

GO Virginia Region 2 Application Q&A

Scott Tate: May or may not be familiar. And then we'll take some questions at the end. But GO Virginia, as you know, it's a statewide initiative to advance growth and opportunity in Virginia's regions. You can see the mission or purpose statement of GO Virginia: to create higher paying jobs through incentivized collaboration, primarily through out-of-state revenue, to diversify and strengthen the economy in every region. So attracting new revenue, generating new revenue to Virginia regions.

In Virginia, we have nine regions as defined by the state. We are in Region Two, which includes the localities that we associate with the New River Valley, the localities associated with Roanoke/Alleghany, and the localities associated with the greater Lynchburg region. In every region and in our region, the state appoints a council. We have the Region 2 GO Virginia Council. It's a public and private council. So they are public officials, private sector folks that serve, volunteer their time, to really oversee Go Virginia. Virginia Tech, my organization, is not in charge of GO Virginia. We provide support to the Council in Region Two. The council helps approve the Growth and Diversification plan for the region. They oversee a lot of the administrative work, make recommendations for projects for the state for funding, and then encourage other economic activity that fits with the Growth and Diversification plan for our region. You can see we have a pretty diverse council geographically, in terms of sectors, types of companies. These are folks across our region. We do try to make sure that there's a pretty good mix of both public and private sector individuals, as well as different types of industries represented, and our regional geography is represented as well.

So far, and John, if you want to jump in or raise your hand or you just want me to keep going, I'll just keep on going.

John Provo: Hey, listen, you're doing a great job, man. I like that. I'm happy to jump in a little bit. I mean, I think this -- I see some faces who have been around for a bit and some new faces. So welcome to you all and apologies for getting--I was on a GOVA meeting with some folks in Lynchburg, and I got here as quick as I could, let's say. This is not a new program, right? I mean, we kicked off in 2016 and started making grants the next year. A lot of initial grants were planning grants, but we've actually got some implementation grants closing now. So out of the projects that we've put on the streets so far, you see some outcomes listed there. And this is by no means exhaustive. But just to get a flavor of this, I think actually with one proposal we just sent up to the state board for approval this week, we'll get over that thousand job commitment total. And we're very interested in things like that for sure. We're very interested in sort of educational pipeline metrics that can give you ways to show how you're going to contribute to the jobs situation. As job fulfillment we know is often so much the issue right now. We've done a lot of work in internships. Some of you have brought us projects to upgrade industrial acres, which is very important. And there are other metrics we can talk about for different types of projects. But I think we're at a point both from our council and from the state, when evaluation and really being able to describe both in numbers and stories, the outcomes of the projects that have come before, is important and something that you'll need to, when your project is successful, you'll need to talk with us about more.

I'll take the next slide. The plan. Am I still up? I'm excited about this part. I love clusters. I don't know if you guys knew this, the first thing I ever did in economic development was study industry clusters. And we refreshed ours this year, for folks who've seen this before; we have a new cluster that we've carved out of, mostly out of our manufacturing cluster in the past, focused on transportation and autonomy.

Some of this is kind of obvious. There are some big OEMs in the Roanoke and New River Valley. There's some very innovative firms doing systems and other things in autonomy and electrification. But we've also got a ton of parts firms that spread the whole distance across GOVA Region 2, and folks that contribute substantively to what's really a nationally significant sector of transportation equipment manufacturing. For folks in Lynchburg in particular, but again, all over the region, materials and machinery manufacturing. That sounds a little lumpier, but really, there's a lot of common interest, particularly in labor pool and some of the targeted occupations across firms, ranging from Framatome to the medical packaging that's created at Abbott Labs or some of the extrusion stuff that's done out in Pulaski at the company out there whose name I'm now forgetting like a dope. But there's a lot of great things.

Traci Blido: Not to mention the automated conveyor industry that we are known in America as being the capital in Lynchburg, Virginia region.

John Provo: Go Traci; give me an automated conveyor firm and I'm going to burn it on my brain. So give me a name.

Traci Blido: Belvac, ACS, all kinds of them. Yeah. Century Equipment, Consolidated Equipment, a bunch of them, yeah.

John Provo: All right. Go Lynchburg. Well, you know what's cool about that? And I hope somebody else wrote faster than me, the automated conveyor machinery capital of the US. Some of you who've worked in Southside before or know folks down there. There was a period when Danville was like the - when they got EPL and were making toothpaste tubes or something. At one point, I can't read the name of the guy down there; he used to have a bust of Caesar in his office. He was - Ron Bunch, and he used to tell me, "We are the extruded plastic tube capital of the United States. You know what? That sounded crazy, but like yours was super specific, but it sounded better. And I'm going to use that one in the future.

Let's go back there for just a second. I know Quina, you want to keep me on pace. That's a great cluster. It's one that, I call it lumpy just because it needs a little more work on identity. But from our data, looking at sort of economic interchanges and looking at in-demand occupations, there's a lot of commonality and a lot of shared interest. Life Sciences and Healthcare, we have a very traditional emphasis on the traded sector aspects of this. But I was actually, I'll tell you, we need to test the boundaries of this, but the State Board has created a little more runway for the healthcare sector. Particularly when you look at large systems that we have in our region that are able to bring money in from outside of our region. But also because they know a healthy workforce is a critical part of growing and diversifying our economy.

IT and Emerging Tech. Little self-explanatory, emerging tech is -- we've got a lot of R&D and innovative firms; 5 years ago when we first did this, autonomy, for example, was in that emerging tech bucket. And it's graduated into part of a cluster. And I think the one thing that I wanted to make sure you think about, you come to us with your clusters. But you also, if you're doing a workforce project, need to be really focused on this occupational piece. And those 32 high-wage occupations where we projected at least 3 thousand openings annually, those cut across all these clusters. And so I think we haven't always done enough of a job making sure we're asking you to articulate that, but we would really like you guys

to be sure you're lifting up, not just the cluster piece, but if you're doing workforce, lift up that other piece. So I'll take the next slide now. Thanks. And stop me whenever you want to.

So strategies are great; clusters are great, but one of the things that we've done and we want to continue to test how we do it, is that when we did this plan, we talked to many of you and others around the region about strategies and priorities that would help us grow those clusters. And so I'll start from the bottom and work my way up. The economic development folks here on the line I think have all gotten the religion about sites and I think I have heard from Richmond and beyond about the significance of getting appropriate sites in place for the industries you want to target. Some of you are familiar with how GO Virginia finds its role in this because there's lots of other money. But in particular, we prioritize our ability to help upgrade sites in the readiness categories, so different sorts of infrastructure projects. We don't want to be the last dollar group before the prospect. That's something that's a policy decision of the State Board because they'd rather you were working with VEDP or other incentive programs to close that level five deal. But we can help you all the way up to that. And we're also looking for opportunities to leverage special assets like the CERE lab out in -- sites do yes. Everything requires a multi-locality effort. So GOVA is very fond of [INAUDIBLE]. And I know that's a lot of a lift, but there's other ways to deal with that as well.

But special assets to in sites. The CERE lab at what used to be Traci's New London Park out in Bedford. We helped get that stood up from an equipment--

Traci Blido: Hey John, Pam Bailey is in my old role and today's her birthday, FYI.

John Provo: Pam Bailey, are you on the line here? Oh my gosh. Alright, well, happy birthday, Pam Bailey.

Pam Bailey: Thank you. Traci's embarrassing me.

John Provo: Well, it's funny. I was just talking about this project because I was in Lynchburg today with Megan Lucas and Amy Carrier, who's the new head of Centra Health Systems. But I think special assets around parks in addition to the tier upgrading thing.

Talent. We could talk all day about talent and that's where we spent more than half the money in this program, both statewide and in this region. You'll notice though we're not just talking about workforce development education, but we're talking about attraction and retention. And we've added -- really, we've tried to be much more clear about our priorities in that space as you look at the plan. And I know many of you have already looked at that in different ways and are involved in different programs. I think that's another one that's evolved since we started the program.

Entrepreneurship. There are a lot of great individual efforts and there have also, since we started this program, been a lot of great efforts to scale up and collaborate your efforts. That's a place where, in addition to referring to -- and I will say there are very specific priority tables for each of these strategies in our Growth and Diversification plan. In this entrepreneurship space, we also have a sort of a sub-plan that was done at direction of the State Board by the Verge group out at Blacksburg, but they took meetings with you and your constituents in all the regions and essentially lifted up some -- a little more granular idea of some priority projects that were articulated by stakeholders in your region. So that's another sub-document where if you're looking at a project around entrepreneurship, you really need to give us some specific references that will connect your effort or show how you've addressed some of the priorities raised both there and in the GOVA plan.

The newest strategy area is cluster scale up, and when we think about what we're talking about there is, well -- think about that growth of autonomy. You know, it was science when we started this and now it's industry. And as we look at moving things, whether they're in various flavors of advanced manufacturing or whether they're in entrepreneurship, going on in the life sciences sector, we need infrastructure to get bigger and better at those things. We need programs that will help firms move faster further once they've passed their initial startup stage. And again, if you go to the G & D plan, you'll see some priority areas in there that are, and a lot of them are sort of cluster focused ideas about entrepreneurship or sites or talent. And you'll see how we structure that for your consideration. I'm good on this slide too, Quina, if you want to keep going. Is this the handoff?

Quina Weber-Shirk: This is the hand off to Scott.

Scott Tate: Okay, great. Thanks again, and you can go to the next slide as well. I'll just say that my role with GO Virginia, the small role that I play, and really, I guess our whole team's role in some ways, is to help this region develop projects that can be considered for funding by our council. So in terms of the application, our role is not to be so much a screener out as a helper of. So being sure that you can get to the point of having an application that can be considered by council, if your project is a fit for the program. It does need to align with the goals. We've talked a little bit about that, but at the state level, does the project drive growth of higher paying jobs, higher than the median wage for our region? If it's a kind of what we call a per capita project, and we'll talk a little bit more about that in a second, does it generate a return on investment? So does the GO Virginia award see a corresponding return in terms of job creation within a three-year period or five-year period. And again, John did a good job talking about alignment with our Growth and Diversification plan. So the projects do you have to relate to one of the industry sectors or clusters he described. It must align with the regional strategic entrepreneurship investment plan. If it's an entrepreneurial project, it must advance one or more of the strategies in the Growth and Diversification plan and some of the related opportunities or activities in that plan.

The program has three types of grants. The first one you can think about in terms of a planning grant. Typically the funding level for those are \$100,000 or less, in terms of direct GO Virginia funding. It's a shorter time period, one year or less. We also have less funds available for that purpose. The idea behind this is not planning for planning's sake, but to support a smaller project that builds the capacity or explores the opportunity for a larger project that really seeks to grow higher wage jobs.

The second category is per capita, and you can think about that as an implementation grant. It says over \$100,000; our typical per capita projects are-- I'd say our average is \$300,000 probably. We've seen more than that and we've seen less than that, but it needs to be over \$100,000 usually.

Then there is an opportunity which is more rare for really large scale projects that cross GO Virginia regions, and those are statewide competitive grants. Usually those are much larger in terms of size and impact and funding as well.

So at our level here in the region, we accept applications really four times a year. Applicants, typically, are non-private sector. So a non-profit public entity of some sort, authorities, they are all eligible to apply. A private sector entity can be a partner and that is encouraged, but not the primary applicant. The project needs to be supported by two or more localities, which can be evidenced by in-kind or direct

contribution of some sort, or in some cases simply, letters of support. There must be collaboration, private sector education, local government, and then there must be a match of non-state funds. Right now, it's a 2:1 match, so \$2 of GO Virginia needs to be matched by a dollar of non-state funds. And the match may be in-kind, so it doesn't have to all be cash as well.

And I am less involved on the reporting end, but I think this is here to remind me to remind you that if you are awarded a project, one of the other roles that we play and the important thing is to be sure that the project is making progress. If you're awarded, you commit to certain milestones and deliverables, certain metrics. You'll be gauged by certain metrics. So you'll have quarterly reporting, reimbursement for costs, and then some fiscal types of reporting as well.

This is an example of our grant process. So the same thing happens basically every quarter, so this is the upcoming quarter. So we have our next application deadline on October 5th. That's to submit the full application. We encourage letters of interest, so if you're interested in applying, letters of interest are encouraged at any time of the year. But our next full application deadline is October the 5th. After that time, we do a review process, so our staff will review the application materials. We'll have at least one or two council members who participate on a review committee as usually a kind of a subject matter reviewer. And there's an opportunity for the applicant to respond by providing additional materials, revising their materials before the council reviews. So based on that review, there's an opportunity for improving or changing or responding to some of your materials. And then the council will meet, and the applicants will have an opportunity to give a brief summary of their application to council. And the council will recommend or not recommend the project for state funding. Then there's a state review process that happens after that, where the state has their own review committee, and then makes recommendations as to endorsement by the State Board. And the State Board is the final decider, if you will. And then we repeat that process every quarter. So our next, if you're interested in in our next deadline, I believe it's the last week of January. It will be our next deadline after October 5th for full applications. Yes. So at anytime if you're interested, I received two or three letters of interest this week. We've seen a lot of great activity from our region, but at any time an applicant can submit a letter of interest. We don't have a standard template for that beyond the bullets on this slide; we just want, you know, who it's from, what localities, who are the potential partners? Describe the project in your own terms or what you want to do with the funding. About how much you think your costs will be in terms of your requests for GO Virginia funding and what your activities will include, including how you might reach some of those job creation outcomes. We don't hold you to this. The letter of interest is the beginning of a conversation with our staff. So after that, we'll provide some informal feedback and then you'll have the opportunity to begin, if it seems like there's a fit, to begin your full application material. And at that point, you can build on the feedback we've provided and have an opportunity to develop and consult with our team as you move to full application.

We have a number of contacts. Quina and John and myself are all on the call here. We're all great contacts for potential applicants as is Rachel Jones. Rachel is not able to be with us, but many of you know, she's a great contact if you need application materials, if you have an administrative question, a question about reporting, she can help track down the answer or reach one of us, or schedule a meeting. So we have a lot of people that can be accessible to you. So I'll pause there. John, oh for more information. Yes, we have resources here. And then John, anything that I did not share that you want to hit on before we open up for just general questions?

John Provo: No. Listen, I think that was great. I think, you know, I mean, the one thing I might say, this letter of interest process sounds like a trip up, but really going from an idea in your head to an idea on paper framed around those bullets. We'll talk whenever, right. But really, if you can put something on paper that speaks to those specific points, you'll speed us all along rapidly and we'll give you better feedback than we would if we were just talking.