 will post content highlighting key findings in the Growth and Diversification plan and reminding followers that the RFP process is now open.

Twitter and Facebook content is provided in Appendix: Proposed Social Media Content

RFP email

Draft email to the long email list by August 2018:

Hello,

GO Virginia Region 2 is pleased to announce a request for proposals for projects related to our priority areas for growth as outlined in our Growth and Diversification plan.

A document describing our RFP process is attached. Please contact John Provo jprovo@vt.edu with any questions.

Thank you,

Go Virginia Region 2

RFP public meetings

Council staff will hold a series of three “RFP Community Meetings” beginning with an “RFP Kickoff Meeting” in mid-October.

These meetings will be held in locations around the region, including Dublin, Lynchburg, and Clifton Forge (or Covington). By holding these meetings around the region, Council staff hopes to attract local leaders and potential applications who might not be able to travel to meetings of the Regional Council (which, for scheduling reasons, have been disproportionately located in Roanoke).

The first RFP Community Meeting (called the “RFP Kickoff Meeting”) will serve as an opportunity to introduce the RFP process to the public and press.

A proposed schedule of these RFP Community Meetings includes:

1. A brief introduction to the GO Virginia program (for those who may be unfamiliar with it)
2. An overview of the Growth and Diversification plan
3. An introduction to the RFP process
4. Time for questions and answers about the GO Virginia program and RFP process

Council Staff will work to attract local leaders who might be interested in these meetings by reaching out to council members and others who are geographically relevant to each meeting location and asking them to forward a meeting announcement to their networks.

Proposed meeting announcement for RFP Community Meetings:

Good morning/afternoon,

On behalf of GO Virginia Region 2, we would like to extend an invitation to join us for an RFP Community Meeting to be held [date, time, location].

At this meeting, staff and GO Virginia Region 2 Council Members will provide an introduction to the GO Virginia program, an overview of our region’s Growth and Diversification plan, and information about the GO Virginia RFP process.

This meeting is open to the public. Please feel free to forward this email to others!

More information about the GO Virginia program can be found at: [links to state website, VT OED website, and Roanoke Times articles]

Thank you,

GO Virginia Region 2

ROADSHOW

VT OED Communicator will work with Council members and staff to provide talking points for local/regional speaking opportunities. VT OED Communications Coordinator will contact local governments and regional organizations about disseminating links or information about GOVA funding in their own marketing materials, newsletters, web-sites.

REACHING THE GENERAL PUBLIC

Press Release

VT OED Communicator will draft and disseminate a press release to be released to local media outlets and regional university news sites.

GENERAL MARKETING

VTOED (Provo, Tate, and team) will work with PDCs to organize and plan a meeting of local government administrators and/or elected officials to discuss GOVA funding opportunities.

VT OED (Provo, Tate, and team) will conduct and offer individualized outreach (phone calls, consultations, etc.) to possible applicants particularly from those areas that were less represented in year 1 activities (technology-related; K-12; local governments)

VT OED (Provo, Tate, and team) will look for opportunities to visit and speak with existing audiences, and already planned events that might include GOVA-eligible applicants.

Region 2 GO Virginia Council

Project Title: **Roanoke SBDC New River Valley Expansion**

Applicant: Roanoke Small Business Development Center

Localities covered: Floyd, Giles, Pulaski, Montgomery, Radford.

Growth & Diversification Plan Strategy Area (s): Entrepreneurship

GOVA Funds Requested: \$33,000

TOTAL COSTS: \$103,000

Locality Matching Contribution: \$35,000

Total Match: \$70,000 (approximate, can confirm with applicant)

Project Description:

This proposal initially came before Council last Spring and was recommended for funding. During the state review process, DHCD staff requested additional information from the applicant and advised that this project would be more appropriately funded through the region's capacity building allocation. This was based on their assessment that the project did not as directly align with the GO Virginia mission for high-wage job creation in traded-sectors.

The proposed project will result in the implementation of new SBDC activities in an expanded service area, which would build the New River Valley's capacity to support starting and expanding businesses in all sectors. With that goal in mind, this project could be supported through the Region 2 capacity building allocation. While these funds must still be used for creating high-wage jobs in traded sectors, activities funded by the Regional Council directly are not subject to the same threshold for requirements as per capita projects approved by DHCD or the State Board.

The applicant has provided additional information to clarify and detail how the expanded services will include a significant focus on traded and GOVA priority area sectors (the applicant describes "a rough goal of 40% of overall activities (and outcomes) targeted toward businesses in priority industry sectors"). Those overall outcomes include:

1. Clients Counseled: 123
2. Counseling Hours: 415
3. Training Attendees/Events: 105/15
4. Jobs Created: 35
5. Jobs Retained: 41
6. Capital: \$496,182
7. Sales Increased: \$306,750
8. New Business Starts: 9
9. Business Status: 60% Existing, 40% Start-up

In terms of traded/GOVA priority sector-jobs created and retained, it appears the numbers are modest: 14 jobs created (40% of 35); 16 jobs retained (40% of 41); and 4 new businesses (40% of 9). However, the enhanced presence and services provided by SBDC to New River Valley businesses and entrepreneurs would contribute to a stronger regional ecosystem for supporting sector-companies and high potential start-ups.

As the applicant describes, the project would be:

“...providing a vital first step toward the longer-term goal of reinstating full SBDC services in the New River Valley after the closure of the Radford SBDC in 2016. The project builds relationships with local stakeholders and firms in target industry sectors, not only providing much-needed business development support to NRV businesses, but also helping to strengthen the regional network of small business development support organizations to the point that the New River Valley can host full-service SBDC site(s) with still greater capacity than what this grant proposes. Through the capacity-building efforts this project supports, the SBDC will engage partners in ongoing efforts to expand small business development services in the New River Valley.”

The applicant also describes specific outreach strategies, targeted workshops and trainings, and customized services to connect with and assist companies and entrepreneurs in the manufacturing, technology, life sciences, and food processing sectors.

The applicant has secured \$35,000 in documented matching commitments from localities and expect the localities to continue their support over time and to increase their contribution in the near term to \$50,000 and to the \$85,000 level by the close of the project, to ensure ongoing sustainability of SBDC activities in the New River Valley. In addition, the SBDC will build relationships and solicit contributions from private sector and institutional donors in the New River Valley to achieve an additional \$35,000 in annual contributions.

Based on the above, there appears to be a clear “line of sight” as to how the GO Virginia funding for this project would build capacity for future non-GO Virginia funding of activities and services anticipated to continue beyond the project period.

SUPPORT STAFF RECOMMENDATIONS:

We suggest funding of this project at the previously approved level (of \$35,000) and consideration by Council of additional funding in line with the applicant’s original request. The project applicant has been responsive to state staff and is continuing to secure contributions from NRV localities. The applicant has outlined clear strategies and activities in support of GO Virginia priority sector businesses and described a line of sight as to how the GO Virginia funding would leverage stronger, sustained capacity to better support priority sector companies and entrepreneurs in the New River Valley, leading to additional higher wage job creation over time.

Industrial Biodynamics

Jon Hager
Thurmon Lockhart
Christian James

Slipping to success

If you think falling on purpose sounds crazy, you haven't met the founders of Salem-based Industrial Biodynamics. Their signature product, Slip Simulator™, is proof that the concept is revolutionizing workplace safety. Based on the research of former Virginia Tech professor Dr. Thurmon Lockhart, the simulator reduces slip, trip, and fall injuries in the workplace by up to 70%.

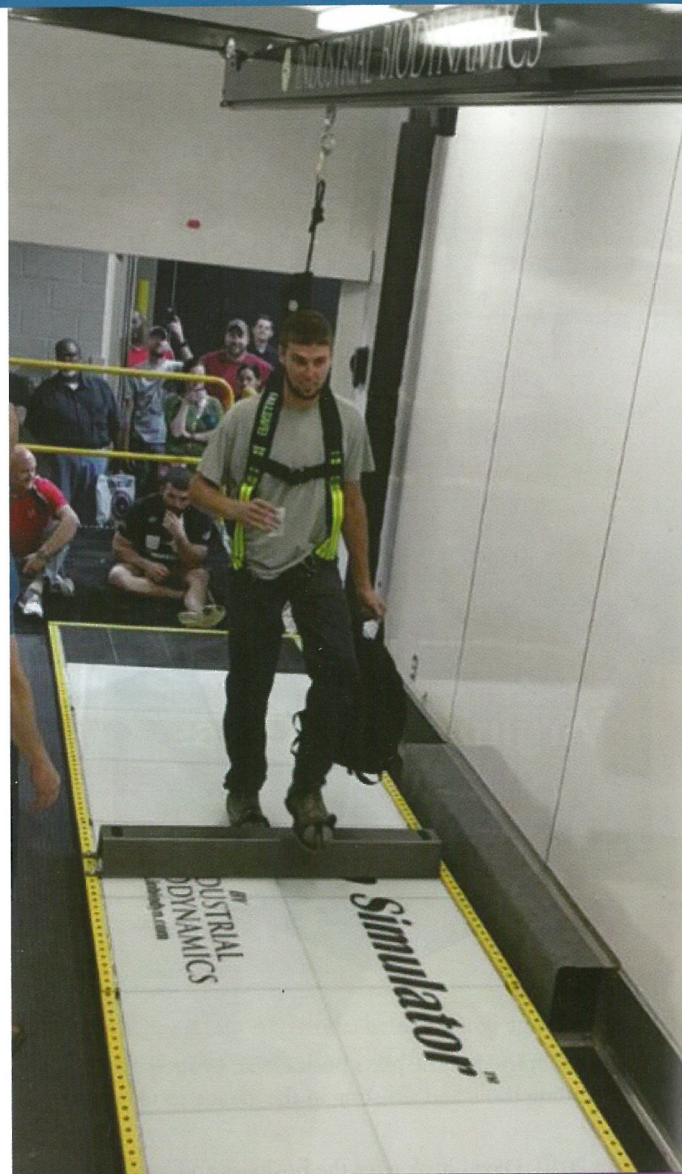
"The goal was to create a learning environment that was safe, yet simulated very difficult slippery conditions that would typically result in a fall," says Jon Hager, one of the original founders of the company. "By using a harness, supported by an overhead gantry, a trainee could experience worst case scenarios, fall safely, and then learn new techniques that would build situational awareness, confidence, and success in conquering the most challenging slip-and-trip conditions."

Jon, Thurmon, Christian James and another managing partner founded Industrial Biodynamics in 2013, and the company enjoyed meteoric growth, as major companies including UPS, FedEx, and DuPont have begun using the Slip Simulator training system.

The Roanoke Regional SBDC Adviser Christina Garnett offered key assistance to Industrial Biodynamics. "We reached out to the SBDC for help to develop a marketing plan to expand our business, especially locally and regionally. The majority of our sales have been to large corporations across the country, but we are interested in exposing our product and services to midsize regional companies as well," says Jon. "Christina Garnett has provided excellent insight into social media marketing and networking and has also supported our efforts to acquire staffing to execute our plans," he adds.

For Industrial Biodynamics, the partnership with Christina and the Roanoke Regional SBDC has been vital, enabling them to increase their local brand awareness while simultaneously bolstering their marketing efforts.

"We offer a fresh take on workplace safety with our unique and effective safety training solution. We change the way companies discuss and address safety challenges by actively engaging the employees in an informative and fun way," Jon says.



***Industrial
Biodynamics has
sold over 65 Slip
Simulators to
businesses in the
United States, the
United Kingdom,
and the European
Union.***

July 11, 2018

Keith Hartman
Director, Roanoke Regional SBDC
210 S Jefferson St
Roanoke, VA 24011-1702

Dear Keith,

On behalf of the Town of Blacksburg, I would like to offer this letter in support of your Region 2 GO Virginia grant application. We are excited about this opportunity to expand the capacity of the Roanoke Small Business Development Center to serve businesses in the New River Valley region, and restore this resource for our community after the recent loss of the Radford SBDC. We are also looking forward to working with you to pilot new initiatives that provide specialized training and services to meet the unique needs of the industries and business owners in our community.

We have been impressed by the efforts of you and your staff to serve the New River Valley through your existing resources, and we are eager for the prospect of an SBDC staff to focus exclusively on serving the New River Valley. This new resource would be a great assistance in our own efforts to support our small business community and provide them with the technical assistance resources and mentoring they need. The Town of Blacksburg is committing the following resources in support of this much-needed project:

- A cash match of \$5,000 toward the project's costs, as outlined in the application
- Donation of meeting space in public facilities for SBDC events and trainings as appropriate
- Staff support for SBDC initiatives involving our locality, and providing client referrals

Strong, successful small businesses are a critical foundation for our economy. We appreciate your efforts to provide counseling, training, and assistance that will help our local small business owners to improve their operations, and achieve their goals for growth and sustainability. I am pleased to offer our support as you work to expand the availability of small business development services in our community. Please let me know if you need any further information from me regarding our support for this application.

We look forward to working with you.

Sincerely,



Marc Verniel
Town Manager



ESTABLISHED
NOVEMBER 10, 1792

INCORPORATED
JANUARY 7, 1833

MAYOR
D. MICHAEL BARBER

COUNCIL MEMBERS
SAMUEL M. BISHOP
HARRY COLLINS
STEVE HUPPERT
MERISSA SACHS
HENRY SHOWALTER
BRADFORD J. "BRAD" STIPES

INTERIM TOWN MANAGER
RANDY WINGFIELD

ASSISTANT TO THE TOWN
MANAGER
ADAM CARPENETTI

DIRECTOR OF
FINANCE/TOWN TREASURER
VALERIE L. TWEEDIE,
CPA, CFE, CGFM

CHIEF OF POLICE
MARK SISSON

CLERK OF COUNCIL
MICHELE M. STIPES

TOWN ATTORNEY
GUYNN & WADDELL, P.C.

Town of Christiansburg, Virginia 24073

100 East Main Street ~ Telephone 540-382-6128 ~ Fax 540-382-7338

February 7, 2018

Bart Smith
Director, Roanoke Regional SBDC
210 S Jefferson St
Roanoke, VA 24011-1702

Dear Bart,

On behalf of the Town of Christiansburg, I would like to offer this letter in support of your Region 2 GO Virginia grant application. We are excited about this opportunity to expand the capacity of the Roanoke Small Business Development Center to serve businesses in the New River Valley region, and restore this resource for our community after the recent loss of the Radford SBDC. We are also looking forward to working with you to pilot new initiatives that provide specialized training and services to meet the unique needs of the industries and business owners in our community.

We have been impressed by the efforts of you and your staff to serve the New River Valley through your existing resources, and we are eager for the prospect of an SBDC staff to focus exclusively on serving the New River Valley. This new resource would be a great assistance in our own efforts to support our small business community and provide them with the technical assistance resources and mentoring they need. The Town of Christiansburg is committing the following resources in support of this much-needed project:

- A cash match of \$7,000 toward the project's costs, as outlined in the application
- Donation of meeting space in public facilities for SBDC events and trainings as appropriate
- Staff support for SBDC initiatives involving our locality, and providing client referrals

Strong, successful small businesses are a critical foundation for our economy. We appreciate your efforts to provide counseling, training, and assistance that will help our local small business owners to improve their operations, and achieve their goals for growth and sustainability. I am pleased to offer our support as you work to expand the availability of small business development services in our community. Please let me know if you need any further information from me regarding our support for this application. We look forward to working with you.

Sincerely,

Randy Wingfield
Interim Town Manager

Floyd County Board of Supervisors

P.O. Box 218

Floyd, Virginia

24091

Mr. Bart Smith
Director, Roanoke Regional SBDC
210 S Jefferson St
Roanoke, VA 24011-1702

Dear Mr. Smith,

On behalf of Floyd County, I would like to offer this letter in support of your Region 2 GO Virginia grant application. We are excited about this opportunity to expand the capacity of the Roanoke Small Business Development Center to serve businesses in the New River Valley region, and restore this resource for our community after the recent loss of the Radford SBDC. We are also looking forward to working with you to pilot new initiatives that provide specialized training and services to meet the unique needs of the industries and business owners in our community.

We have been impressed by the efforts of you and your staff to serve the New River Valley through your existing resources, and we are eager for the prospect of an SBDC staff to focus exclusively on serving the New River Valley. This new resource would be a great assistance in our own efforts to support our small business community and provide them with the technical assistance resources and mentoring they need. Floyd County is committing the following resources in support of this much-needed project:

- A cash match of \$4,000 toward the project's costs, as outlined in the application
- Donation of meeting space in public facilities for SBDC events and trainings as appropriate
- Staff support for SBDC initiatives involving our locality, and providing client referrals

Strong, successful small businesses are a critical foundation for our economy. We appreciate your efforts to provide counseling, training, and assistance that will help our local small business owners to improve their operations, and achieve their goals for growth and sustainability. I am pleased to offer our support as you work to expand the availability of small business development services in our community. Please let me know if you need any further information from me regarding our support for this application.

We look forward to working with you.

Sincerely,



Terri W. Morris
County Administrator

Town Of Narrows

P.O. Box 440

Narrows, Virginia 24124

Tel. 540-726-2423

FAX 540-726-7566

February 12, 2018

Bart Smith, Director
Roanoke Regional SBDC
210 S Jefferson St
Roanoke, VA 24011-1702

Dear Bart,

On behalf of the Town of Narrows, I would like to offer this letter in support of your Region 2 GO Virginia grant application. We are excited about this opportunity to expand the capacity of the Roanoke Small Business Development Center to serve businesses in the New River Valley region, and restore this resource for our community after the recent loss of the Radford SBDC. We are also looking forward to working with you to pilot new initiatives that provide specialized training and services to meet the unique needs of the industries and business owners in our community.

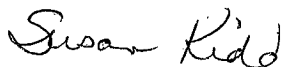
We have been impressed by the efforts of you and your staff to serve the New River Valley through your existing resources, and we are eager for the prospect of an SBDC staff to focus exclusively on serving the New River Valley. This new resource would be a great assistance in our own efforts to support our small business community and provide them with the technical assistance resources and mentoring they need. The Town of Narrows is committing the following resources in support of this much-needed project:

- A cash match of \$1,000 toward the project's costs, as outlined in the application
- Donation of meeting space in public facilities for SBDC events and trainings as appropriate
- Staff support for SBDC initiatives involving our locality, and providing client referrals

Strong, successful small businesses are a critical foundation for our economy. We appreciate your efforts to provide counseling, training, and assistance that will help our local small business owners to improve their operations, and achieve their goals for growth and sustainability. I am pleased to offer our support as you work to expand the availability of small business development services in our community. Please let me know if you need any further information from me regarding our support for this application.

We look forward to working with you.

Sincerely,



Susan Kidd
Director, Strategic Development



Pulaski County Administrator Jonathan D. Sweet, ICMA-CM

143 Third Street, NW, Suite 1
Pulaski, Virginia 24301

Phone (540) 980-7705
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jsweet@pulaskicounty.org

February 7, 2018

Bart Smith
Director, Roanoke Regional SBDC
210 S Jefferson Street
Roanoke, VA 24011-1702

Dear Bart,

On behalf of Pulaski County, I would like to offer this letter in support of your Region 2 GO Virginia grant application. We are excited about this opportunity to expand the capacity of the Roanoke Small Business Development Center to serve businesses in the New River Valley region, and restore this resource for our community after the recent loss of the Radford SBDC. We are also looking forward to working with you to pilot new initiatives that provide specialized training and services to meet the unique needs of the industries and business owners in our community.

We have been impressed by the efforts of you and your staff to serve the New River Valley through your existing resources, and we are eager for the prospect of an SBDC staff to focus exclusively on serving the New River Valley. This new resource would be a great assistance in our own efforts to support our small business community and provide them with the technical assistance resources and mentoring they need. Pulaski County is committing the following resources in support of this much-needed project:

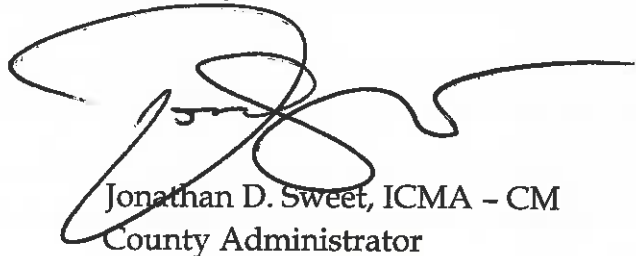
- A cash match of \$7,000 toward the project's costs, as outlined in the application
- Donation of meeting space in public facilities for SBDC events and trainings as appropriate
- Staff support for SBDC initiatives involving our locality, and providing client referrals

Strong, successful small businesses are a critical foundation for our economy. We appreciate your efforts to provide counseling, training, and assistance that will help our local small business owners to improve their operations, and achieve their goals for

growth and sustainability. I am pleased to offer our support as you work to expand the availability of small business development services in our community. Please let me know if you need any further information from me regarding our support for this application.

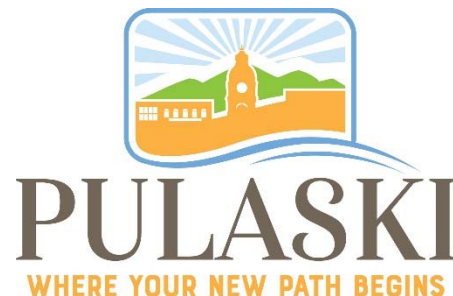
We look forward to working with you.

Sincerely,

A handwritten signature in black ink, featuring a large, stylized 'J' and 'S' that are interconnected. The signature is written over the printed name and title.

Jonathan D. Sweet, ICMA - CM
County Administrator

February 7, 2018



Bart Smith
Director, Roanoke Regional SBDC
210 S Jefferson St
Roanoke, VA 24011-1702

Dear Bart,

On behalf of the Town of Pulaski, I would like to offer this letter in support of your Region 2 GO Virginia grant application. We are excited about this opportunity to expand the capacity of the Roanoke Small Business Development Center to serve businesses in the New River Valley region, and restore this resource for our community after the recent loss of the Radford SBDC. We are also looking forward to working with you to pilot new initiatives that provide specialized training and services to meet the unique needs of the industries and business owners in our community.

We have been impressed by the efforts of you and your staff to serve the New River Valley through your existing resources, and we are eager for the prospect of an SBDC staff to focus exclusively on serving the New River Valley. This new resource would be a great assistance in our own efforts to support our small business community and provide them with the technical assistance resources and mentoring they need. The Town of Pulaski is committing the following resources in support of this much-needed project:

- A cash match of \$2,000 toward the project's costs, as outlined in the application
- Donation of meeting space in public facilities for SBDC events and trainings as appropriate
- Staff support for SBDC initiatives involving our Town, and providing client referrals

Strong, successful small businesses are a critical foundation for our economy. We appreciate your efforts to provide counseling, training, and assistance that will help our local small business owners to improve their operations, and achieve their goals for growth and sustainability. I am pleased to offer our support as you work to expand the availability of small business development services in our community. Please let me know if you need any further information from me regarding our support for this application.

We look forward to working with you.

Sincerely,

Shawn M. Utt
Town Manager

February 7, 2018

Bart Smith
Director, Roanoke Regional SBDC
210 S Jefferson St
Roanoke, VA 24011-1702

Dear Bart:

On behalf of the City of Radford, I would like to offer this letter in support of your Region 2 GO Virginia grant application. We are excited about this opportunity to expand the capacity of the Roanoke Small Business Development Center to serve businesses in the New River Valley region, and restore this resource for our community after the recent loss of the Radford SBDC. We are also looking forward to working with you to pilot new initiatives that provide specialized training and services to meet the unique needs of the industries and business owners in our community.

We have been impressed by the efforts of you and your staff to serve the New River Valley through your existing resources, and we are eager for the prospect of an SBDC staff to focus exclusively on serving the New River Valley. This new resource would be a great assistance in our own efforts to support our small business community and provide them with the technical assistance resources and mentoring they need. The City of Radford is committing the following resources in support of this much-needed project:

- A cash match of \$5,000 toward the project's costs, as outlined in the application
- Donation of meeting space in public facilities for SBDC events and trainings as appropriate
- Staff support for SBDC initiatives involving our locality, and providing client referrals

Strong, successful small businesses are a critical foundation for our economy. We appreciate your efforts to provide counseling, training, and assistance that will help our local small business owners to improve their operations, and achieve their goals for growth and sustainability. I am pleased to offer our support as you work to expand the availability of small business development services in our community. Please let me know if you need any further information from me regarding our support for this application.

We look forward to working with you.

Sincerely,
City of Radford


David Ridpath
City Manager



138 Wilson Street, Floyd, VA 24091
(540) 745-2565

Bart Smith
Director, Roanoke Regional SBDC
210 S Jefferson St
Roanoke, VA 24011-1702

Dear Bart,

On behalf of the Town of Floyd, I would like to offer this letter in support of your Region 2 GO Virginia grant application. We are excited about this opportunity to expand the capacity of the Roanoke Small Business Development Center to serve businesses in the New River Valley region, and restore this resource for our community after the recent loss of the Radford SBDC. We are also looking forward to working with you to pilot new initiatives that provide specialized training and services to meet the unique needs of the industries and business owners in our community.

We have been impressed by the efforts of you and your staff to serve the New River Valley through your existing resources, and we are eager for the prospect of an SBDC staff to focus exclusively on serving the New River Valley. This new resource would be a great assistance in our own efforts to support our small business community and provide them with the technical assistance resources and mentoring they need. The Town of Floyd is committing the following resources in support of this much-needed project:

- A cash match of \$1,000 toward the project's costs, as outlined in the application
- Donation of meeting space in public facilities for SBDC events and trainings as appropriate
- Staff support for SBDC initiatives involving our locality, and providing client referrals

Strong, successful small businesses are a critical foundation for our economy. We appreciate your efforts to provide counseling, training, and assistance that will help our local small business owners to improve their operations, and achieve their goals for growth and sustainability. I am pleased to offer our support as you work to expand the availability of small business development services in our community. Please let me know if you need any further information from me regarding our support for this application.

We look forward to working with you.

Sincerely,

Kayla Cox



Giles County Administration
315 North Main Street
Pearisburg, Virginia 24134
Phone: 540-921-2525
Fax: 540-921-1329

February 16, 2018

Bart Smith
Director, Roanoke Regional SBDC
210 S Jefferson St
Roanoke, Virginia 24011-1702

Dear Bart,

On behalf of Giles County, I would like to offer this letter in support of your Region 2 GO Virginia grant application. We are excited about this opportunity to expand the capacity of the Roanoke Small Business Development Center to serve businesses in the New River Valley region, and restore this resource for our community after the recent loss of the Radford SBDC. We are also looking forward to working with you to pilot new initiatives that provide specialized training and services to meet the unique needs of the industries and business owners in our community.


We have been impressed by the efforts of you and your staff to serve the New River Valley through your existing resources, and we are eager for the prospect of an SBDC staff to focus exclusively on serving the New River Valley. This new resource would be a great assistance in our own efforts to support our small business community and provide them with the technical assistance resources and mentoring they need. Giles County is committing the following resources in support of this much-needed project:

- A cash match of \$3,000 toward the project's costs, as outlined in the application
- Donation of meeting space in public facilities for SBDC events and trainings as appropriate
- Staff support for SBDC initiatives involving our locality, and providing client referrals

Strong, successful small businesses are a critical foundation for our economy. We appreciate your efforts to provide counseling, training, and assistance that will help our local small business owners to improve their operations, and achieve their goals for growth and sustainability. I am pleased to offer our support as you work to expand the availability of small business development services in our community. Please let me know if you need any further information from me regarding our support for this application.

We look forward to working with you.

Sincerely,


Chris McKlarney
County Administrator

Responses to clarification questions regarding Region 2 GO Virginia grant application for New River Valley Small Business Development Center expansion project

August 10, 2018

In response to the clarification request from the GO Virginia state review process, the Roanoke Regional Small Business Development Center (SBDC) is submitting the following document to provide further explanation on the alignment of the New River Valley SBDC expansion project with GO Virginia goals, and the planned sustainability of the program after receiving regional ‘capacity building’ funds to support the project. The response builds on the information and project scope as outlined in the original application for GO Virginia funding, and a previous response to provide additional information as requested by state GO Virginia staff, which appears at the end of the document.

As outlined in the original application and subsequent responses, the project is a good candidate for capacity-building funds, with the project providing a vital first step toward the longer-term goal of reinstating full SBDC services in the New River Valley after the closure of the Radford SBDC in 2016. The project builds relationships with local stakeholders and firms in target industry sectors, not only providing much-needed business development support to NRV businesses, but also helping to strengthen the regional network of small business development support organizations to the point that the New River Valley can host full-service SBDC site(s) with still greater capacity than what this grant proposes. Through the capacity-building efforts this project supports, the SBDC will engage partners in ongoing efforts to expand small business development services in the New River Valley.

Similarly, the project provides measures outcomes for clients that help the SBDC to demonstrate the impact they have on the region’s businesses, and provide evidence to local partners about the value of their continued financial support of SBDC services. Based on the most recent iteration of the proposed funding and scope of the project, the Roanoke Regional SBDC estimates the following outcomes for this project:

1. Clients Counseled: 123
2. Counseling Hours: 415
3. Training Attendees/Events: 105/15
4. Jobs Created: 35
5. Jobs Retained: 41
6. Capital: \$496,182
7. Sales Increased: \$306,750
8. New Business Starts: 9
9. Business Status: 60% Existing, 40% Start-up

As detailed below, the project implements several activities to target outreach and services to Region 2 priority industry sectors, with a rough goal of 40% of overall activities (and outcomes) targeted toward businesses in priority industry sectors.

Alignment of SBDC mission and services with GO Virginia goals

The mission of the Roanoke Regional SBDC is to provide professional business counseling, advising, training, and the business resources to help grow and strengthen regional businesses. The SBDC brings great value and impact to the economic development activities of a region, both through increased retention rates of existing businesses as well as assistance for pre-venture start-ups.

Believing that a healthy economy is a diverse one, SBDCs do not target or favor one sector vs. another. The Roanoke Regional SBDC brings high value and high impact across the entire economic spectrum, and are as equally impactful with technology-centric businesses as with traditional Main Street businesses.

All points of the economy are constantly affected by change, and the Roanoke Regional SBDC is well positioned to help all businesses adapt and adjust to changes both within their industry and in general. Whether implementing new marketing ideas, embracing and leveraging technology, or becoming more strategic and planning-oriented, all impact a region's economy. There are few factors more harmful to a region's economic base than high churn, and SBDCs mitigate churn.

As a demonstration of this high value-high impact effect, for every dollar invested in the SBDC network statewide, \$2.39 was returned in Federal and State taxes. This return was a result of the interaction that SBDCs have with clients, both existing and pre-venture, measured by jobs retained, jobs created, new business starts, increased sales, training events and capital investment (see below for additional impact figures). If a region is truly interested in building capacity, investing in the SBDC is one of the best ways to achieve this goal.

Previous responses from state reviewers have indicated their conclusion that the proposed project does not connect directly to growth in the GO Virginia Region 2 target industry sectors, or address GO Virginia statewide goals to target projects that increase out-of-state revenue and create higher-than-average paying jobs. This interpretation results primarily from the assessment of outcome data for past SBDC clients, whose businesses represent a wide variety of industries, including many clients in 'Main Street' industry sectors with low wages, such as retail or service businesses.

The Roanoke Regional SBDC does serve clients in the target industry sectors, including manufacturers, IT/technology businesses, and life science businesses, as detailed in the assessment data (see page 10-11). In addition, the NRV SBDC expansion project includes several activities to target SBDC services directly to businesses in these Region 2 sectors, as described below (see page 3). As the SBDC helps NRV-based businesses to grow their markets and become more productive through this project, the project will support growth of these business and the creation of many different types of high-paying professional and technical jobs in these target sectors. The Roanoke Regional SBDC has provided a case study of a client in the manufacturing sector to illustrate how the SBDC's outcome support GO Virginia Region 2 goals.

The potential for growth of high-wage jobs in the NRV as a result of improved small business development services holds true for SBDC clients businesses in other sectors besides the GO Virginia target industries as well. Although many jobs in the retail or other service industry sectors pay below average wages, assistance to firms in these sectors will create (or retain) higher paying positions for owners and managers at these small businesses. For instance, although average annual

wages for the retail sector as a whole (\$23,866) are well below the regional average of \$18.66/hour (approximately \$39,500/year), the industry employs 700 supervisors with a regional average wage of \$42,000 and 110 managers with a regional average wage of over \$100,000 (entry level managers earn approximately \$50,000 on average) (Source: JobsEQ 2018Q1 dataset). Small business owners and managers are the primary clients of the SBDC, so providing improved SBDC services in the New River Valley will create higher than average paying jobs regardless of the client businesses' industry sector.

Expansion of services to GO Virginia Region 2 target industries

The New River Valley SBDC expansion project provides resources to support expansion of Roanoke Regional SBDC services, providing dedicated staff to serve New River Valley-based businesses (see original application). Although all businesses are eligible for SBDC services, the Roanoke Regional SBDC is proposing activities during and after the GO Virginia grant term to ensure that GO Virginia funds support the expansion of services to businesses in target sectors of the Region 2 Growth and Diversification Plan, and meet the GO Virginia goal of increasing the out-of-state revenues that regional businesses earn. The Roanoke Regional SBDC plans to devote an amount of staff and resources equivalent to the level of GO Virginia support for these activities (40% of total funding for expanded services) as a means of ensuring that GO Virginia funding is dedicated to achieving these goals. The specific activities that will target GO Virginia firms include the following.

Promotion/expansion of services to GO Virginia target industry sectors

The New River Valley-based staff supported by GO Virginia funds, and existing Roanoke Regional SBDC staff, will conduct several activities to serve firms in target industry sectors (manufacturing, life sciences/health care, food and beverage processing, and emerging technology and IT), and promote an increase in out-of-state revenues.

The GO Virginia project supports **outreach and promotion of SBDC services to firms in the target industry sectors** by attending meetings and building relationships of regional industry associations and similar organizations that have contact with firms in the target sectors, and organizations that support entrepreneurship. For organizations that serve multiple industries, SBDC staff will provide information on GO Virginia target industries and services. Organizations targeted for initial outreach include:

- Roanoke Blacksburg Technology Council (RBTC) (IT/emerging)
- Ridge and Valley chapter of Association for Unmanned Vehicle Systems International (AUVSI) (emerging technology)
- VT/Carilion Research Institute (life sciences)
- VTKnowledgeworks (multiple sectors)
- Onward NRV and local economic development organizations (multiple sectors, especially manufacturing)
- Local Virginia Cooperative Extension agents (food processing)
- Incubators/accelerators (TechPad, VTKnowledgeworks, RAMP)

The Roanoke Regional SBDC will host or participate in **workshop and training tailored to target industries**, including:

- existing SBDC programs such as the upcoming Roanoke ICAP (a lean startup short course focused on technology commercialization)
- tailored content as appropriate for existing monthly Business Basics and Marketing Basics courses
- participation in local business plan competition events, such as Floyd C4 event (many participants are in target sectors, especially manufacturing and food processing)
- access/referral to SBDC programs focusing on international trade and cybersecurity
- tailored one-on-one counseling services to firms in the target sectors

In addition to outreach and services to target industry sectors, the SBDC will use GO Virginia funds to **promote and expand services that help firms to achieve an increase in out-of-state revenue**, for both firms in target sectors as well as other clients. These services include:

- Counseling and technical assistance on marketing, exporting, government contracting, and strategic plans
- Access to market research and analysis to identify target markets (US and international)
- Referrals (as appropriate) to economic development programs to develop new markets for products of regional firms (VALET program, VEDP and local ED trade missions/trade show events)

Additional information on target sectors and out-of-state revenue appear in the responses to the original requests for this information appears in below, beginning on page 5.

Sustainability of GO Virginia project beyond grant term

As noted in the application and original response below, the New River Valley SBDC expansion project seeks to reinstate a higher level of SBDC services in the New River Valley, which has been diminished since the closure of the Radford SBDC several years ago. The state SBDC network and regional stakeholders have agreed to expand the services from the high-performing Roanoke Regional SBDC to achieve this goal. A critical step in this process is finding new sources of match funding to supplement the Virginia SBDC network's investment in serving the New River Valley, which Radford University had provided previously.

Local governments are the primary source of match funding after the GO Virginia grant period. The existing local government commitments to this application provide evidence of the willingness of New River Valley communities to provide the funding to achieve the goal of sustained support for expanded SBDC services. In conversations between SBDC, NRVRC, and local government leadership leading to these commitments, the localities have a clear understanding that they are expected to increase their participation in future budget years. GO Virginia funding provides an important supplement in the initial year, which allows localities to 'ramp up' their financial commitment to supporting SBDC services in future budget cycles, and allows the SBDC time to build relationships with other potential contributors among the New River Valley's private sector organizations and institutions. The planned activities to achieve full funding to maintain SBDC services after the term of the GO Virginia grant include:

- Building relationships and referral system with local government staff, and maintaining communication about the value of SBDC services to ensure full participation in future budget requests. New Roanoke Regional SBDC Director Keith Hartman has initiated these meetings,

with budget review expected in early 2019 in advance of localities establishing their FY 20 budget. The goal is to increase local government's annual contributions to \$85,000 from the current level of \$50,000 pledged to the GO Virginia project. Participating local governments may increase their participation, and SBDC and NRVRC staff are in conversations with jurisdictions that have not contributed to this project to begin providing support next year.

- Building relationships and soliciting contributions from private sector and institutional donors in the New River Valley to achieve an additional \$35,000 in annual contributions to SBDC services. New Roanoke Regional SBDC Director Keith Hartman has initiated this process, with local government and economic development organizations providing 'leads' for donor outreach among banks, universities, and other private sector businesses that receive value from SBDC services.

Initial response to state request for information, from April 13, 2018

(please note that although state reviewers indicated no response to question 1, the answer provided covers both questions 1 and 2).

1. **Out-of-state Revenue:** The mission statement of the Virginia Growth & Opportunity Board states that “GO Virginia will create more higher paying jobs through incentivized collaboration, primarily through out-of-state revenue, which diversifies and strengthens the economy in every region.” Please explain how this project will create higher paying jobs in an industry sector that directly or indirectly derives the majority of its revenue from out-of-state sources (money brought into the local economy either through economic development attraction, retention or expansion activities, or new revenue derived from sales to out-of-state markets by existing or new companies in a region).

2. **Target Industries:** What are the typical types of businesses currently served by the Roanoke SBDC, or that were previously served by the Radford SBDC? Please indicate the # of businesses/entrepreneurs served by industry and any job creation and investment figures associated with these industries.

SBDCs provide services to new or expanding small businesses to help them grow successfully, including business planning, marketing assistance, and counseling services on a variety of issues related to business start-up and expansion. These services include counseling to identify new (out-of-state) markets for products and improve marketing plans and activities, as well as foundational business development resources that help businesses to achieve profitability or expansion goals. All of these services work toward the GO Virginia goals of supporting business retention and expansion, and increasing revenue at these companies. While the SBDC provides these services to any interested business regardless of their industry sector, the services certainly help to create jobs and increase sales at businesses that derive revenue from out-of-state sources.

Many of the SBDC’s clients are in sectors that are not targets of the Region 2 GO Virginia plan (retail trade, construction, etc.), but many SBDC clients are in target sectors of manufacturing, health care, IT and food processing. As noted in the report, all these sectors have high-paying career opportunities that fit GO Virginia goals. From 2014-2017, the Roanoke and Radford SBDCs served 36 manufacturing firms, which resulted in 22 jobs created/retained, \$124,000 in capital investment, and \$877,000 in increased sales at these client firms. The SBDCs served 73 professional/scientific/technical service firms, which resulted in 39 jobs created/retained, \$809,000 in capital investment, and \$1,220,000 in increased sales at these client firms. The SBDCs served 35 health care/social assistance firms, which resulted in 9 jobs created/retained, \$206,000 in capital investment, and \$18,000 in increased sales at these client firms.

Examples of client firms in target sectors can derive sales from out-of-state revenue, which also had had job creation or investment outcomes include: energy/design consultants, medical bill advocacy service, industrial conveyor sales, handcrafted soap/toiletries producer, biomedical research and development, process improvement consulting, data collection software firm, grass fed beef and hay, aluminum anodizing, architectural ironwork producer, gluten test strip manufacturer, a fermented tea (kombucha) producer, a life sciences firm, air compressor distributor, drone technology firm, a brewery, and a variety of food producers and wholesale trade firms.

Detailed tables of clients served and outcomes by industry sector for both the Radford and Roanoke SBDCs appear at the end of this document. In addition to firms in target sectors as described above, many appear in other sectors shown in the table, including ‘other services’ and ‘not set’ (industry

sector not specified by client). More detailed information is available on request. The majority of this activity occurred at the Roanoke SBDC, which has been a high performing member of the SBDC network. The expansion of Roanoke SBDC services to the New River Valley represents an opportunity to bring better services to the region (see following questions).

3. **Background:** Why was the Radford University SBDC eliminated?

Radford University's College of Business and Economics (COBE) had been the host of the local SBDC office for the New River Valley, and had provided the matching funding required by the terms of the US Small Business Administration grant that supports the Virginia SBDC network. The university match consisted of cash support and office space and related administrative costs to operate the center. In 2016, Radford University ceased providing support for the SBDC chapter, citing the need to reallocate the match funding to other programs that were more central to the university's goals for COBE. The SBDC closed abruptly, without advance notice to local governments or regional partners of this decision that may have allowed time to identify other sources of funding or host locations that could have averted the closure of the center.

Although Radford University cited budget constraints as the reason for discontinuing the SBDC, the Radford SBDC staff had not created strong relationships with regional business development and economic development stakeholders, and did not provide the high level of service that other SBDCs provide (including Roanoke). In fact, several New River Valley economic development organizations preferred to engage staff from the Roanoke SBDC even while the Radford SBDC was still in operation. The struggling performance of the Radford SBDC in the years leading to its closure was likely another factor in the ultimate decision to cease support for the center. These events have provided an opportunity to improve small business development services in the New River Valley by transitioning services from a low-performing to a high-performing SBDC, but the abrupt cessation of services without advance warning or a chance to plan for change has caused confusion and disruption that have made this transition difficult to accomplish (see below).

4. **Sustainability:** Please describe the long-term plan for financial sustainability. The application indicates that the localities are hesitant to fund the full startup and operations of the SBDC at this time, but their contribution would need to increase in order to sustain SBDC operations. Have any localities committed to providing increased funding after GOVA funds were exhausted?

Radford University had provided the funding to support the SBDC, so local governments and private donors in the New River Valley had never been asked to contribute support for SBDC services as they do in other regions (including Roanoke). The lack of diversified funding sources contributed to a lack of existing relationships between the SBDC and local stakeholders, and a lack of 'ownership' for the success of SBDC services. This disconnect led to a passive approach to connecting local businesses with SBDC services, and decreased awareness of the availability and value of the SBDC's services. As noted above, the Radford SBDC did not pursue aggressive outreach or promotion, and did not have a reputation for excellence among New River Valley economic development stakeholders. As one of the higher-functioning SBDC offices, the Roanoke SBDC is able to demonstrate this value and build these relationships in a way the Radford SBDC had not accomplished. This process is already underway, with the GO Virginia grant project providing support to accelerate this process.

The Roanoke SBDC, the New River Valley Regional Commission (NRVRC), and other regional partners have spent the two years since the closure of the Radford SBDC working to raise

awareness of the need to reinstate full SBDC services in the region, and the value the SBDC can provide to local small businesses. As noted above, this process was made more difficult due to confusion that resulted from the abrupt nature of the closure of the Radford SBDC. Local government leaders have begun to participate more fully than they had before, although they still need evidence of the benefits in order to make the case to their boards and councils, and find sufficient funding in their already stretched budgets. Several have committed to contribute funding to the SBDC prior to this grant, and others have been able to use the prospect of this GO Virginia grant support to make the case for assuming these costs in the near term, as their contribution goes farther with the leverage from the grant (see application questions 6 and 13). The purpose of this project is to provide an expanded level of SBDC service to New River Valley localities, helping local government managers to show the value of their support for these services, and making it easier to defend this expense in future budgets as they begin to see evidence of the return on investment they receive from this expanded level of service. The commitment of each locality to this project demonstrates the willingness of local governments to commit funding to support SBDC services, and the benefits the project will achieve for their business community will provide them with the evidence they need to justify full, long-term commitment funding SBDC services.

5. Outcomes: The response to Question 4 indicates that the NRV SBDC would produce a new capital investment of \$767,500 and the creation of 30 jobs (time frame not clear). This appears to be in line with or greater than the Roanoke SBDC results listed as \$500,000 in new capital investment and 38 jobs created over 3 years. How were the NRV SBDC projections calculated?

As noted in question 4, the Roanoke SBDC compiled data and survey results from New River Valley-based clients that they served in the 2015-2017 timeframe, serving approximately 80 clients per year with their current staffing and funding levels supported largely through the Virginia SBDC network (including all clients, even those who did not follow up with intensive counseling). In preparation for the joint budget review process with New River Valley local government managers, the Roanoke SBDC estimated that they would be able to increase the number of New River Valley-based clients to 140 per year with the increased staff and capacity that they can achieve with funding of \$85,000 per year (see question 10 in GOVA application). Based on this estimate, the original GO Virginia project application (later modified-see below) proposed serving 80 clients in year 1 of the GO Virginia project as the project ramps up, increasing to the projected 140 clients served in year 2, for a total of 220 clients served. Estimates for job creation and capital formation were calculated based on past outcomes of the Roanoke SBDC overall (both Roanoke and New River Valley clients), in proportion to the number of clients served. For example, in 2016 the SBDC served 291 total clients with \$2,031,105 in capital investment and 79 jobs created, so serving 220 clients in the two year period results in \$1,535,000 in capital investment and 60 jobs created, assuming similar outcomes.

These original estimates assumed that the GO Virginia board would grant the full funding request of \$85,000, matched with \$85,000 in local cash. The GO Virginia board was able to commit only \$33,000, requiring the SBDC to modify the project for a total budget of \$85,000, or half of what was proposed. The project outcome figures were accordingly modified to half of what was originally proposed as well. Estimates of clients served are lower than originally predicted, representing only the scope of the reduced GO Virginia budget- overall outcomes may be higher as the SBDC continues to provide services through existing sources. Nonetheless, outcomes in terms of job creation, capital investment, etc., still represent an improvement over current

outcomes for New River Valley businesses, reflecting the increased outreach and dedicated service to New River Valley businesses that the project supports through increased staffing at the SBDC.

ROANOKE SBDC, 2014-2017							
	Clients	C&P Hours	Start-Ups	Jobs Created	Jobs retained	Capital Formed	Sales Increase
Not Set	413	1,014		3		\$1,044,800	\$16,600
11 Agriculture, Forestry, Fishing and Hunting	12	55	2	3		\$46,500	\$0
22 Utilities	2	5				\$0	\$0
23 Construction	44	141	8	18		\$351,103	\$576,000
31 Manufacturing	29	234	1	6	3	\$124,800	\$503,080
42 Wholesale Trade	14	39	2	3	2	\$205,000	\$201,000
44 Retail Trade	91	252	11	28		\$1,138,068	\$179,300
48 Transportation and Warehousing	10	28				\$0	\$0
51 Information	9	21	1	1		\$0	\$0
52 Finance and Insurance	6	24	1			\$40,600	\$49,100
53 Real Estate and Rental and Leasing	5	14		1		\$30,000	\$83,000
54 Professional, Scientific, Technical Services	47	340	6	25	6	\$744,902	\$1,110,500
55 Management of Companies and Enterprises	1	4				\$0	\$0
56 Administrative and Support	6	46	2	1		\$40,000	\$0
61 Educational Services	18	78	2	38		\$1,262,000	\$30,000
62 Health Care and Social Assistance	28	139	2	7	1	\$206,700	\$18,000
71 Arts, Entertainment, and Recreation	28	77				\$3,000	\$520
72 Accommodation and Food Services	31	157	8	45	27	\$828,000	\$419,775
81 Other Services (except Public Administration)	161	755	53	118	5	\$3,504,340	\$1,190,983
TOTAL	1,056	3,423	99	297	44	\$9,569,813	\$4,377,858

RADFORD SBDC, 2014-2016							
	Clients	C&P Hours	Start-Ups	J/C	J/R	Capital Formed	Sales Increase Amount \$ Sum
Not Set	25	63				\$0	\$0
11 Agriculture, Forestry, Fishing and Hunting	4	100				\$0	\$0
22 Utilities						\$0	\$0
23 Construction	6	16		2	2	\$60,000	\$0
31 Manufacturing	7	16		10	3	\$0	\$371,624
42 Wholesale Trade	2	4				\$0	\$0
44 Retail Trade	25	78		5	9	\$241,000	\$228,440
48 Transportation and Warehousing	3	19		6		\$95,000	\$29,000
51 Information	1	3			1	\$0	\$0
52 Finance and Insurance	1	4				\$0	\$0
53 Real Estate and Rental and Leasing	3	9				\$0	\$0
54 Professional, Scientific, Technical Services	26	62	2	6	1	\$65,600	\$110,000
55 Management of Companies and Enterprises	13	26	2	2	4	\$71,000	\$5,000
56 Administrative and Support						\$0	\$0
61 Educational Services	1	2				\$0	\$0
62 Health Care and Social Assistance	7	17				\$0	\$0
71 Arts, Entertainment, and Recreation	13	33	2	1		\$9,200	\$100
72 Accommodation and Food Services	14	39	3	4		\$26,000	\$15,400
81 Other Services (except Public Administration)	30	90	1	18	5	\$62,000	\$159,000
TOTAL	187	612	12	56	25	\$630,300	\$919,039

Virginia Growth and Opportunity Region 2 Council

BYLAWS

ARTICLE I PURPOSE

The Virginia Growth and Opportunity Regional Council (hereafter referred to as “Council”) is a public body certified by the Virginia Growth and Opportunity Board to receive grants pursuant to Code of Virginia section 2.2-2485 the Virginia Growth and Opportunity Act (hereafter referred to as “GO VA”). The Council will be supported by an existing or newly established organization that engages in collaborative planning or execution of economic or workforce development activities within a region to support the Council’s activities and to ensure proper administration of the Council’s funds.

ARTICLE II DUTIES AND RESPONSIBILITIES

Section 1 Duties of the Regional Council

The Council shall:

1. Work in a collaborative manner, respecting all points-of-view, while soliciting and reviewing proposed projects for recommendation to the GO VA Board.
2. Demonstrate extensive knowledge of the region’s potential for growth that lead to higher paying jobs. Identify economic/regional projects that support or encourage collaboration and yield significant new job creation.
3. Review and understand the authority, governance, and administrative role of the GO VA Board in certifying qualified regions and regional councils; including how the Board develops and implements guidelines or procedures for such certification.
4. Partner with existing or newly established economic/workforce development organizations to create focused collaborative projects or programs consistent with the Council’s economic growth and diversification plan.
5. Identify the region’s economic growth potential independently or in partnership with neighboring regions. Identify the competitive advantages for collaboration with private-sector investments to accelerate job growth/economic development.
6. Advise the Board on best practice initiatives, projects, etc. that encourage collaboration and yield measurable outcomes for job growth in the region.
7. Have the authority to enter into agreements through the support organization in order to pursue the goals and objectives of the Virginia Growth and Opportunity Act pursuant to the Code of Virginia and guidelines adopted by the Board.

8. Adhere to the Freedom of Information Act (FOIA) and the Conflict of Interest Act (COIA) except as exempted pursuant to §2.2-3711.A.48 of the Code of Virginia.
9. Provide for public participation as directed by the Code of Virginia and the Board.
10. Conform with guidelines as adopted by the Board.

ARTICLE III

MEMBERSHIP

1. The Council should include representatives from (i) the education sector, which include school divisions, community colleges, public institutions of higher education, and private institutions of higher education as appropriate; (ii) the public economic and workforce development sector; (iii) local government; (iv) planning district commissions; (v) nonprofit organizations; and (vi) other entities that significantly affect regional economic or workforce development. **The distribution of the primary residence of members should approximately match the distribution of population among the areas that make up Region 2.** Membership may include one or more non-legislative citizen members of the Board from the region. A majority of the members of the Council shall be from private sector with demonstrated significant private-sector business experience. The Council shall be chaired by a citizen member from the region with significant private-sector business experience.
2. The Council will consist of up to 30 members. The Board will approve the member selection process, structure, composition, and leadership to meet the requirements of COV section 2.2-2485 of the Virginia Growth and Opportunity Act and the guidelines set forth by the Board. Council membership is subject to Board review and approval.
3. Council members shall have knowledge of workforce and economic development.
4. **Council members shall serve staggered three year terms as determined by the Council. Council members shall not serve more than (2) consecutive three year terms. Service for terms of less than three years will not count against that term limit. A Chair and Vice Chair are elected from the council membership for terms of two years. The time served as Chair or Vice-Chair will count against the limit of two (2) consecutive three year terms.**
5. A vacancy on the Council shall be filled per guidelines established by the Council as carried out by the **Executive** Committee referenced in Article VI of this document.
6. **A Council member may be removed by the Board with a majority vote. Notice must be provided to Council members 7 days in advance of a meeting where a removal action is on an agenda. The reasons for removal must be documented by the Council.**
7. **Council members are expected to participate in all meetings of the council. Absence from more than 50% of meetings in a fiscal year may constitute grounds for removal.**

ARTICLE IV

MEETINGS

1. The Council shall meet on a regular basis and at a minimum quarterly at a predetermined location and time. The meeting notice of time, location and purpose shall be given to all Council members at least 7 days prior to the date of meeting.
2. The Council will meet all of the Code of Virginia public meeting requirements (§2.2-3707). Meetings will be advertised a minimum of three business days in advance of the meeting at the following locations: the administrative offices of the support organization and administrative offices of individual meeting locations.
3. Attendance of a majority of Council members shall constitute a quorum and, unless a greater proportion is required by the Board for a particular act/vote, the majority vote of the Council present and voting at any meeting, at which there is a quorum, shall constitute the Act of the Council.

ARTICLE V

PARLIAMENTARY PROCEDURE

In all matters of procedure not specifically covered by these By-Laws, the most recent edition of Roberts Rules of Order shall be observed.

ARTICLE VI

ORGANIZATION

1. During the inaugural meeting, the Council shall elect from among its members, a Chair and a Vice-Chair. The Chair and Vice Chair shall be a Council member with significant private-sector experience.
2. The Chair shall preside over all meetings. The Vice-Chair shall preside over all meetings in the absence of the Chair.

ARTICLE VII

SUPPORT ORGANIZATION

1. The support organization can be a new or existing organization with purposes and competencies including collaborative planning, economic development, or workforce activities within the region.
2. The support organization may provide data analysis, review of best practices, review and analysis of project proposals, and other duties as determined by the Regional Council.
3. The support organization will make project recommendations to the Regional Council for submission to the Board and will be responsible for monitoring the impacts of projects in carrying out the economic growth and diversification plan.
4. The support organization will be responsible for the receiving, use of, and auditing of funds received.
5. The support organization will have a contract with the regional council that provides for its role as outlined above.

ARTICLE VIII

SUBCOUNCIL ORGANIZATION

The Council may appoint all committees as deemed necessary to meet the Council requirements of COV 2.2-2485; the Virginia Growth and Opportunity Act and to fulfill the duties of the Council. In addition, the Council shall create an Executive Committee. The distribution of the primary residence of members of the Committee should approximately match the distribution of population among the areas that make up Region 2. The Committee will have the authority to act judiciously on behalf of the council when time sensitive matters occur before a meeting of the full council can be called. The Committee's meetings are subject to public notice and open meeting requirements. Minutes must be reported and distributed within 72 hours of a committee meeting. A report from the Executive Committee will be a standing agenda items for all full meetings of the Council. The Executive Committee will present a slate of officers, potential new members, and recommend to the council persons to fill vacancies on the Council. Council members from each area within Region 2 will be polled by the Executive Committee members with respect to vacancies occurring in their area.

Each committee shall appoint a Chair and set meeting dates, times and locations. The duties of each committee member shall be implied by the name and function of the committee. Each committee shall have only the powers specifically designated to them by the Council. Each committee shall report to the full Council.

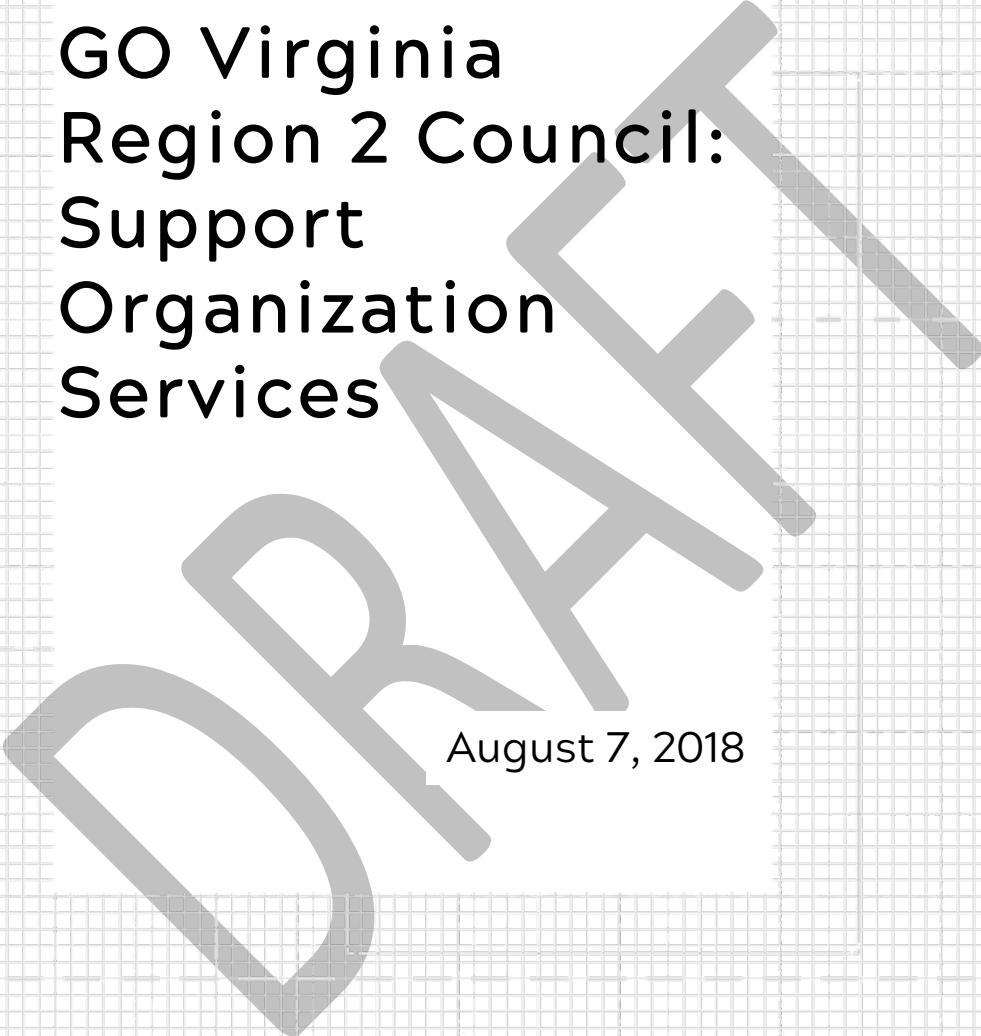
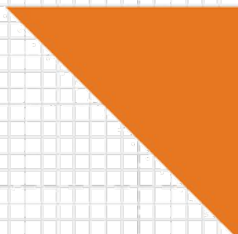

ARTICLES IX

BYLAWS

The bylaws shall not be amended, modified or replaced except by a majority action of the Regional Council in an official meeting. Action on amended bylaws may not take place at the meeting in which they are introduced. Action on amended bylaws shall take place a minimum of thirty days after their introduction. The bylaws shall be amended to conform to statutory requirements as required. The Board shall review and approve amendments to the Bylaws.

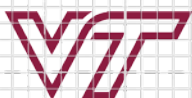
SEVERABILITY

In the event that any portions of the bylaws are deemed invalid, the remaining portion shall stand.



GO Virginia Region 2 Council: Support Organization Services

August 7, 2018



OUTREACH & INTERNATIONAL AFFAIRS
VIRGINIA TECH.

OFFICE OF ECONOMIC DEVELOPMENT

Introduction

The Virginia Tech Offices of Economic Development (OED) and Continuing and Professional Education (CPE) are providing assistance to the GO Virginia Region 2 Council. This Council is one of nine bodies organized around the state in response to a new program administered by the Virginia Department of Housing and Community Development (DHCD). The Council is charged with advancing economic growth and diversification in the New River Valley, Roanoke-Alleghany and Lynchburg regions.

OED will provide planning, research, marketing, and other administrative staff services to the Council as described in the narrative budget estimate below. The office has a breadth of planning, research, and evaluation expertise across the state, serving as a contractor to many federal, state, and local agencies and a partner for the private sector. Recent experience highly relevant to GO Virginia includes labor market demand and skills mapping projects, targeted industry studies, facilitation of the commercialization of university technology, and coordination of access to university technical expertise. OED will provide a designated project lead and support staff, while also drawing on a team of specialists with expertise in regional planning, economic development research, and program evaluation.

CPE will serve as the fiscal agent for all funds. CPE manages a multi-million dollar portfolio of contracts for federal, state, and local agencies, as well as the private sector. CPE will provide a designated project manager and accountant to provide services that attend to the specialized needs for the funds received by Virginia Tech. This will include logistical support, contractual services, technical assistance, and financial services. A full-cost accounting summary will be provided as needed along with all other reporting required by the state.

Narrative Budget Estimate FY 19

Administration	\$136,166
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1. Council Meetings	\$5,521
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Support Council meetings and committees reporting to the Council. This includes staff time for agenda development, meeting facilitation, and assistance to Council in undertaking its required functions. This includes Council engagement in decision-making on selection of projects for submission to the state for funding.

Staff leads: John Provo, Scott Tate

Staff Support: Jennifer Morgan, Doris Waddell

2. Contracts Administration (including legal, financial, audit) \$91,060

Serve as the fiscal agent for all funds. Staff time to establish and ensure all financial management procedures are in accordance with state regulations. Facilitate legal review of all contracts and agreements, as well as remittances for applicants.

Staff leads: Shelly Jobst, Meghan Gaskill

Staff support: University Legal and Audit, Engagement Finance

3. Individual Project Reporting and Evaluation \$23,023

Monitor project progress, ensure accurate and complete reporting of outcomes and financial data from projects to the Council. Staff hours to provide evaluation of outcomes data analyzing return on investment from projects. Complete all required state reporting on project activities.

Staff leads: Meghan Gaskill, Elli Travis

Staff support: Jennifer Morgan, Student Research Assistants

4. Marketing and Outreach \$11,040

Staff to solicit participation in and provide notice on Council and committee meetings. Provide minutes and manage Council website with archived program materials. Design and circulate project solicitations. Respond to information requests and conduct outreach to potential applicants. Develop and support targeted outreach efforts identified by Council following discussion of gap analysis.

Staff Leads: John Provo, Scott Tate

Staff support; Jennifer Morgan, Student Research Assistants

5. Technical Assistance to Applicants \$5,522

Staff time to support project applicants in developing appropriate responses to Council solicitations. Launch and manage an application process.

Staff leads: John Provo, Scott Tate

Staff support: Jennifer Morgan, Student Research Assistants

Planning Services \$123,185

1. Strategic project pipeline development \$41,271

Staff to assist applicants in identifying opportunities and developing appropriate responses for Council solicitations and state competitive funds (i.e. multi-regional). Conduct analysis of gaps between Growth and Diversification Plan goals versus projects funded. Identify issues with Council and regional stakeholders to shape

Staff leads: John Provo, Scott Tate

Staff support: Elli Travis, Sarah Lyon-Hill, Albert Alwang, Jennifer Morgan, Student Research Assistants

2. GO Virginia Region 2 program impact evaluation **\$41,270**

Staff time to synthesize data from project reporting and collect additional data required to assess broader regional metrics. Develop and produce an impact evaluation report for assessing performance of the region, impact of the program, and progress on goals and objectives articulated in the Growth and Diversification Plan. Build a base for a larger regional databank project.

Staff leads: Elli Travis, Sarah Lyon-Hill

Staff support: John Provo, Scott Tate, Alwang, Jennifer Morgan, Student Research Assistants

3. Growth and Diversification plan update FY 20 **\$41,270**

In line with future instruction following state Growth and Diversification plan guidelines, staff time to conduct original research on economic development, collecting data from primary and secondary sources. Staff will develop plan goals and objectives along with appropriate project and regional metrics for reporting and evaluation. Synthesize data and input from other plans, work groups, and Council members. Write and edit final plan submitted to state.

Staff leads: John Provo, Scott Tate

Staff support: Elli Travis, Sarah Lyon-Hill, Albert Alwang, Jennifer Morgan, Student Research Assistants

Other costs	\$101,815
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1. Travel (Council and staff)	\$5,000
2. Materials and supply	\$3,000
3. Council contingency fund	\$10,000
4. Strategic reserves	\$83,815

(Requires \$55,555 match from per capita projects)

Total costs **\$361,111**

Memorandum

This memo was approved by the Region 2 Council at its meeting on August 24, 2018. Per administrative rules of the GO Virginia program, Virginia Tech will be appended this document to a support contract between the university and DHCD in order to receive funds to implement the scope of work described above during a performance period extending from July 2018-June 2020. FY 20 budget will be negotiated between the parties following completion of the state budget.

Dr. Ray Smoot, Chair
GO Virginia Region 2 Council

Ab Boxely, Vice Chair
GO Virginia Region 2 Council

DRAFT

GO Virginia Region 2 Council Meeting minutes

March 19, 2018

3:00 pm - 5:00 pm

Inn at Virginia Tech

901 Price's Fork Road

Blacksburg, VA 24060

Members in attendance: Marla Akridge, Ab Boxley, Beverly Dalton, Sandy Davis, Dr. John Dooley, William Fralin, Dr. Michael Friedlander, Don Halliwill, Dr. Brian Hemphill, Dr. Victor Iannello, Floyd Merryman, Marty Muscatello, Debbie Petrine, Dr. Ray Smoot, and John Williamson.

Members participating remotely: Kenneth Craig, Terry Jameson

Staff in attendance: Dr. John Provo, Ronnie Stephenson, and Elli Travis

Public in attendance: Ben Bowman, Darlene Buchanan, Patrick O'Brien, and Morgan O'Quinn

Chairman Smoot convened the meeting at 3pm.

Council Vacancies and other business

Ab Boxley moved that Pareena Lawrence, President of Hollins University, be forwarded to the state board for approval to fill the vacancy created by the departure of Angela Falconetti. Boxley noted Lawrence's experience with economic development and her moves to revamp Hollins' business curriculum in the area of entrepreneurship. Dr. Iannello seconded the nomination, which was approved unanimously by the council.

Chairman Smoot noted the anticipated resignation of Shannon Valentine who was named Virginia's Secretary of Transportation. Smoot shared that Secretary Valentine spoke to him of her appreciation for the council and its work to date and requested that council members from the Lynchburg area bring forward a recommendation to fill secretary Valentine's seat.

Chairman Smoot asked if there were corrections to the minutes from the Council's February meetings. There were no corrections and Dr. Dooley moved their approval. John Williamson seconded the motion. The minutes were approved unanimously.

Updates on state action

Dr. Provo shared that the first round of Region 2 project applicants, approved by the state board in February, are all in contract negotiations with the state and council staffs. Each project will be a sub awardee to a master contract between the Virginia Department of Housing and Community Development, staff to the state board, and Virginia Tech, staff to the council. The second round of applicants, approved by the council in February, are currently under review by state staff and external experts. Action is anticipated by April 10 when the state board next meets.

Provo noted the adoption by the state board of a streamlined administrative approval process for projects under \$100,000 where enhanced capacity building is a focus. Application requirements would be similar, but would only require review by state staff. This process was used for two of Region 2's first round projects and one second round project.

Provo noted that there was no news on the state budget. While both chambers of the legislature are far apart, GO Virginia is at a continuing or greater level funded.

Provo shared that the state has just informed regional councils' staffs that regions would primarily bear the responsibility for informing potential project applicants about the state competitive fund. This non-reverting fund contains almost \$11m for the current fiscal year. Region 2 staff has already been working on this, with several discussions with potential applicants underway. These projects should engage more than one GO Virginia region and operate at a large scale, addressing problems of significance to Virginia's economic competitiveness. Otherwise, they are generally the similar in form and substance to projects funded through regional per capita funds.

Provo promised that a general notice will be provided to the council's extended mailing list across the region. Council members were also asked to contribute to that outreach effort. State staff will help applicants identify local participation and match. State guidance on program requirements continues to emerge, so potential applicants should contact council staff directly with their ideas.

Chairman Smoot reminded everyone that the role of the regional council in this process is also to review and endorse proposals that come from or involve this region. He also noted that scheduled council meetings for the remainder of the quarter may be cancelled if no projects require council action.

Staff Presentation on metrics and evaluation plan

Dr. Provo introduced Elli Travis to present staff's preliminary plan for collection and analysis of data from GO Virginia. Travis emphasized three distinct phases. First, we will collect performance data from the individual applicants as required by the state. Second, we will conduct analysis of aggregate project data and connect it to the program logic model, which connects project data to the goals of the Region 2 Growth and Diversification Plan. Telling this larger story will allow us to evaluate the GO Virginia program in the region. Third, over time, we will further aggregate GO Virginia data with other datasets to create a regional dashboard and data bank. This will be a tool for the Council, providing assistance for economic development stakeholders across the region. Whether directly funded by GO Virginia or not development professionals will have tools to better decide where and how to invest limited resources in support of economic growth and diversification, and measure the progress stimulated by their investments.

In discussion with council it was noted that this was no small task and would be carried out over time in a collaborative manner through work shared between applicants and staff. Council

members noted gaps in the initial metrics proposed by project applicants, which are being addressed by staff as project contracts are finalized. Council members provided substantive methodological and philosophical feedback on a number of metrics, which staff will consider as the next iteration of the plan is developed. Chairman Smoot asked about progress by other regions in this area and understanding we are somewhat forward leaning, encouraged staff to share this work with the state as a best practice for others to learn from and we from them. Smoot further stated that metrics and evaluation should be taken with the utmost seriousness and are critical to the continued support of GO Virginia.

Public Comment

Darlene Burcham, Town Manager of Covington, addressed the council. She called attention to research conducted by the National League of Cities highlighting broadband challenges in rural areas, but also surprising areas resilience, including business growth across all of rural Virginia.

Go Virginia Region 2 Council Meeting Minutes

June 22, 2018

10:00am – 12:00pm

Carillion Clinic

1 Riverside Circle,

4th Floor Education Conference Room

Roanoke, VA

Members in Attendance: Marla Akridge, Fred Armstrong, Nathaniel Bishop, Ab Boxley, Kenneth Craig, Watt Foster, William Fralin, Don Halliwill, Dr. Victor Iannello, Marty Muscatello, Debbie Petrine, John Putney, Dr. Ray Smoot, and John Williamson.

Members Participating Remotely: Beverley Dalton, Sandy Davis, Dr. Michael Friedlander, Michael Hamlar

Staff in Attendance: Dr. John Provo, Sarah Lyon-Hill, Jennifer Morgan

Public in Attendance: Ben Davenport, Jerry Dunnavant, Chris Llyod, Billy Gammel, Lindsay Barker, Erik Johnston, Pam Bailey, Joyce Waugh, Darlene Burcham, James E. Smith, Gail Johnson, Bill Bestpitch, Sam English, Milan Hayward, Marylin H. Ashton, Dwayne Yancey, Wayne Strickland.

Chairman Smoot convened the meeting at 10:15am.

GO Virginia State Update and Discussion

Ben Davenport, State Board Vice Chair and Chris Lloyd, Go Virginia Foundation, updated the council on state budget action. Beginning FY19 there is an increase in funding by \$15 million across the program. Direct allocations to Region 2 over this biennium include \$1.29 million in per capita funding annually and \$361,000 in annual capacity building funds, the first \$250,000 of which is unmatched. Mr. Davenport emphasized several special initiatives at the state level, including a new focus on increasing broadband connectivity across the region from the Governor's office, the Commonwealth Cyber initiative led by Virginia Tech, and a focus on creating internships in industry organized by the State Council on Higher Education in Virginia.

Mr. Lloyd discussed with the Council how every region identified the importance of developing new sites and enhancing startup ecosystems in their growth and diversification plans. Noticing this need the state GO Virginia board has decided to work with consultants map existing assets, review best practices, and develop templates to move regions forward. These innovation economy and site development studies will be completed by December.

Councilmember Fralin noted the importance of these state studies, but wanted to know how the projects that are currently funded are working in the growth and diversification plan. Dr. Provo informed Mr. Fralin staff will work on a dashboard for council by their August meeting.

Councilmembers Akridge and Williamson both noted local boards of supervisors and other elected officials do not know enough about GO Virginia and more information needs to be directed towards local elected officials.

Staff Presentation on Regional GAP Analysis

Dr. Provo introduced Sarah Lyon-Hill to present staff's analysis on gaps in the region after the first round of funding. Ms. Lyon-Hill stated the nine funded projects covered all target cluster and strategic areas.

However, Ms. Lyon-Hill noted that the food and beverage processing target industry cluster was least represents and geographically several rural communities were also underrepresented. Ms. Lyon-Hill stated for every \$1 of Go Virginia funding allocated \$3 were leveraged from local contributions. Ms. Lyon-Hill noted areas for improvement included Strategies 1 (Improve information on best practices and market demand) and 2 (Incentivize collaborative investment at all stages of joint site/building development) in Sites and Buildings, Strategy 2 (Coordinate mentorship and training resources) in Entrepreneurship, Strategy 1 (Strengthen the pipeline from K-12 to higher education to career for each priority sector) in Talent Development, and Strategy 2 (Expand and enhance technology transfer and research commercialization to spur regional company growth and venture creation) in Technology Development.

Council Business and Updates

Dr. Provo said staff would have a draft RFP to Council by August and that with the approval of Council could release of the RFP by early Fall. Chairman Smoot reminded the Council they need to discuss and decide if applications are to be determined on a rolling basis or with a set deadline as done previously. Smoot also indicated to Council plans for the Executive Committee to review the bylaws with recommendations to follow for the August meeting.

While reviewing the status of current grantees Dr. Provo explained to the Council the company prospect for the Holly Leaf project with Virginia's First Regional Industrial Facilities Authority has delayed their planned start date. Council asked for a report from staff at their next meeting covering proposed changes to the Holly Leaf contract including milestones, deliverables and contingency plans for the site.

Public Comment

Darlene Burcham, Town Manager of Covington, addressed the council. Mrs. Burcham called attention to the need to bring broadband across the state to capture the talents of young people. Furthermore, she urged the Council to have a school superintendent on the council to ensure a cooperation and direct engagement with schools on Go Virginia projects.

GO Virginia Region 2 Executive Committee Working Session DRAFT Minutes (For Council Approval)

August 14, 2018 9:00am University City Blvd, Blacksburg VA RM 218

Executive Committee Members Participating Remotely: Sandy Davis, Ray Smoot

Council Members in Attendance: Watt Foster

Staff in Attendance: John Provo, Shelly Jobst, Meghan Gaskill, Scott Tate, Jennifer Morgan

Public in Attendance: Stephanie Seagle

Chairman Smoot convened the meeting at 9:00am.

Bylaw Revisions

The Executive Committee discussed a change to the Bylaws that govern the Region 2 Council to place term limits on Council members. Their recommendations included term limits for council and the Vice Chair and Chair, specifically two consecutive three-year terms for Council and a two-year term for Vice Chair and Chair. The Executive Committee recommended an attendance policy to mandate members must come to 50% or more of the meetings in a year, eliminating the nominating committee and assigning its responsibilities to the Executive committee, and giving the Executive Committee the power to make time sensitive decisions between meetings of the Council to be promptly reported to members of the Council.

Budget Discussion

Staff presented the Executive Committee with their recommend Budget and Workplan for FY 2019. Chairman Smoot highlighted the region's overall administrative costs are among the lowest for any region.

State Competitive Projects

Staff continues to work with potential applicants for state competitive, focused on multi-regional collaboration, in this year's funding cycle for the GO Virginia State Board.

Application Package

Staff noted that review of the draft RFP with Department of Housing and Community Development (DHCD), clarified the need for a local match and the documentation needed. Staff proposed that Council receive and approve applications on a rolling basis with attention given to review deadlines with the state. Staff also noted steps they were taking to promote the program among potential research and technology applicants, per the gap analysis presented to the Council previously.

Current Projects

Staff noted that almost all projects have begun their activities. Exceptions are Holly Leaf Grading, which has withdrawn its application and may seek future funding; the Region 2 Talent Collaborative, which is awaiting final contract signatures; and the Small Business Development Center New River Valley Expansion, which will be returned to Council for consideration as a capacity-building project.

The meeting ended at 10:25a.m.

GO Virginia Council Staggered Terms

	2018-2019	2018-2020	2018-2021
NRV 2-3 Yearly			
Lynchburg 3 Yearly			
Roanoke Alleghany 5 Yearly			



GO VIRGINIA PURPOSE STATEMENT

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

WHY IS THIS GO VIRGINIA'S PURPOSE?

- ▶ Proven track record of incentives being used to change behavior to accomplish economic goals.
- ▶ High-paying jobs have a strong economic multiplier and create economic opportunities for all Virginians.
- ▶ Focusing on economic activities that bring new income into the state - not just shifting market share - grows the economy.
- ▶ Even areas with strong economies could be doing better - adapting to the changing U.S. economy.

GOVA—ROLE OF REGIONAL COUNCILS

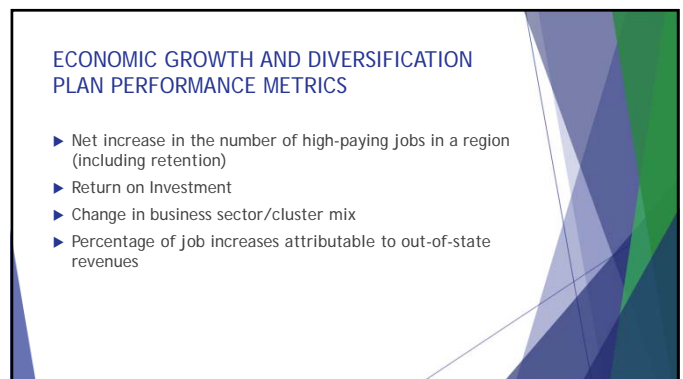
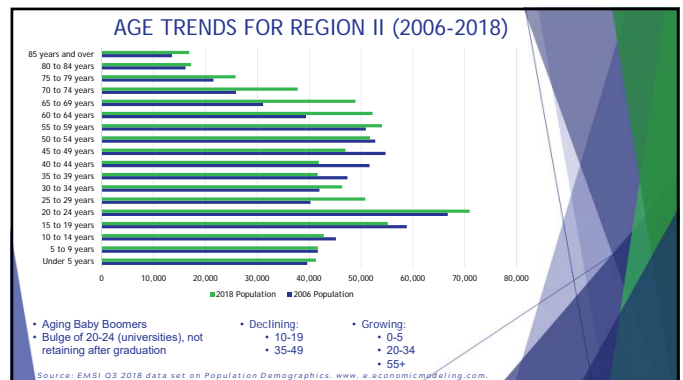
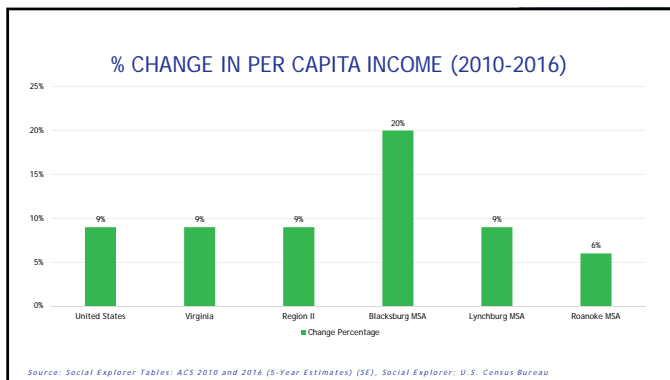
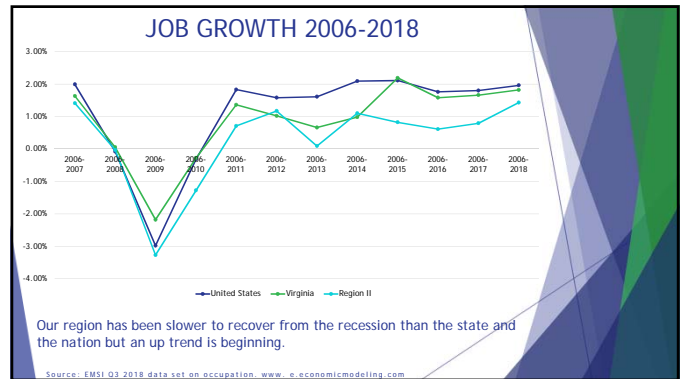
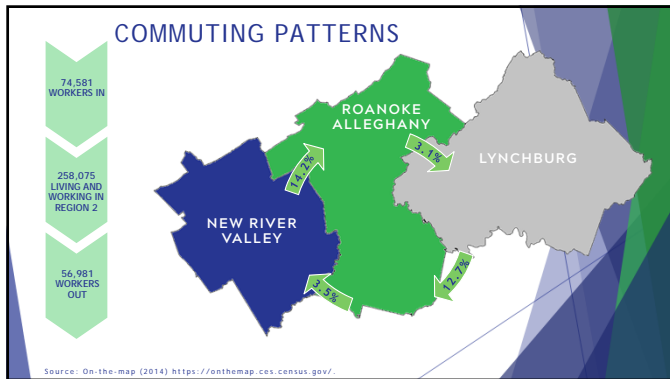
- ▶ Direct growth and diversification plan to identify needs and opportunities in region.
- ▶ Ensure business leadership.
- ▶ Prioritize projects for state board.
- ▶ Encourage collaboration inside and outside GO Virginia process.

ECONOMIC GROWTH AND DIVERSIFICATION PLAN

- ▶ Identify economic opportunities, needs, and challenges for the region.
- ▶ Focus on talent/workforce, collaborative sites development, entrepreneurship and business development, technology development.
- ▶ Establish priorities among identified opportunities.
- ▶ Targeted Clusters and Workforce gap analysis.
- ▶ Align with existing plans and priorities- no duplication of ongoing efforts.

2006-2015 POPULATION CHANGE





GROWTH AND OPPORTUNITY GRANTS

COULD BE USED FOR:

- ▶ Existing "cluster" scale-ups
- ▶ Business-focused training and credentialing
- ▶ Site development
- ▶ Commercialization of R&D
- ▶ Startup collaborations
- ▶ Incubators/accelerators

SHOULD NOT BE USED FOR:

- ▶ Construction of transportation projects
- ▶ Incentive grants to private companies
- ▶ Trade missions
- ▶ Quality of life projects
- ▶ Museums and entertainment venues

TALENT

- ▶ Region 2 Talent Collaborative
 - ▶ Region 2000 and New River-Mt. Rogers Workforce Investment Boards, Blue Ridge Works, every city and county across the region
 - ▶ GO Virginia \$300,000, Other support \$500,000
- ▶ Stopping the Brain Drain: Talent Attraction and Retention Strategy Development
 - ▶ The Roanoke Regional Partnership, Onward New River Valley, and the Lynchburg Area Business Alliance
 - ▶ GO Virginia \$60,500, Other support \$70,600
- ▶ Enhancing the Region Through New Technology for Unmanned Systems
 - ▶ Dabney S. Lancaster Community College, Alleghany County and the City of Covington
 - ▶ GO Virginia \$76,000, Other support \$357,000

ENTREPRENEURSHIP

- ▶ Capital Ecosystem Development: Capital Landscape Study
 - ▶ Valleys Innovation Council, Roanoke Blacksburg Technology Council, Roanoke Regional Chamber and Small Business Development Center, Common Wealth Growth Group, VTC Innovation Fund, Region 2000 Technology Council, Bloomfield Partners, Lynchburg Business Alliance, Lynchburg Small Business Development Center
 - ▶ GO Virginia \$77,207, Other support \$246,937
- ▶ Regional Acceleration and Mentorship Program
 - ▶ Virginia Western Community College, the Roanoke-Blacksburg Technology Council, Cities of Lynchburg, Roanoke and Salem, Counties of Roanoke and Montgomery and the Town of Blacksburg
 - ▶ GO Virginia \$245,000, Other support \$245,000

SITES

- ▶ Center for Energy Research and Education Industry Labs
 - ▶ Liberty University, Framatome, Bedford County and Town, Campbell County, City of Lynchburg
 - ▶ GO Virginia \$300,000, Other support \$1,581,000
- ▶ The Wood Haven Road Site Infrastructure Enhancement Project
 - ▶ Western Virginia RIFA, Roanoke City and County, City of Salem
 - ▶ GO Virginia \$200,000, Other support \$760,000

QUESTIONS?

Project	Contact	Amount Granted	Match	Match Breakdown	Contract Status	Date Contract Signed	W-9	Start Date	End Date	Amount Remitted	Notes
Capital Ecosystem Development	Kevin Bloomfield / Meredith Hundley	\$77,207	\$128,832	City of Roanoke (\$5,000); Roanoke County (\$5,000); Subgrantee (\$118,832)	Final Contract on File; Ready to begin 5/24/18	5/19/2018	On File	4/24/2018	4/23/2020		
CERE	Johathan Whitt	\$300,000	\$1,586,100	Subgrantee (\$107,500); Framatome (1,400,000); Lynchburg Regional Business Alliance (50,000); Bedford County (\$23,600); Town of Bedford (\$5,000)	Final Contract on File; Ready to Begin	7/9/2018	On File	5/9/2018	5/8/2020		Return to Liberty/DHCD for final signing; Virginia Tech signed 6/20
Hollyleaf Grading	Daniel Wilson	\$150,000	\$727,910	Virginia's First Regional Industrial Facility Authority (\$727,910)	Pulled Out			3/14/2018	3/13/2020		Pulled Out
RAMP	Robert McAden	\$245,000	\$245,000	Subgrantee (187,500); Roanoke EDA (\$20,000); City of Salem(\$14,000); City of Roanoke (\$12,500); Roanoke County (\$10,000); Montgomery County (\$1,000)	Final Contract on File; Ready to Begin 6/15/18	5/29/2018	On File	5/29/2018	5/28/2020		
Region 2 Talent Collaborative	Ben Bowman	\$300,000	\$614,836	Subgrantee (\$193,333); Blue Ridge Works (\$190,833); New River Mount Rogers Workforce Development Board (\$200,670); Bedford County (\$30,000)	In Process; All dates/amou nts tentative			3/12/2018	3/11/2020		There has been a delay in finalizing project agreement due to local match documentation. That has now been resolved, with contributions from localities across all three regions including large contributions from Bedford and Campbell. We expect the agreement to be executed soon, with a revised milestones timeline to reflect later start date.
Roanoke Small Business Development Center New River Valley Expansion					Clarifying Questions out to DHCD						Staff is communicating with SBDC on the review by DHCD staff. DHCD staff recommends council fund as a capacity building project (rather than per capita). Stated concerns focus on target sectors.
Stopping the Brain Drain	Erin Burcham	\$65,300	\$65,800	Subgrantee (\$33,000); Lynchburg Regional Business Alliance (\$15,000); Onward New River Valley (\$17,500)	Final Contract on File; Ready to begin 5/24/18	5/15/2018	On File	4/15/2018	4/14/2020		
Unmanned Systems	John Rainone	\$76,000	\$257,000	Quest Knight Enterprises (\$60,000); Advancement Foundation (\$10,000); City of Covington (\$187,000); Alleghany County (\$12,000)	Final Contract on File; Ready to begin 6/25/18	6/21/2018	Requested	6/4/2018	6/8/2020		
WVRIFA Wood Haven Road Site Water & Sewer Infrastructure Enhancement Project	Beth Doughty / John Hull	\$200,000	\$760,000	Western VA Regional Industrial Facility Authority (\$760,000)	Final Contract on File; Ready to begin 6/15/18	5/31/2018	Requested	5/18/2018	5/17/2020		