GO Virginia Region 2

Growth and Diversification Plan

GO Virginia objectives as set by the state:

Grow jobs that pay higher than the regional median wage primarily through investment new to Virginia

Regional median wage: $18/hour or $37k annually

Priority Industry Clusters

- Advanced manufacturing

- Life sciences and healthcare

- Food and beverage processing

- Emerging technology and IT

Region 2 Priority Industry Clusters--GDP, LQ and Shift-Share
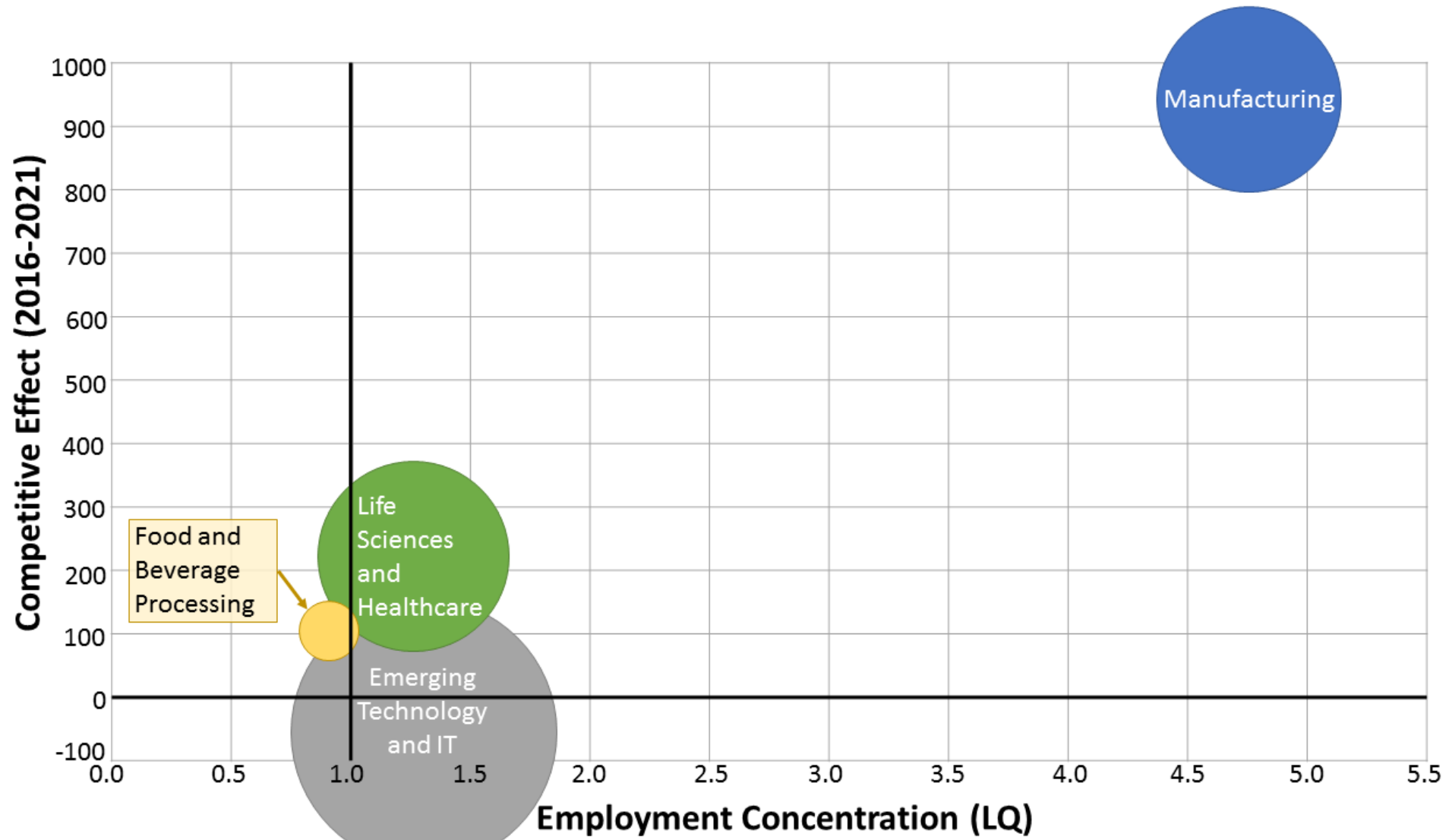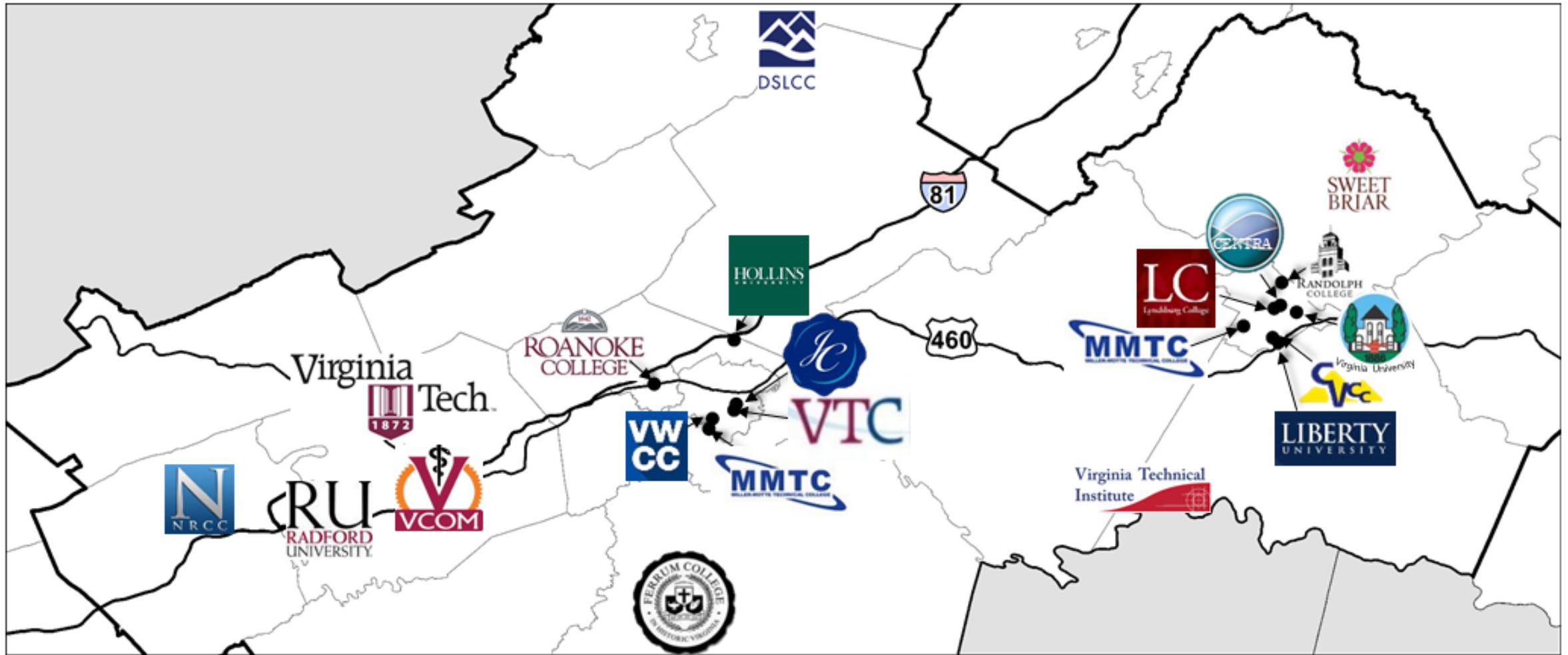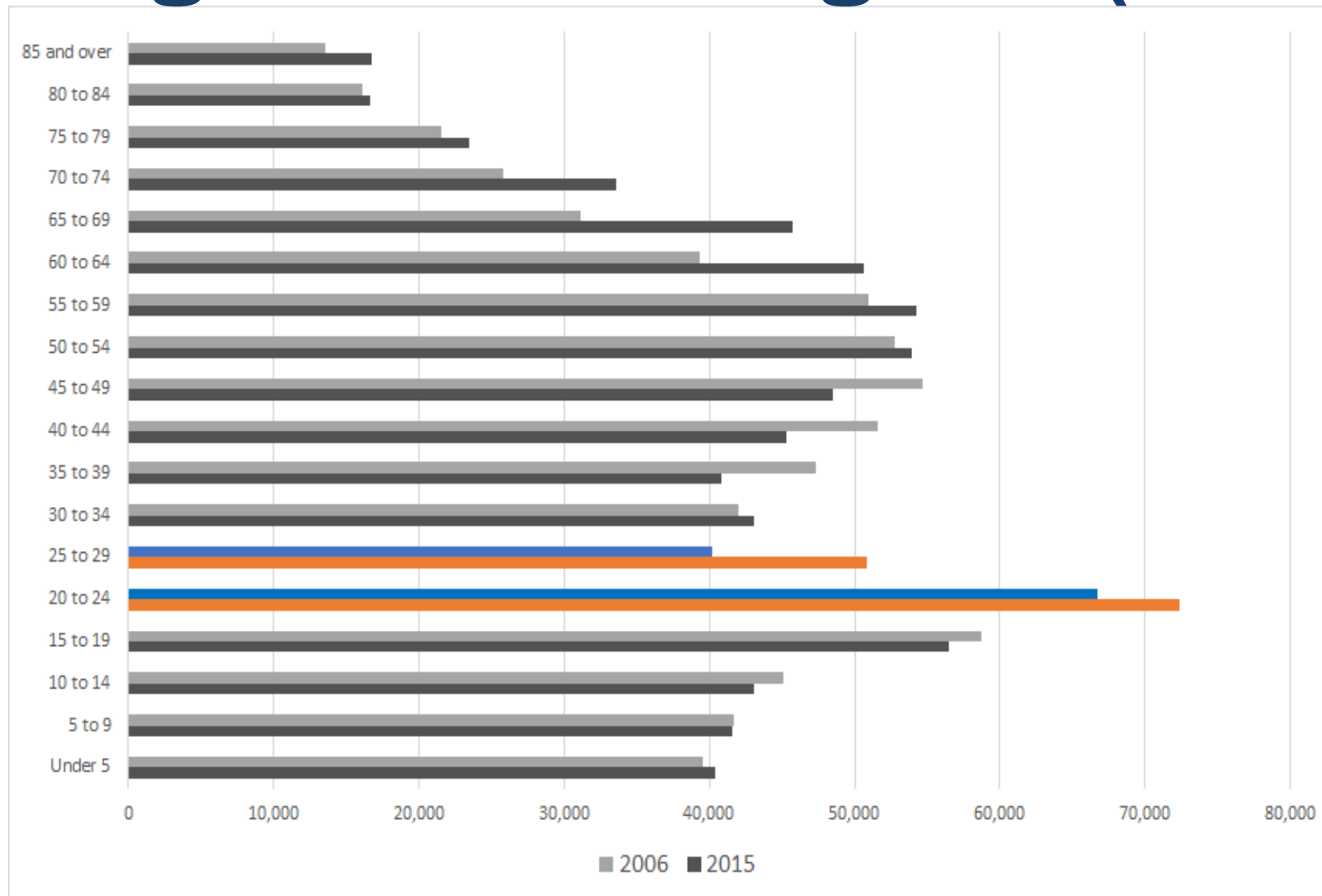
Strategic Priorities

- Talent development

- Development of unique sites and buildings

- Entrepreneurship and business development

- Technology development

Talent Development

- Why is this important?
  - At least 23 institutions of higher learning
  - Nearly 24,000 degree completions in 2015

- Problem:
  - Jobs requiring a certification or degree have not increased at the same pace as completions
  - Failing to retain, and attract, mid and early career workers and families
  - Gaps or Challenges: talent, interest, skills, affordability, coordination
  - Talent attraction may be the "core issue of our region"

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# Age Trends for Region II (2006-2015)

- Aging Baby Boomers
- Bulge of 20-24 (universities), not retaining after graduation
- **Declining:**
  - 5-19
  - 35-49
- **Growing:**
  - 0-5
  - 20-34
  - 50+

Talent Development Strategies

- Strengthen K12-career pipeline for each priority sector

- Increase completion of industry-relevant credentials/degrees

- Enhance coordinated marketing and access to training for in-demand skills.

- Engage employers to promote job-based and experiential learning, including internships and talent retention

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Sites and Buildings

- Why is this important?

  - Increasing complexities and demands of "product" or site development

- Problem

  - Limited number of large sites, graded pads, and "shovel-ready" development sites
  - Limited resources for site development
  - Virginia SCAN system provides limited information on available sites
  - Actors in the private market may be overlooked

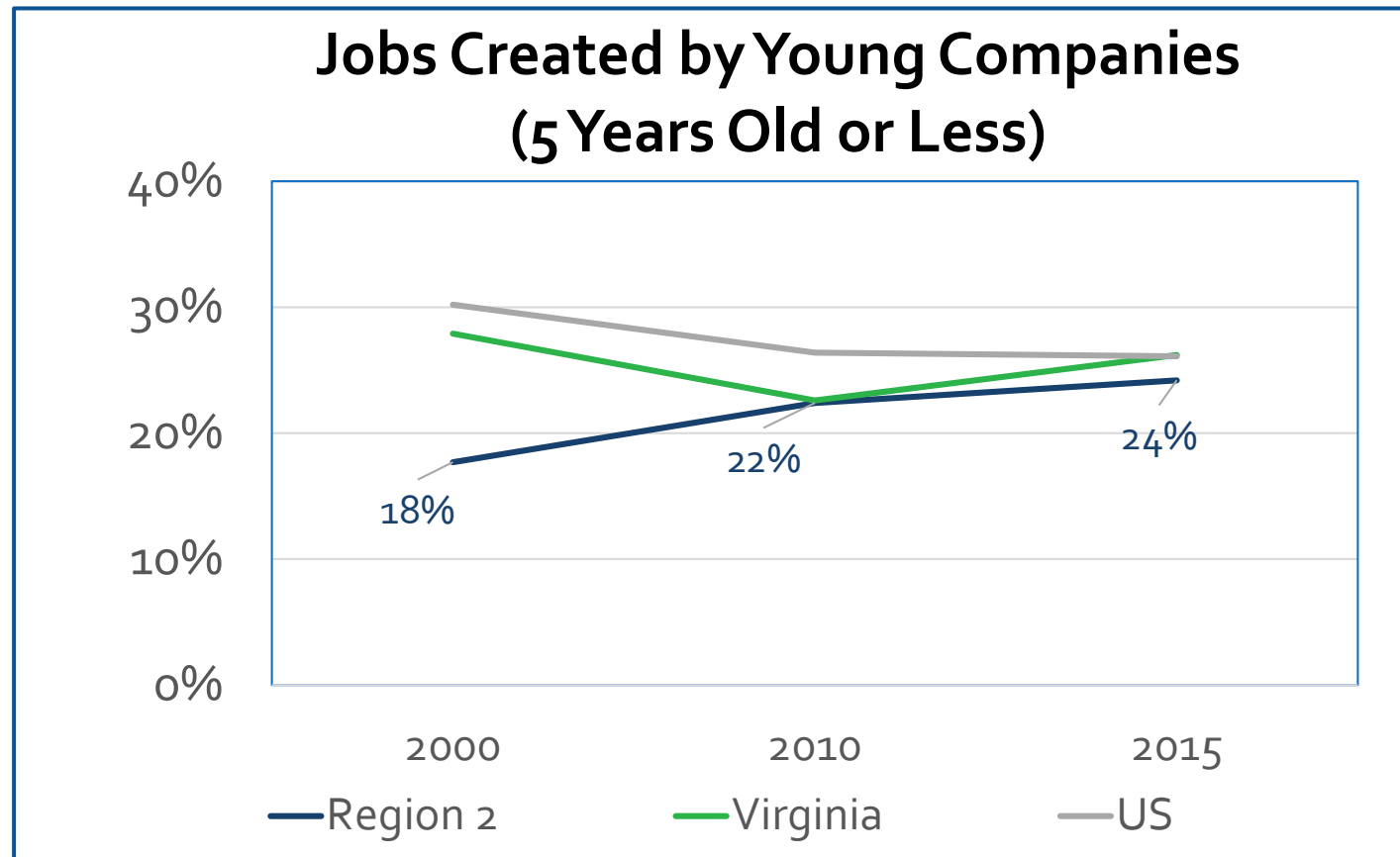VirginiaTech | Office of Economic Development
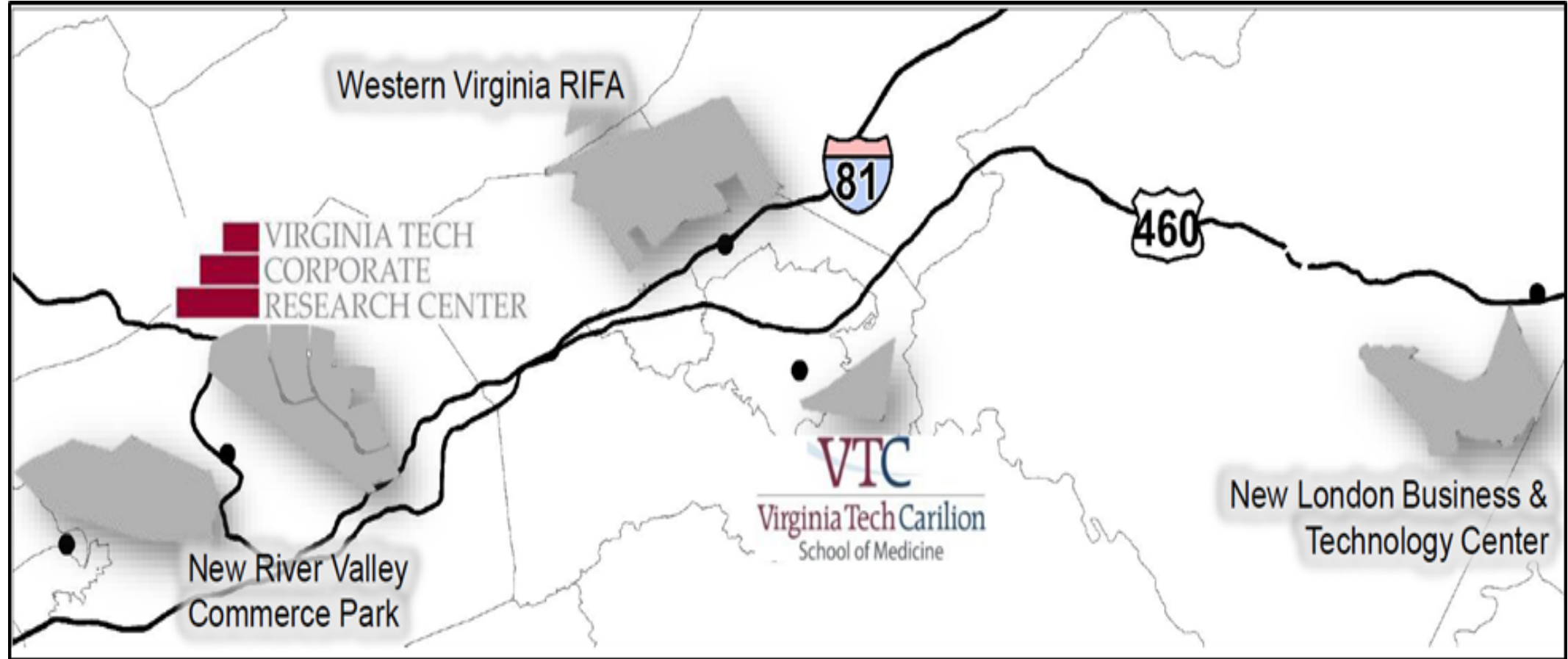
Sites and Buildings Strategies

- Improve information about site and buildings characteristics and market demand for sites and buildings

- Incentivize collaborative investments at all stages of joint site/building development

- Develop and implement real estate strategies to leverage special assets

Entrepreneurship and Business Development

- Why is this important?
  - Common goal = support the development of young and growing firms in the region

- Problem
  - Job creation by startups remains lower than the state and nation
  - The overall density of startups (i.e. four startups for every 1,000 people) is also lower than the state and nation
  - Compared to other regions, the amount of accessible capital is scarce in Region 2

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Entrepreneurship and Business Development

Jobs Created by Young Companies
(5 Years Old or Less)

Entrepreneurship and Business Development Strategies

- Increase presence of and access to capital investors

- Expand and coordinate mentorship and training resources **to increase the supply and flow of investible ventures**

- Improve awareness of existing capital, mentorship & training resources

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Technology Development

- Why is this important?
  - Region has identified technology, information technology, or cybersecurity as important sectors for future growth
  - IT sector job growth projected to be 6.5% from 2016-2021, markedly greater than the state's projected growth of 4.0%
  - Professional, scientific and technical services sector jobs up 19% over last 10 years

- Problem
  - Supply of fundable deals
  - Underperforming compared to peers – research commercialization and funding
  - Support for start-up and scale-up of high-growth potential companies

Technology Development Strategies

- Increase investments and support for emerging and critical industries and innovative technologies

- Expand and enhance technology transfer and research commercialization to spur regional company growth and venture creation

- Support and enhance regional talent attraction efforts

- Grow the number of individuals entering and completing training and educational programs for higher-wage in-demand occupations

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Project Criteria – for each strategy:

- They use one or more of the described strategies.

- They show evidence of partnerships, including corporate partnerships

- They align their activities with three or more of the identified success metrics.

- They describe how they will sustain their program after completion of the grant

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Implementation

- Multi-stage screening - vigilant selectivity and strong preference for "move the needle" projects (not just "business as usual")

- Assessing Projects
  - Meaningful project match
  - Likely to grow higher-paying jobs and increase revenue
  - Directly responds to identified strategies and priority clusters
  - Cross-regional partnership and benefit broader region
  - Innovative and forward-looking
  - Promotes sustainable, long term economic growth

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Moving forward...

- Final edits

- Submit to state GO Virginia board for review

- Council to begin process of developing a solicitation for projects and initiatives that may be funded by the state in response to this plan