

AGENDA
GROWTH AND OPPORTUNITY BOARD
Tuesday, August 14, 2018
1:00 PM
House Room 1, Capitol

- | | | |
|-------|---------------------------------------------------------------------------|-------------------------------|
| I. | OPENING | |
| | a. Call to order | Chairman |
| | b. Roll Call | Jordan Snelling |
| | c. Public Comment | Chairman |
| II. | CONSENT AGENDA | Chairman |
| | a. Action Item: Approval of June 12, 2018 Minutes | |
| III. | FUNDING REQUESTS | Erik Johnston |
| | a. DHCD Approved ECB Projects | |
| | b. Action Item: Approval of Per Capita Applications | |
| | c. Action Item: Approval of Competitive Application | |
| IV. | UNFINISHED BUSINESS | |
| | a. Action Item: FY 19 Capacity Building Budget Approvals | Erik Johnston |
| | b. Entrepreneurial Ecosystem and Site Development Update | Erik Johnston |
| | c. Teconomy Presentation | Mitch Horowitz |
| V. | NEW BUSINESS | Chairman |
| | a. Broadband Task Force Update | |
| VI. | BOARD MATTERS | Erik Johnston |
| | a. Actions Item: Regional Growth & Diversification Plan Amendments | |
| | b. Actions Item: Regional Council Membership Changes | |
| | c. Status of Previously Awarded Projects | |
| VII. | REPORTS AND INFORMATION | |
| | a. VRIC Update | Jim Dyke |
| | b. GO Virginia Foundation Update | Todd Stottlemeyer |
| | c. Opportunity Zone Presentation | Kristen Dahlman |
| VIII. | FUTURE BOARD MEETING DATES | Chairman |
| | 2018 Tuesday, October 9 | House Room 1, Capitol 1:00 PM |
| | Tuesday, December 11 | House Room 1, Capitol 1:00 PM |
| IX. | ADJOURNMENT | Chairman |

VIRGINIA GROWTH AND OPPORTUNITY BOARD MEETING

June 12, 2018

1:00 PM

Richmond, Virginia

Members Present

The Honorable Brian Ball
Delegate M. Kirkland “Kirk” Cox
The Honorable Jim Dyke
W. Heywood Fralin
Senator Janet D. Howell
Delegate Chris Jones
Doug Juanarena
Delegate Terry G. Kilgore
Delegate R. Steven Landes
The Honorable Aubrey Layne
The Honorable Atif Qarni
Senator Frank M. Ruff
Bruce Smith
Todd A. Stottlemeyer
Lucia Anna “Pia” Trigiani
Marilyn H. West
John O. “Dubby” Wynne
Joe Wilson

Members Absent

Nancy Howell Agee
Jennifer Boykin
Ben J. Davenport, Jr.
Thomas F. Farrell II
Senator Thomas K. Norment
Steven C. Smith

Call to Order	Mr. John “Dubby” Wynne, Chairman of the Virginia Growth and Opportunity (GO Virginia) Board, called the meeting to order.
Roll Call	Ms. Jordan Snelling, GO Virginia Administrator for the Department of Housing and Community Development (DHCD), called the roll and stated that a quorum was present.
Public Comment	No comments were made by the public; the public comment period was then closed.
Approval of Minutes	A motion was made to approve the minutes of the April 10, 2018, meeting of the Board. The motion was properly seconded and passed unanimously.
Election of Officers	Mr. Erik Johnston, Director of DHCD, opened the floor for nominations for Chairman of the Board. Speaker Kirk Cox nominated Mr. Wynne for re-election. The floor was then closed and Mr. Wynne was unanimously re-elected. Mr. Wynne then opened the floor for nominations for Vice Chairman. Senator Frank Ruff nominated Mr. Ben Davenport for re-election as Vice

Chairman. The floor was then closed and Mr. Davenport was unanimously re-elected.

Per Capita Grant
Application Review

Mr. Johnston informed the Board that of the 23 projects approved thus far, 17 of those projects are under contract while the remaining six were in contract negotiations. Mr. Johnston then provided an overview of the applications received; stating, that three of the nine regions submitted applications with three proposals for consideration by the Board.

There were three applications regarding credentialing and talent development: Westmoreland County Welder Training Program from Region 6, Cybersecurity Workforce Development Project from Region 8, and Crafting Higher Paying Jobs and Adult Beverage Exports from Region 9. Mr. Johnston presented the Welder Training Program and stated that the resubmitted application addressed the concerns raised by the Board in April and that staff recommended the resubmitted project for approval. Upon a motion duly made and seconded, the project was approved. Mr. Johnston presented the Cybersecurity Workforce Development project and stated that after working with the region during the feedback loop, staff recommended the project for approval. Upon a motion duly made and seconded, the project was approved. Mr. Johnston then presented the Crafting Higher Paying Jobs and Adult Beverage Exports project and stated that staff recommended the project for approval. Upon a motion duly made and seconded, the project was approved.

As part of the Administrative Approval Process, Mr. Johnston presented three projects that were approved by staff: Resiliency Ecosystem Development from Region 6 and Central Virginia Site Readiness Project and Cybersecurity Workforce Development, both from Region 9.

Reports & Information

Mr. Jim Dyke provided an update on the Virginia Research Investment Committee (VRIC), stating that they had met this morning and welcomed the newest member, Secretary Brian Ball, and were provided an overview of the approved budget for the upcoming biennium and a new program called CyberX. An ad-hoc group will formed to help with the implementation of this program.

Mr. Todd Stottlemeyer provided an update on the GO Virginia Foundation and stated that at their most recent board meeting they were focused on two main areas: entrepreneurial ecosystems and talent development. He also stated that they had the opportunity to discuss with Megan Healy, Chief Workforce Development Advisor for Governor Northam, about partnerships and pathways. The Foundation's work is focused on matching talent with employment opportunities, developing career pathways, assessing business' needs, attracting out of state talent, and branding.

Legislative Update

Secretary of Finance, Aubrey Layne, provided an update to the 2018-2020 biennium budget that was recently signed by the Governor. The program received \$63.9 million over the two years with \$29.45 in FY 2019 and \$34.45 in FY 2020. This breaks down to \$3.25 million in FY 19 and \$2.25 million in FY 20 for capacity building funds which allows for Board discretion on waiving the match requirement. Per capita funding, based on a regions share of the state population, received \$13.9 and \$16.9 million respectively. The budget also included language that allowed the Board to reallocate funds to assist regions in meeting a million dollar floor threshold for per capita funding. Then the competitive pot has \$12.3 and \$15.3 respectively. Secretary Layne also explained that DHCD, as outlined in the budget, will convene a broadband advisory group to assist in developing a statewide strategy and eventually have broadband activities funded through GO Virginia.

Regional Budgets

Mr. Wynne stated that in packet was a memo regarding the policy decision of the million dollar floor as described by Secretary Layne. DHCD recommended that the Board pull \$1.3 million from the FY 19 competitive pool to bring the five regions receiving less than \$1 million up to a floor of \$1 million, as to not pull funding from the four regions who receive over \$1 million in per capita funds. A motion was made and properly seconded to pull funding from the competitive allocation to allow for a \$1 million floor; motion passed.

Mr. Wynne also stated there was another memo in the packet in regards to the match requirement in regards to capacity building funds, as mentioned by Secretary Layne. After some discussion, a

motion was made and properly seconded that the initial \$250,000 allotted to each region in each year of the biennium would be unmatched; motion passed. There was another motion that was made and properly seconded that funds allotted to each region in excess of \$250,000, including the \$111,111 in FY 19, would be matched on a 2:1 basis; motion passed.

Mr. Johnston then presented regional budgets from regions 1, 3, 5, 7, 8, and 9 that were submitted. He stated that these budgets were due to DHCD prior to the signing of the biennium budget and some only reflect \$250,000 compared to the full \$361,111 that was allocated. After some discussion, there was a concern over variance in spending across the regions and the Board wanted to see the proposed budgets along with an explanation of organization structure. The Board took no action on the submitted budgets.

Unfinished Business

Mr. Wynne provided an update on the Regional Council roadshow and that he and Mr. Ben Davenport had visited four of the nine regions and would complete the roadshow in the coming weeks.

Mr. Wynne also gave an update on entrepreneurship and startup ecosystems that GO Virginia is expanding on the Innovation Economy Study conducted by Teconomy. DHCD has secured Teconomy to complete the second phase of this study and is working to align with the State Council for Higher Education for Virginia (SCHEV) and the Center for Innovative Technology (CIT) to build on existing state efforts.

Mr. Stephen Moret, President and CEO of the Virginia Economic Development Partnership, provided an update of the sites portfolio analysis in collaboration with GO Virginia. It is the intention to assess existing sites larger than 25 acres against regional targeted sectors and estimate the investment required for each site to become development ready. It is anticipated this analysis will be completed in late Fall 2018.

New Business

Delegate Steven Landes asked staff to provide an update on Opportunity Zones and how it relates to GO Virginia regions at the next Board meeting.

Board Matters

Mr. Johnston stated that there were changes in Regional Council leadership for Regions 1, 2, 6, and 8. A motion to approve the changes were made and properly seconded; motion passed.

Mr. Johnston also recommend that the Board accept competitive applications at every deadline moving forward, rather than every-other Board meeting, to ensure that applications deadlines do not impede project progress. A motion was made and properly seconded; motion passed. Mr. Johnston noted that the upcoming deadlines would be July 13 and September 7.

Future Board Meetings

After review of the upcoming Board meetings there was concern with the December 18 meeting and attendance for many members due to other meetings planned for that day. After a motion made and properly seconded the December Board meeting was moved to December 11 at 1:00 p.m.; motion passed. Staff noted that this would affect application deadline which will now be moved to November 2.

Adjournment

Upon a motion duly made and seconded, the meeting was adjourned.

Administrative Approvals: Enhanced Capacity Building

Southwest Virginia Technology Council HubLink

Region: 1

Sub-grantee(s): Southwest Virginia Technology Council (SWVTC)

Project Description: The proposed capacity building grant will complete initial work on the SWVTC HubLink platform, an online jobs platform, where job-seekers will be able to access job and training opportunities in the technology industry. Prior to the build-out of the platform, SWVTC will solicit input from regional stakeholders, including workforce training providers, community colleges, private industry partners, student and job-seekers, etc. in order to determine the most valuable features for the online platform. In addition, SWVTC will establish an inventory of existing training opportunities which would be featured on the platform. GO Virginia funds will be used to hire a contractor to conduct the planning and stakeholder engagement work. The City of Norton, the Town of St. Paul, and Buchanan County are participating in this project.

Type of Funds	Totals
GO Virginia Request	\$ 27,547.19
Matching Funds	\$ 27,637.20
Total Project Budget	\$ 55,184.39

Staff Feedback:

DHCD has administratively approved this application. There was consensus that the project goals of centralizing resources and engaging stakeholders will ensure the future success of the HubLink platform, and will complement other regional cyber and technology initiatives throughout Southwest Virginia. Staff feedback included:

- Platform will address an expressed need for the region's tech employers
- Strong collaboration with higher education partners
- Letter of Intention to Collaborate with United Way of Southwest Virginia on Ignite Internships, to ensure alignment and avoid duplication of efforts

Requirements			
\$1:1 Match Requirement	YES	Grant Management Capacity	YES
Local Participation Requirement	YES	Line of Sight to Future GOVA Project	YES
Alignment with GOVA Strategies	YES	Healthcare?	NO
Alignment with G&D Plan	YES	Scholarships?	NO
High-Wage Job Creation Potential	YES		

Administrative Approvals: Enhanced Capacity Building

Campus RVA

Region: 4

Sub-grantee(s): Southeastern Institute of Research (SIR) and ChamberRVA

Project Description: The proposed capacity building grant will develop the CampusRVA initiative, which will serve as a marketplace, both on-line and off-line, for internships and job openings, to facilitate the matching of employers with potential employees. Based on the successful CampusPhilly model, CampusRVA will promote the capital region as an attractive place to live, work, and play, supporting the region's goal of retaining Virginia's recent college graduates. GO Virginia funds will be used to develop a comprehensive implementation plan, including a financial and operational model for the organization, a governance structure for the organization and their partners, and an outline of the technological infrastructure necessary to launch the on-line marketplace. Chesterfield, Hanover, and Henrico Counties are participating in this project.

Type of Funds	Totals	
GO Virginia Request	\$	100,000
Matching Funds	\$	105,000
Total Project Budget	\$	205,000

Staff Feedback:

DHCD has administratively approved this application. There was consensus that filling jobs created in fast-growing and high-paying fields is critical to the future economic success of the region, and that this project would help the region take advantage of their higher-education assets. Staff feedback included:

- Strong collaboration with regional partners
- Replicating a model successful in other cities
- Ensure long-term coordination with existing resiliency efforts in Hampton Roads

Requirements			
\$1:1 Match Requirement	YES	Grant Management Capacity	YES
Local Participation Requirement	YES	Line of Sight to Future GOVA Project	YES
Alignment with GOVA Strategies	YES	Healthcare?	NO
Alignment with G&D Plan	YES	Scholarships?	NO
High-Wage Job Creation Potential	YES		

Administrative Approvals: Enhanced Capacity Building

CvilleBioHub

Region: 9

Sub-grantee(s): Central Virginia Partnership for Economic Development (CVP)

Project Description: The proposed planning grant will build capacity for CvilleBioHub, an organization that informs and connects the biotech and life sciences community and promotes the region as the center of the biotechnology industry. The overall goal for the project is to assess the current and projected regional capacity for the biotech industry, and create a strategic plan for driving innovation and growth for this cluster. In addition, the planning grant will plan for organizational sustainability and growth, through new revenue models and the formation of additional partnerships with regional institutions. GO Virginia funds will be utilized for contract planning services, salaries, and outreach efforts. The City of Charlottesville and Albemarle County are participating in this project.

Type of Funds		Totals
GO Virginia Request	\$	83,540
Matching Funds	\$	83,540
Total Project Budget	\$	167,080

Staff Feedback:

DHCD has administratively approved this application. There was consensus that CvilleBioHub plays a unique and valuable role in supporting the rapidly expanding biotech and industry, which tends to be very geographically mobile. The forethought to create a strategic plan for this important industry will greatly benefit the region moving forward. Staff feedback included:

- Strong private industry and higher education support
- Significant high-wage job creation potential within this industry
- Preliminary work necessary to support the scaling of an important cluster

Requirements			
\$1:1 Match Requirement	YES	Grant Management Capacity	YES
Local Participation Requirement	YES	Line of Sight to Future GOVA Project	YES
Alignment with GOVA Strategies	YES	Healthcare?	NO
Alignment with G&D Plan	YES	Scholarships?	NO
High-Wage Job Creation Potential	YES		

Per Capita Application: Workforce

Tech Talent Pipeline Apprenticeship Initiative

Region: 7

Strategy: Workforce Development

Type of Project: Implementation

Sub-grantee(s): Northern Virginia Community College (NOVA) and Northern Virginia Technology Council (NVTC)

Project Description: The proposed project will expand the previously awarded Tech Talent Pipeline Initiative which aims to create a workforce system to effectively attract, prepare, and retain qualified candidates to fill high demand cybersecurity and IT jobs. This project will develop and implement a new apprenticeship program, matching 400 apprentices to employers as an alternative career pathway to traditional two or four-year degrees. GO Virginia funds will be used to expand staffing for NOVA Workforce, to conduct Tech Talent Pipeline outreach, and to develop and implement the apprenticeship curriculum and models. The Cities of Alexandria, Fairfax, and Falls Church, and the Counties of Arlington, Fairfax, Loudoun, and Prince William provided the local match for this project.

Type of Funds	Totals	
GO Virginia Request	\$	1,000,000.00
Matching Funds	\$	1,000,000.00
Local Match	\$	200,000.00
Total Project Budget	\$	2,000,000.00

Outcomes:

- New apprenticeship models for IT jobs
- Apprenticeship curricula based on individual employer needs
- Expansion of NVTC's Veterans Employment Initiative (VEI)
- Long term plan for financial sustainability
- At least 12 regional businesses offering apprenticeships
- 400 apprentices trained over two year
- Creation of 510 jobs over two years

Metrics:

- Number of employers offering apprenticeships
- Number of apprentices recruited
- Number of certifications awarded
- Conversion rate from apprentice to full-time employee
- % of apprentices meeting training milestones
- Quality of hired apprentices (qualitative responses from participating employers)

Tech Talent Pipeline Apprenticeship Initiative

Workgroup Discussion:

There was consensus from the workgroup that the application would address an identified gap in the initial Tech Talent Pipeline Initiative funded through GO Virginia. The apprenticeship component would considerably enhance the career pathway for the region's targeting industries of information technology and cybersecurity, addressing the expressed needs of the private industry partners. Workgroup feedback included:

- Strong-out of-state revenue potential
- Replicates successful models from Apprenti and the Amazon Web Services Apprenticeship Program
- Expands the Tech Talent Pipeline Initiative to include an Apprenticeship Program
- \$200,000 in excess local match from the previous phase will be applied to this project, through efficiencies have been created by simultaneous implementation
- Significant private industry support and employer investment of approximately \$15,000 per apprentice during training period (totaling \$6M for 400 apprentices)
- NOVA will expand capacity through staffing and instructors to ensure they can manage employer engagement, apprentice recruitment, and curriculum alignment
- NVTC will expand the Tech Talent Employer Collaborative (TTEC) to engage employers and develop the skills profiles that will guide program development
- NOVA committed to implementing apprenticeship program after GOVA funding

Staff Recommendations:

DHCD staff recommend this application for approval.

Requirements	
\$1:1 Match Requirement	YES
Local Match Requirement	YES
Local Participation Requirement	YES
Out of State Revenue	YES
High-wage Job Creation Potential	YES
Alignment with G&D Plan	YES
Grant Management Capacity	YES
Sustainable After GOVA Funds	YES
Feasibility Study?	NO
Healthcare?	NO
Scholarships?	NO

Per Capita Application: Workforce

Shihadeh Innovation Center for Career and Technical Education

Region: 8

Strategy: Workforce Development (K-12)

Type of Project: Implementation

Sub-grantee(s): Winchester Public Schools

Project Description: The proposed project will renovate the former John Kerr Elementary School into an advanced facility for career and technical education (CTE) programs through Winchester Public Schools, in partnership with Lord Fairfax Community College (LFCC). Curriculum at the new facility will be offered through a Professional Skills Academy, a Health Sciences Academy, and an Information Technology Academy. These academies will closely align with an existing Work-Based Learning (WBL) program, which provides students with a variety of opportunities ranging from shadowing and mentorship, to extended internships with private industry partners. GO Virginia funds will be used for HVAC and electrical upgrades in the electrical, plumbing, HVAC, machining, and carpentry labs in the Professional Skills Academy. Winchester Public Schools and Clarke County Public Schools provided the local match for this project.

Type of Funds		Totals
GO Virginia Request	\$	540,000.00
Matching Funds	\$	540,000.00
Local Match	\$	108,000.00
Total Project Budget	\$	1,080,000.00

Outcomes:

- Obtain building permits
- Demolition of current, and installation of new electrical system
- Demolition of current, and installation of new HVAC system
- Opening of Professional Skills Academy by January 2020
- Enrollment of 504 students in Professional Skills Academy during grant period

Metrics:

- Number of students from high schools served by programming
- Number of students from high schools enrolled in courses
- Number of students enrolled in LFCC Workforce Solutions programs
- Number of LFCC students earning a credential
- Number of high school students earning a credential
- Number of credential awarded
- Number of students hired in full-time positions with a regional employer

Shihadeh Innovation Center for Career and Technical Education

Workgroup Discussion:

There was consensus from the workgroup that work-based learning programs should be a priority for 9-12 grade students, so they can explore career interests while developing in-demand technical and professional skills in a workplace environment. However, there was concern over the alignment of the project with the GO Virginia mission of higher-wage job creation in targeted industry clusters. Workgroup feedback included:

- Strong local and private support for the project
- Project significantly overleveraged
- Construction trade credentials highly valued by targeted manufacturing clusters
- Outcomes most relevant to GO Virginia will be produced in later phases
- 29 Businesses committed to providing WBL experiences

Staff Recommendations:

DHCD staff recommend that the applicant reapply in the next round of per capita funding, or that the application is approved contingent upon demonstrating how the requested funding for the Innovation Center will expand the existing Work-Based Learning program to prioritize internships at employers in the traded sectors targeted in the Growth and Diversification Plan. If approved with contingencies, staff would recommend requiring those contingencies be resolved prior to the October 9, 2018 Board meeting.

Requirements	
\$1:1 Match Requirement	YES
Local Match Requirement	YES
Local Participation Requirement	YES
Out of State Revenue	MAYBE
High-wage Job Creation Potential	MAYBE
Alignment with G&D Plan	MAYBE
Grant Management Capacity	YES
Sustainable After GOVA Funds	YES
Feasibility Study?	NO
Healthcare?	NO*
Scholarships?	NO

**The Shihadeh Innovation Center and WPS Work-Based Learning Program include training in the healthcare sector. However, GO Virginia funds are not being used for these aspects specifically.*

Per Capita Application: Commercialization

Lighthouse U

Region: 4

Strategy: Commercialization

Type of Project: Implementation

Sub-grantee(s): Lighthouse Labs at Virginia Biotechnology Research Park (501c3)

Project Description: The proposed project aims to empower recent college graduates to become entrepreneurs, in order to build Virginia-based businesses and train young professionals who will create or be employed in high-paying jobs. Lighthouse Labs, a top 30 seed stage accelerator program, and the da Vinci Center at Virginia Commonwealth University (VCU) will partner to expand the recently-piloted Virginia Start-Up Spring Break and Pre-Accelerator programs. The project will pilot the Lighthouse U program, which will feature a series of events and training opportunities to prepare students to launch their own businesses after graduation. As part of the collaboration, Lighthouse Labs will introduce a new summer cohort program for recent graduates of Virginia universities that participated in Lighthouse U. GO Virginia funds will be used for salaries, travel, program events, and seed funding for winning students teams at Lighthouse U and for summer cohort participants. Maggie L. Walker Governor's School and Henrico County provided the local match for this project.

Type of Funds	Totals
GO Virginia Request	\$ 1,000,000.00
Matching Funds	\$ 1,288,563.00
Local Match	\$ 288,563.00
Total Project Budget	\$ 2,288,563.00

Outcomes:

- Continuation of Virginia Startup Weekend and Startup Spring Break
- Launching Fall 4 regional entrepreneurship workshops engaging 500 students total
- Participation by at least 15 Virginia Universities in Startup Weekend
- Participation by at least 20 Virginia Universities in Startup Spring Break
- 500 students participating in Startup Weekend and Startup Spring Break
- 1000 students participating in online bootcamps
- Seeding of 20 startups participating in summer cohorts
- 60 students participating in the summer cohorts
- \$2 million in outside capital invested in summer cohort startups
- Creation of at 75.6 jobs over three years
- Creation of a tracking system for student-led startups to evaluate program impact

Lighthouse U

Metrics:

- Number of universities participating in Lighthouse U events
- Number of students and businesses participating in summer cohorts
- Number of students participating in online bootcamps
- Number of jobs and businesses created
- Mentorship contact hours provided to Lighthouse U participants
- Number of SCRUM and Lighthouse U certifications earned
- Total outside capital invested in summer cohort startups

Workgroup Discussion:

There was consensus from the workgroup that Lighthouse U was an exciting opportunity to retain young entrepreneurs exiting Virginia's universities through an early introduction to the region's startup ecosystem. The robust and structured approach will be replicable at universities and accelerators in other regions. Workgroup feedback included:

- Strong support from higher education partners
- Economic impact likely to be higher than direct outcomes demonstrate
- The majority of the 27 startups launched at 2017-2018 events are still active in Virginia
- GO Virginia funding removed from seed funding and prize money
- Longer-term financial and operational commitments should be secured from VCU, partner universities, and funding agencies

Staff Recommendations:

DHCD staff recommend this application for approval as a pilot initiative that should lead to a replicable model for other universities and accelerators.

Requirements	
\$1:1 Match Requirement	YES
Local Match Requirement	YES
Local Participation Requirement	YES
Out of State Revenue	YES
High-wage Job Creation Potential	YES
Alignment with G&D Plan	YES
Grant Management Capacity	YES
Sustainable After GOVA Funds	YES
Feasibility Study?	NO
Healthcare?	NO
Scholarships?	NO

Competitive Application: Infrastructure

Mid-Atlantic Advanced Manufacturing Center (MaMaC) Mega-Site

Region: 4

Strategy: Joint Site Development

Type of Project: Implementation

Sub-grantee(s): MAMAC Regional Industrial Facilities Authority (MAMAC RIFA)

Project Description: The proposed project will advance the 1,600 acre McCallum Sweeney certified Mega-Site in Greenville County to a Tier 4 Mega-Site. To date, the MAMAC RIFA, including Greenville and Mecklenburg Counties and the City of Emporia, has made significant progress toward improving the site with water, electric, and natural gas utilities, clearing land for pads, and securing crucial right-of-way acreage to ensure utility access to the site. GO Virginia funds are requested to complete engineering plans to upgrade the Greenville County Water and Sewer Authority's Water Treatment Plant, to construct the gravity fed sewer system to the site, and to construct the wetlands mitigation bank. Upon completion of these two items, the site would construction-ready for a prospect within 12 months. The MaMaC RIFA provided the local match for this project.

Type of Funds	Totals
GO Virginia Request	\$ 2,217,500.00
Matching Funds	\$ 3,262,175.00
Local Match	\$ 704,111.00
Total Project Budget	\$ 5,479,675.00

Outcomes:

- Preliminary Engineering Report (PER) for forcemain and gravity sewer systems
- Easement acquisition for gravity sewer system
- Construction of gravity sewer system
- Engineering plans for upgrades to the Water Treatment Plant
- Land Acquisition and construction of wetlands bank

Metrics:

- Number of jobs created (in target industries)
- Number of projects (active company recruitment files)
- Number of prospects (active company visits)
- Number of businesses attracted
- Total square footage of new industrial space developed
- Leveraged Private Investment

Mid-Atlantic Advanced Manufacturing Center (MaMaC) Mega-Site

Workgroup Discussion:

There was consensus from the workgroup that this project, which would establish only the second Tier 4 Mega-Site in the Virginia, represents a critical opportunity for the Commonwealth and aligns with the economic development priorities of VEDP. The potential job creation and out-of-state revenue that would be generated from the site would have a transformative impact on the Region 3 and 4 economies, as well as the Commonwealth. Workgroup feedback included:

- Strong local participation and local support
- Clear ROI within three years of landing prospect
- Substantial work has been completed to date through federal, state, and local funds
- Plans for Wetlands Mitigation Bank submitted for Army Corps of Engineers approval
- Cost of electric from Mecklenburg Electric Cooperative may be barrier for prospects
- Labor-shed analysis indicates adequate workforce to support development, but should ensure training opportunities align with needs of target industries

Staff Recommendations:

DHCD staff recommend this application for approval.

Requirements	
\$1:1 Match Requirement	YES
Local Match Requirement	YES
Local Participation Requirement	YES
Out of State Revenue	YES
High-wage Job Creation Potential	YES
Alignment with G&D Plan	YES
Grant Management Capacity	YES
Sustainable After GOVA Funds	YES
Feasibility Study?	NO
Healthcare?	NO
Scholarships?	NO

Memorandum

TO: Virginia Growth and Opportunity Board Members

FROM: Erik Johnston, DHCD Director

RE: FY19 Regional Capacity Building Budgets

DATE: August 14, 2018

CONTENTS:

1. Regional Capacity Building Budget Spreadsheet
2. Budget Narratives (*as submitted*)
3. Regional Council Support Organization Charts

REGIONAL CAPACITY BUILDING BUDGET SPREADSHEET

The budget spreadsheet outlines the capacity building budgets approved by each Regional Council for Fiscal Year 2019. As noted during the Board's discussion at the June 2018 Board meeting, the regional capacity building budgets as submitted were difficult to compare due to the variability in line items, and the grouping of expenses. Since the Board last viewed the budgets, DHCD has analyzed each region's budget and established a standard set of expense categories to create consistency across regions. Where necessary, staff have adapted the regional budgets to these line items. As part of this process, some line items have been renamed, combined, or broken-out for the sake of consistency between regions.

Staff have also realigned budgets to more accurately reflect the portion of the regional capacity building funds being used for program support versus capacity building. Within each budget, the Program Support section outlines the cost of operating the GO Virginia program, projects, and Regional Councils. On the other hand, the Planning section outlines the cost of regional capacity building efforts including Growth and Diversification Plan updates, gap analyses, and pipeline development.

REGIONAL BUDGET NARRATIVES

The budget narratives provided by each region describe their FY19 capacity building budgets as submitted. The numbers and arrangement of line items in these narratives may vary from the spreadsheet due to the realignment described above.

REGIONAL SUPPORT ORGANIZATION CHARTS

The organization charts depict the personnel structure for each region's supporting organization. Personnel shown on these charts may not be directly or fully funded by GO Virginia, as some



work on GO Virginia part-time, or on a contractual basis. As such, these charts should not be used as a basis for the Salaries or Contract Services line items shown on the budget spreadsheet.

REGION 2 BUDGET

The Region 2 Council will review their FY19 capacity building budget at the August 24, 2018 meeting. As such, this region has not yet submitted a budget for consideration by the Board. The supporting organization for the region, Virginia Tech, will utilize the remainder of their FY17-18 budget to cover their operations until their budget are approved by the Board.

FY 19 GO Virginia Regional Capacity Building Budgets									
	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Admin (General)	\$400		\$3,000	\$1,200	\$5,526		\$9,265		\$14,851
Audit			\$1,500	\$5,000	\$1,600		\$5,000	\$1,000	\$6,000
Contract Services						\$8,000	\$10,000		
Fiscal /Accounting Services	\$13,889			\$31,800	\$3,250		\$5,700		
Legal Expenses	\$5,000		\$1,800			\$4,000	\$5,000	\$1,000	
Marketing, Outreach, and Websites	\$12,500		\$2,600	\$4,600			\$1,555	\$10,000	\$11,310
Meetings and Workshops	\$25,450		\$12,000	\$1,200	\$1,000	\$1,073	\$1,500	\$5,000	\$6,475
Rent	\$1,200			\$14,400					\$9,460
Salaries (Fringe if applicable)	\$186,955		\$201,425	\$227,100	\$189,788	\$49,873	\$57,680	\$205,000	\$144,160
Supplies & Equipment	\$6,400			\$1,190	\$2,488		\$500	\$1,000	\$3,250
Taxes and Insurance				\$5,000			\$3,000		
Travel	\$12,500			\$1,800		\$536	\$3,000	\$2,500	\$2,790
Program Support Total	\$264,294		\$222,325	\$293,290	\$203,652	\$63,482	\$102,200	\$225,500	\$198,296
Contract Services	\$22,735		\$22,675	\$5,000	\$10,000	\$150,000	\$100,000	\$24,500	\$750
Technical Assistance			\$55,000				\$7,800		
Growth and Diversification Plan Development			\$61,111			\$36,518	\$40,000		
Planning Grants									\$50,954
Planning Total	\$22,735	\$0	\$138,786	\$5,000	\$10,000	\$186,518	\$147,800	\$24,500	\$51,704
Project Reserves	\$74,082	\$0	\$0	\$62,821	\$147,459	\$111,111	\$111,111	\$111,111	\$111,111
TOTAL	\$361,111	\$0	\$361,111	\$361,111	\$361,111	\$361,111	\$361,111	\$361,111	\$361,111

Fiscal Year 2019 Budget Narrative

Approved 6/5/2018

\$361,111 Building Capacity Budget

The University of Virginia's College at Wise (UVA-Wise) serves as the support organization, which includes fiscal oversight, for the GO Virginia (GO VA) Region One Council. The University of Virginia's Office of Sponsored Programs (OSP) will manage the Region One Capacity Building budget and expenditure activity. Through the approved Memorandum of Understanding (MOU) between UVA-Wise and the DHCD State Board, OSP will submit funding requests to the Department of Housing and Community Development (DHCD) for the fiscal operations of the Region One Council.

During the inaugural year of GO VA (FY 2018), the Region One Growth and Diversification Plan was successfully completed and approved by DHCD and the GO VA State Board. Key Target Industries were identified: Advanced Manufacturing; Agriculture and Food/Beverage Manufacturing; Information and Emerging Technologies; and Energy and Minerals. Also included were Underpinning Strategies of Talent Development, Entrepreneurship and Innovation, and Infrastructure. Project submissions for Region One in FY 2018 include four Per Capita grant applications and two Administrative Approval Applications. In FY 2019, the Region One Council will continue to petition Per Capita grants which focus on the key target industries, the creation of higher paying jobs, and the collaboration of localities within GO VA Region One. Additionally, the Region One Council will engage other Regions within the Commonwealth to collaborate in securing Competitive Grant applications that will have a statewide economic impact.

The 2018 General Assembly appropriated budget for GO Virginia Region One (FY 2019) will total \$361,111. The Region One budget will focus on two primary categories; Administration and Direct Planning Services.

The Administration budget of \$93,060 reflects the operational activities of the Region One support organization. UVA-Wise will utilize 4 percent (\$14,444) of the building capacity funds to meet the fiscal management services requirement set forth by the GO VA State Board and the Virginia Department of Housing and Community Development (DHCD). Administrative support for operational and fiscal duties will total \$41,541 in salaries and fringe benefits. This includes an

REGION 1 BUDGET

Administrative Assistant position with 50 percent of time dedicated to the GO VA Region One Council. Fiscal support for the financial operations of the GO VA Region One Council will make up the part-time position funding.

Marketing and outreach are essential to the open communication and dialogue between the Region One Council, its citizens and collaborating regions across the state. The Marketing/Advertising/Promotions budget totaling \$20,000 will support communication efforts and maintenance of the Region One website, notifications of meeting dates and deadlines, and sponsorship opportunities. Expenditures for Region One Council meetings are budgeted at \$2,575 for FY 2019. Other administrative costs include office supplies (\$3,000), estimated travel for staff to attend regional meetings, workshops, etc. (\$1,500) and telecommunication services (\$400). Equipment (\$3,400) and office space rental (\$1,200) expenditures will support the daily operational activities of the administrative staff. Legal services will be procured at an estimated fee of \$5,000.

The Direct Planning Services budget of \$268,051 will support project-based expenses associated with capacity building efforts and project implementation. The Program Director for GO VA Region One manages the daily operations and support staff within the support organization. Working with the Regional Council, the director will facilitate regional meetings and workshops, and engage in regional and statewide outreach in the development and collaboration of GO VA projects. Salary and fringe benefits for this position will total \$76,450 in FY 2019. Consultant services (\$25,000) will be procured for guidance and support with project development for Working Groups. Existing UVa-Wise technical assistance staff will be available to work with Working Groups and applicants as they develop their project proposals. Services may include suggesting matching fund resources, guidance on the proposals alignment with the Growth and Diversification Plan, introduction to other constituents within the region working on similar projects, encouragement of collaboration, and guidance on the Region One application and review process. Compensation for these services will total \$23,598. To support the development and coordination of regional Per Capita and Competitive Grant projects, the bridging to competitive grants budget will total \$35,000 for existing UVa-Wise staff. Training and workshop expenditures including training, food services, printing and supplies for How to Apply workshops and Working Group gatherings will total \$22,875. Travel costs to GO VA State Board meetings and project development meetings with regional and state applicants are projected to total \$11,000. Reserve funds totaling \$74,128 will be dedicated to Region One for future grant project allocations.

GO VA Region 3 FY 19 Budget Request – Category Narrative

Update June 4, 2018

As of the date of this budget narrative, the amount of Capacity-Building funding for operations for Regional Councils is \$361,111; this includes a required match that may be ultimately waived by the State GO Virginia Board. Region 3 is revising its original proposed budget to reflect the total \$361,111 with the understanding that if a 1:1 match is required, the Council may adjust the budget to shift funds into the Projects category. This proposed budget covers activities from July 2018 through June 2019 and assumes a Capacity-Building allocation of \$361,000.

The Region 3 Southern Virginia GO Council has worked with its contract staff to develop anticipated work plan elements outlined below that provide the basis for the budget request.

This request does not constrain the Region 3 Council from identifying other activities that may be necessary to fully complete the GO Virginia goals. The council may also revise its categorical allocations at a future date, through a process that has been defined by the State Board.

Activity categories and allocations

Administration: Council and Advisory Committee meetings, administrative overhead: \$90,900

Support council meetings, Advisory Committee meetings and topical focus groups ultimately report to the council. Staff support for these functions, as well as meeting all COIA/FOIA requirements, represents approximately 35% of the total budget. This includes agenda development, meeting facilitation, logistics and travel, materials and supplies, printing & postage, website maintenance.

Planning Services: Contract Services: \$60,675

This category supports contracted technical resources necessary to develop and assist in launching the Region 3 Operational Sustainability Plan, as well as continue to develop the Partner and Project pipeline, manage ongoing vendor contracts for communications and sector development, provide representation at designated State and Regional meetings, and provide on-ground logistics support. The Contract Services are deeply engaged during the first six months of the fiscal year and are then shifted into a coaching/advisory role for the last six months.

Planning Services: Project Management: \$60,750

This category supports a full-time Program Manager responsible for the continuous implementation of the Region 3 Operational Sustainability Plan, managing ongoing vendor contracts for communications and sector development, and providing full-time staffing to the Council and its Committees. The Program Manager is also responsible to catalyze the necessary partnerships within the Region as well build partnerships across Regions, representing Region 3 in State and Regional meetings. The Program Manager assumes these responsibilities beginning in the second half of the fiscal year.

Planning Services: Technical Assistance: \$55,000

This category supports the anticipated costs associated with Subject Matter Experts engaged to review the Project Submissions as well as providing more focused support on Project Pipeline development, including proactive communications through meetings, electronic training, etc.

Planning Services: Meetings & Facilitation: \$10,000

This category supports the anticipated independent facilitation needed for development of the organization to become a robust and impactful leadership organization. The facilitation is expected to be needed as the Council transitions into utilizing full-time professional staff.

Planning Services: Growth & Diversification Plan Development: \$61,111

This category supports the Council's ability to conduct additional analyses of the Areas of Critical Need, including identifying potential project partners who can begin to address these Needs. The category also supports the initiation of evaluation of results as well as beginning to assess modifications to the Plan.

Planning Services: Other: \$22,675

Region 3 anticipates the need for development of a regional brand (consistently identified as a barrier to a positive image, during the 2017 stakeholder sessions); development of a Project Portal and Monitoring Platform, to effectively track the investments that are made by the Council in support of the Growth and Diversification Plan goals; anticipated expenditures that relate to communications, Advisory Committee activities, investor development; and initiating updates to the Growth & Diversification Plan.

Other notes

Staffing and Ongoing Operational Notes

The Region 3 Council has self-identified as the strategic thought-leader for Southern Virginia. To fully achieve this goal, the Council is undertaking an organizational development strategy as well as developing a plan for operational sustainability that defines clear objectives. Numerous strong existing civic and economic development organizations exist within the footprint, and Council is sensitive to creating a trusted and effective partnership with these entities that will build leadership in the Region. It anticipates the need for long-term commitment to this effort, which is essentially a leadership development strategy.

Because of its vision, the Council anticipates the need for a full-time Program Manager who can serve as an organizational staff leader to help the Council continue to anticipate opportunities, develop a sustainable funding model, improve the Project pipeline, and build stakeholder engagement. FY 19 is expected to transition from the current model of contract management services to full-time staff.

The Council intends to continue its contract relationship with the Southside Planning District Commission to provide Support Organization services principally for fiscal management and

administrative support. SPDC designates a project manager to attend to the management of funds, for both Planning Services as well as Project Implementation.

Based on FY 18, the Region 3 Council estimates its Program of Work will require at least 2000 hours over the 12 month performance period.



REGION 4 - BUDGET UPDATE

Background

In September 2016, a group of Richmond region business leaders initiated the creation of the GO Virginia effort for the Richmond Region and the Crater Planning District Commissions.

The group selected Wilson Flohr to lead this undertaking to create a non-profit entity to support the future Council. Please see the attached resume and contract for Wilson Flohr, CEO, and President of GCJ Foundation. Initially, his responsibilities were to identify prospective Council members, meet and discuss GO Virginia mission, recruit these diverse individuals to serve, and create an agile team to support the Council and prospective projects.

Currently, the support organization for Council 4 responsibilities expanded to include:

- Generating projects that meet the Council's Economic Growth & Diversification Plan.
- Review the projects to ensure they meet GO Virginia requirements.
- Vet projects with Foundation Board and Subject Matter Experts and provide recommendations for Council's approval.
- Verify timely and proper submission of projects.
- Manage contract details and milestones and reports progress to Region 4 Council and DHCD.
- Lobby with Legislators about GO Virginia's contribution to the Commonwealth and request continued support.

Administrative Expenses

GCJ's office space was leased for \$1,200 per month in a building owned by New Market Corporation, which provides four offices, the use of two conference rooms, free parking, internet and telephone. The building is dedicated for non-profit companies hence the value proposition for rent and utilities. Purchasing office liability and Directors and Officers insurance for the Foundation is an administrative responsibility.

Program Management & General Operating Costs

The philosophy of the GCJ team is to hire professional and consultant expertise as needed on a retainer basis to keep administrative expenses low. John Montoro, CPA and owner of RealTime Accounting Solutions is contracted for accounting responsibilities. John has had more than 20 years of experience working with the Commonwealth and other government agencies in his 35+ years in the accounting profession.

Serena Barry, a marketing and public relations professional with 30+ years of experience is a contract employee responsible for communications and related marketing activities.

Kim Allman, a certified project manager with 20+ years of project management experience is contracted to work with potential and approved projects to insure they meet milestones established by DHCD.

Ann Isbell, an executive assistant with 30+ years of professional experience leads the Foundation's administrative activities and coordinates with DHCD, the Foundation and Council.

Grace King, a former partner at McGuire Woods and the retired senior vice president, legal counsel and corporate secretary for Owens & Minor is working on a *pro bono* basis with GCJ. She is corporate secretary for the Foundation.

REGION 4 – BUDGET UPDATE (cont.)

Marketing and Outreach

Dollars have been allocated to build awareness for project solicitation and FOIA public notices as well as building and refreshing the website. Additional dollars are budgeted for typical expenses for any ongoing enterprise. Further, there are remaining dollars not allocated to any category for future project uses as they may arise.

Direct Planning Expenses

Bob Holsworth, a DecideSmart executive led the group who created the Region's Economic Growth & Diversification Plan and has been hired as a consultant to facilitate ideation sessions to generate future projects and facilitate discussions with the Region's business, education and jurisdictional leadership.

Region 5 Capacity Building Narrative

ATTACHMENT A: GO Virginia Capacity Building Funds Budget Narrative

A. Program Support

- a. Audit – Reinvent Hampton Roads (RHR) was given a quote of \$ 6,500 for the 2017 audit. A \$ 1,500 increase to the \$ 5,000 RHR that was paid for the 2016 audit is attributed to adding the GO Virginia grant fund management. The request will cover the estimated cost associated with the GO Virginia account administered by Reinvent Hampton Roads.
- b. Fiscal Management/Accounting Services – RHR contracts general bookkeeping, payroll, tax reporting and payment services at an estimated cost of \$ 6,500.00. The request represents 50% of these costs.
- c. Salaries – The request represents 50% of the salaries of the President and CEO and Executive Vice President and 30% of the Administrative Assistant. The request also factors in a possible 3% salary increase that would commence January 1, 2019.
- d. Fringe Benefits – The request represents 50% of the fringe benefits for the President & CEO and Executive Vice President and 30% for the Administrative Assistant. This includes medical and dental insurance coverage for two full-time employees and parking for three full-time employees of Reinvent Hampton Roads.
- e. Equipment – The request represents 50% of the charges incurred by Reinvent Hampton Roads to lease a copier and related ink charges.
- f. Meetings and facilitation – The request will cover mileage for staff to attend GO Virginia-related meetings as well as other expenses incurred to include meeting space rental, parking and/or refreshments.
- g. Supplies – The request will cover supplies for meetings to include paper, name plates, etc.
- h. Other – The request covers 50% of the costs incurred by Reinvent Hampton Roads for IT services. The total expense for the period of July 1, 2018 through June 30, 2019 is expected to be \$ 11,052.00.

B. Planning Services

- a. Contract Services – The request will cover 25% of the \$ 40,000 site inventory certification process. Other funders include Virginia Natural Gas, Dominion Energy, and the Virginia Port Authority.
- b. The remaining, uncommitted amount of \$ 147,458.58 will be placed in the Project Reserves.

GO Virginia Region 6 FY19 Capacity Building Budget Narrative

Overview

The George Washington Regional Commission (GWRC), planning district commission for Virginia Planning District 16, is the support organization and fiscal agent for GO Virginia Region 6. Of the \$361,111 capacity building allocation to Region 6 for FY19, \$250,000 is budgeted for administration and planning services. The remaining \$111,111 is budgeted to project reserves, to supplement the region's per capita allocation.

Administration Line Items

Salaries - \$22,896.22

These funds will support .75% GWRC FTE (Kate Gibson, Senior Planner) dedicated to GO Virginia. Activities under this position include program management, Regional Council staffing, project solicitation & review, and project management.

Fringe Benefits - \$9,137.57

These funds will support fringe benefits associated with .75% GWRC FTE dedicated to GO Virginia. Fringe benefits are calculated as 39.91% of salary.

Other - Indirect Costs - \$17,839.69

These funds will support indirect costs associated with .75% GWRC FTE dedicated to GO Virginia. Indirect costs include audit, equipment, fiscal management/accounting services, rent, supplies, and executive director salary and fringe. Indirect costs are calculated as 55.69% of salary and fringe.

Meetings and Facilitation - \$1,072.55

These funds will support costs associated with Regional Council meetings, including serving lunch and renting meeting space if needed.

Other - Travel - \$536.27

These funds will support travel costs for GWRC staff (Linda Millsaps, Executive Director and Kate Gibson, Senior Planner) to attend meetings and events relevant to GO Virginia.

Legal Expenses - \$4,000.00

These funds serve as a placeholder should the Regional Council or GWRC staff determine that legal services related to GO Virginia are required.

Planning Services Line Items

Contract Services - \$194,517.70

These funds will support the following activities:

- \$8,000.00 to complete an existing contract with Community Futures (Neal Barber, President) for services related to project solicitation & review.
- \$150,000.00 to contract for services related to project development in each of the Region 6 sub-regions (George Washington Region, Northern Neck, and Middle Peninsula).

- \$36,517.70 to update the Economic Growth & Diversification Plan and/or support other planning needs determined by the Regional Council.

Project Reserves - \$111,111

These funds will supplement the region's per capita allocation.

REGION 7 BUDGET

Capacity Building Narrative

Program Support

Audit -\$5,000

NVRC provides audit for Council as part of its audit; figure is estimate at this time.

Fiscal Management/Accounting Services - \$5,700

NVRC costs related to CPA and accounting support to Council; monthly Quickbook fee; and other admin costs itemized by NVRC staff for actual activities (Tenney, Lazaro, others)

Marketing/Advertising/Promotions - \$500

Advertising - likely for solicitations for projects in FY 19; Council expects to seek specific types of activities related to tech talent pipeline model, with focus on IT and cyber-security workforce development

Meetings and Facilitation -\$30,000

Includes time of SR Consulting team to support 6 full Council meetings and subcommittee meetings to be held regularly between full Council meetings. Includes \$1,500 for meeting-related expenses (i.e. Coffee, snacks) and \$28,500 for time spent by S Rowland, J Valdes-Dapena, others as needed

Taxes and Insurance - \$3,000

Director's insurance through VML insurance; add-on to NVRC's policy specific to Council's work

Other: Printing - \$250

Not advertising; related to any printing costs for Council meetings, other functions

Supplies -\$500

Miscellaneous office expenses

Travel -\$3,000

Mileage and other related travel expenses of NVRC team

Legal Support -\$5,000

Based on FY18 experience; hourly rate using NVRC's legal council; most likely related to contract development for projects

Planning

Growth and Diversification Plan Development - \$40,000

Council plans to contract again with GMUs Center for Regional Analysis to revise / update the G&D Plan to reflect new information and to focus plans as the Council has developed

Technical Assistance - \$85,000

Council plans to use contractors with specific expertise to assist in developing projects and to identify vendors with capacity to develop the Council's plans; GMU will likely support ROI development and performance evaluations for both new and existing projects; The Council also plans to develop two+

REGION 7 BUDGET

competitive grant applications in FY19, and will use contractors to assist. It's Per Capita funding will be targeted by the Council, and expects to use contractors to assist with region-specific project development in high-return industries.

Project Management - \$42,180

Council has expanded support organization team role to not only provide fiscal and performance monitoring, oversight and reporting, but added support to new Council work groups assigned to mentor and evaluate project performance in order to develop strategies that model entrepreneurial practices for rapid implementation of outcome-oriented funded projects

Other: Outreach/Education - \$10,000

Council plans for consultant to develop education strategy plan targeting private business community, and to enhance gap analysis

Other: Misc expenses/contingencies - \$9,015

Planned for unforeseen expenses

Other: Internet Presence and Cloud related costs - \$3,055

G-Suite annual subscription (\$360); Network Solutions fees (\$695); Part of NVRC team time to update website (\$2k)

Other: Support Match Development - \$7,800

For time spent by support organization team to develop match sources for projects, if needed.

Project Reserves

These funds (\$111,111) were moved to the Per Capita Fund by vote of the Council at its June 27, 2018 meeting.

REGION 8 BUDGET

GO Virginia Region 8

FY2019

Capacity Building Budget Narrative

Overview

In FY2019, the GO Virginia Region 8 Council has budgeted for the use of \$250,000 in capacity building funds for the purposes of administration and planning services. The remaining \$111,111 available to Region 8 for capacity building efforts requires a match, which we are unable to provide at this time. Therefore, these funds are budgeted to be transferred to project reserves, where they will supplement our region's per capita allocation.

Support Organization Structure

In FY2019 Region 8 has chosen to simplify its administrative support organization structure by designating the Northern Shenandoah Valley Regional Commission (NSVRC) as its sole support organization. NSVRC previously served only as the region's fiscal agent, partnering with the Central Shenandoah Planning District Commission (CSPDC), Shenandoah Valley Workforce Development Board (SVWDB), and the Shenandoah Valley Partnership (SVP) to collectively distribute and provide the support organization functions to Region 8.

These partners will still be engaged in different capacities. SVP and SVWDB will focus their efforts on convening and developing economic and workforce development-related projects and engaging potential applicants. The CSPDC will still provide support in managing updates to the region's Economic Growth and Diversification Plan, will provide grant support to applicants and will still staff the Region 8 Grant Review Committee and oversee the grant application process. SVP and the Region 8 Council will continue to share an administrative staff position. In addition, Region 8 is seeking a contract resource to provide a dedicated individual who will serve as a part-time Program Director for Region 8. NSVRC, as the support organization, will contract for the services of these partner organizations rather than add individuals to its staff roster.

Line Item Descriptions

The following bullets correspond to the line items on the Region 8 FY2019 Budget in descending order:

A. Program Support

- Salaries (\$30K) and Fringe (\$10K) total \$40,000. These funds will support the existing administrative position that is shared with SVP.
- Legal expenses of \$1,000 to cover the cost of any administrative inquiries to counsel.
- Supplies expenses of \$1,000 to cover any office supplies required to staff Region 8.
- \$2,500 in Other line item listed as mileage reimbursement and travel costs for staff in support of the Council.
- \$1,000 in Audit line item to help offset the additional cost of the NSVRC Audit due to GO Virginia.
- \$5,000 in Meetings and Facilitation to cover the cost of GO Virginia meeting space & refreshments

REGION 8 BUDGET

- \$10,000 in Marketing. We expect with the addition of the dedicated program manager, Region 8 will have the capacity to market the program more effectively in FY2019.

B. Planning Services

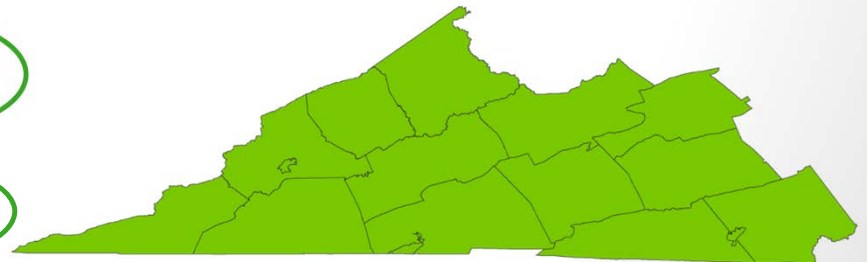
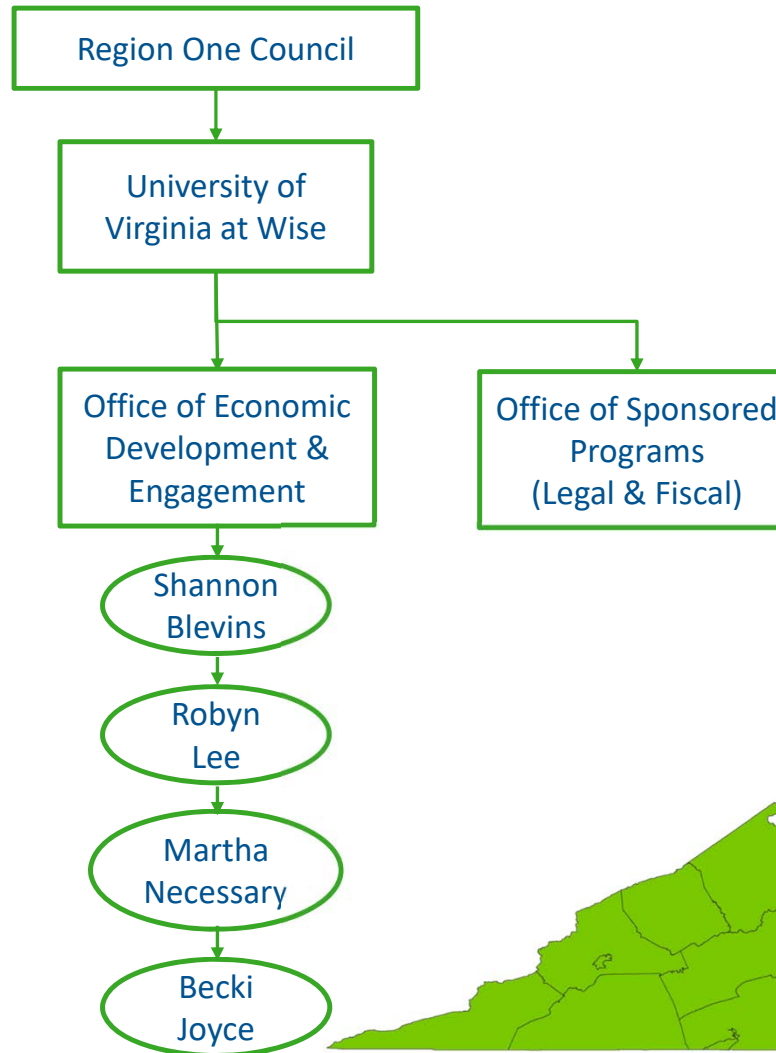
- Contract Services: Up to \$60,000 for the cost of hiring a contract resource to serve as a Program Director.
- \$30,000 in project management to cover the cost of CSPDC's staff time for project assistance through development, grant submittals, project oversight, record keeping, and for the review and development of prospective projects that never reach the application stage. CSPDC will provide support for applicants within their service area footprint.
- \$24,500 in technical assistance for the purposes of hiring outside experts to aid the Council in application review or project development.
- \$50,000 for NSVRC's fiscal management and accounting services.
- \$25,000 in project management to cover the cost of NSVRC's staff time for project assistance through development, grant submittals, project oversight, record keeping, and for the review and development of prospective projects that never reach the application stage. NSVRC will provide support for applicants within their service area footprint.
- \$111,111 allocated for project reserves. Due to the match requirement, the Region 8 Council will shift all funds which require a match to per capita project funding in an effort to secure private match. Securing private or public match for administrative capacity building efforts in our region is highly unlikely at this time.

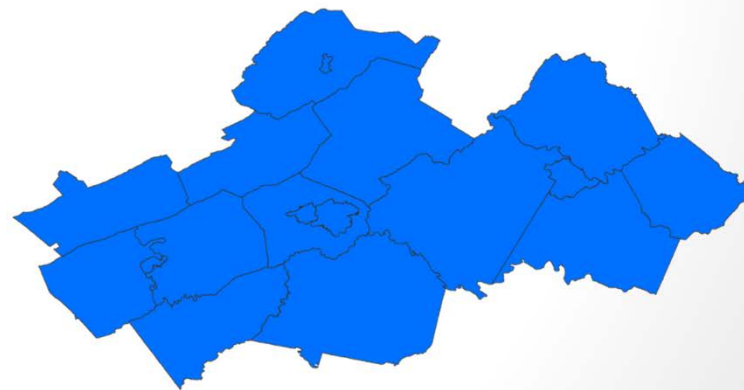
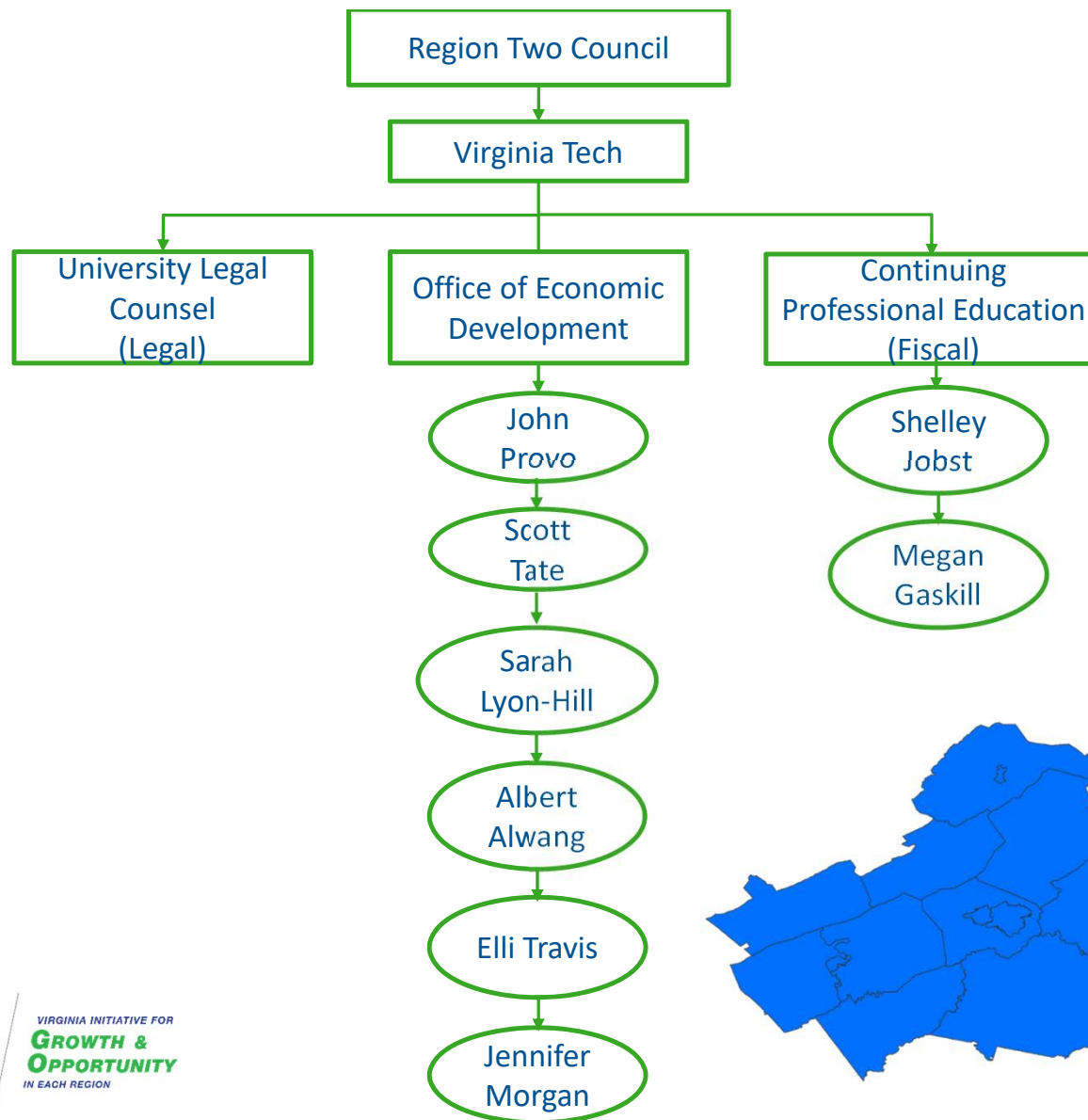
REGION 9 BUDGET

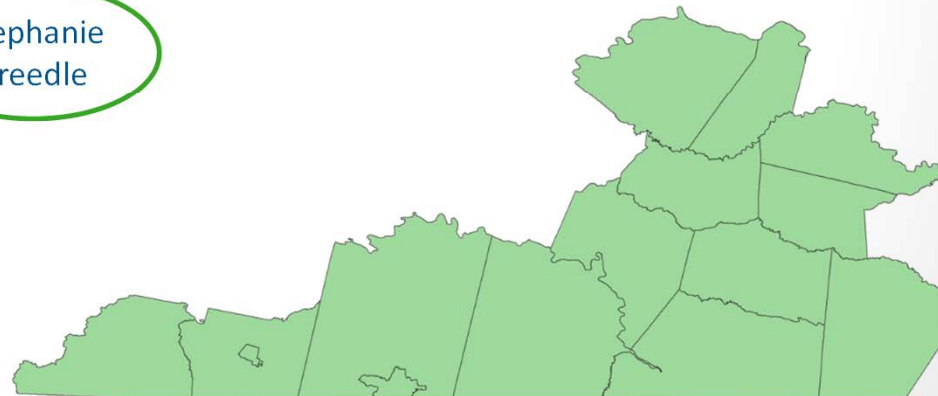
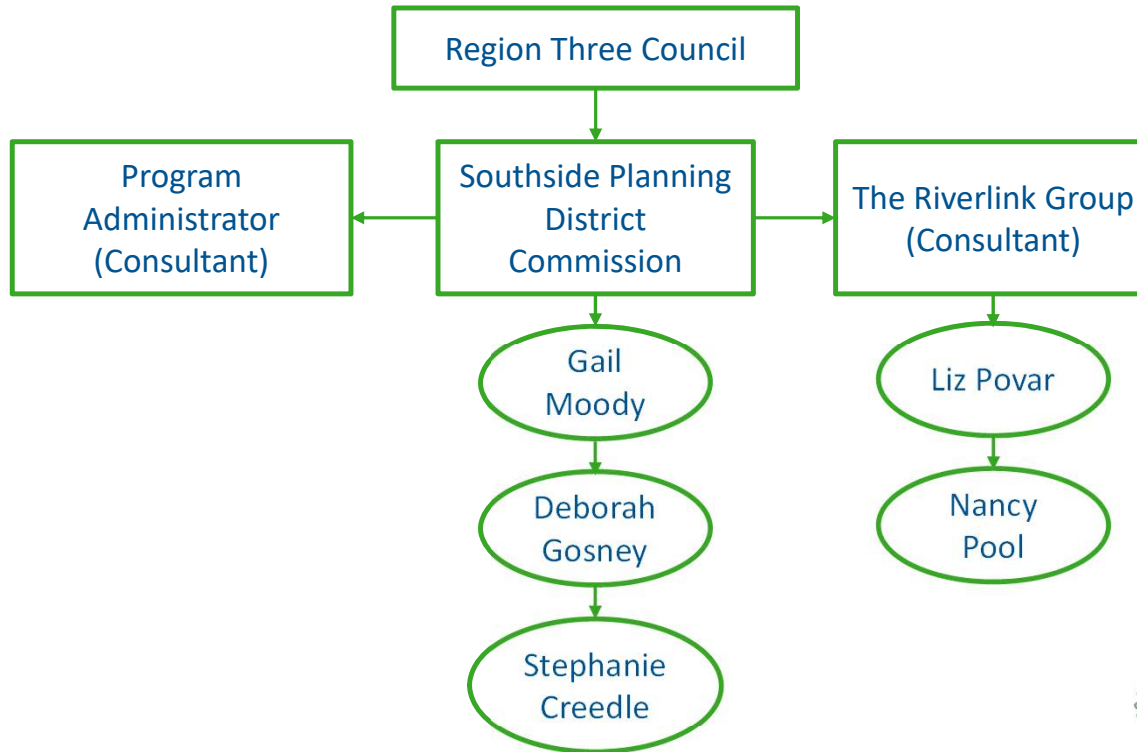
REGION 9 PROGRAM SUPPORT – BUDGET NARRATIVE FY 2019	
Audit	Estimated proportional charge for the Partnership Annual Audit as required by GO Virginia at \$6,000
Equipment	\$1,500 for laptop and dock; \$500 for standing desktop
Fiscal Management/Accounting Services	
Fringe Benefits	Fringe Benefits for Partnership President at 4 hours per week or 208 hours per year; Grant Accountant at 2 hours per week or 104 hours per year; Admin .50 FTE at 20 hours per week or 1,040 per year; GO Virginia Director at 38 hours or 1,976 hours per year
Legal Expenses	
Marketing/Advertising/Promotions	JOBS EQ software fees and Constant Contact at \$2,000 per year; graphics and marketing services at \$3,500; Fees/Admission for attending professional networking meetings to promote GO Virginia, such as Chamber, ED, Workforce, Business events at \$2,000
Meetings and Facilitation	Train New Council Members in working lunch format, meal, room, AV at \$575; Two meetings of grantees to share idea or promote projects, estimated 30 attendance, meal, room, AV at \$750; Conference calls \$75; Host session(s) at TomTom at \$1,875; 6 Council Meetings, 3 Exec. Committee Meetings, 1 Annual Meeting at \$1,750
Other	General Administration Allocation estimated by Accountant at \$14,851
Rent	Rent \$9,460 annually
Salaries	Staffing: Partnership President at 4 hours per week or 208 hours per year (\$74.82); Grant Accountant at 2 hours per week or 104 hours per year(\$33.65); Admin .50 FTE at 20 hours per week or 1,040 per year (\$24.04); GO Virginia Director at 38 hours or 1,976 hours per year (\$37.50)
Supplies	Miscellaneous office supplies and printing at 1,250
Taxes and Insurance	
Travel	Mileage/Tolls to 9 Board Mtgs. at 150 miles x .56=\$756; Mileage/Tolls to 45 partner, government, business events or meetings, 45 x 35 average miles = 1,575 x .56 =\$880 Meeting meals \$650 annually; Parking \$200; Hotel \$300
Website Development	Expand GO Virginia Webpage to include more resources as well as information on locally funded projects at \$3,500

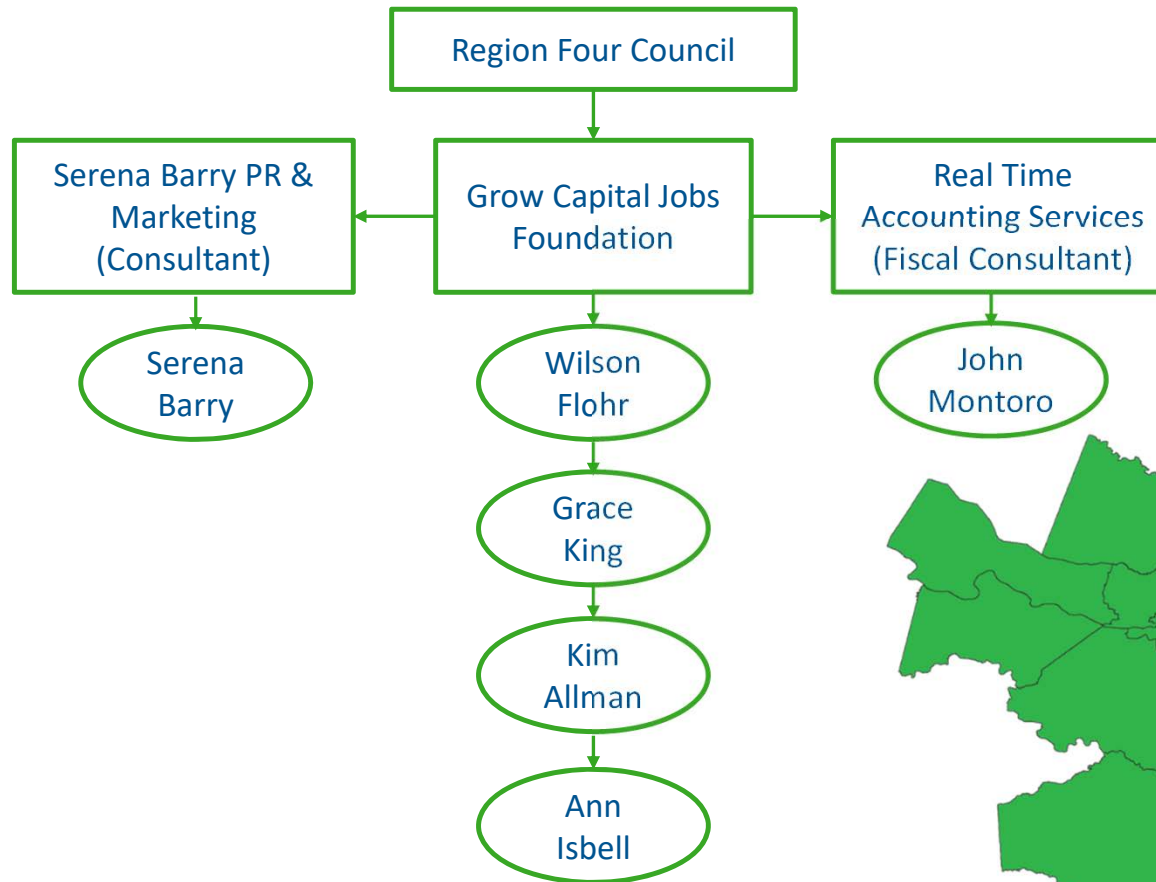
REGION 9 BUDGET

REGION 9 PLANNING ACTIVITIES – BUDGET NARRATIVE FY 2019	
Contract Services	UVA Darden Consulting fee for potential research project \$750
Fiscal Management/Accounting Services	10% of Admin .50 FTE time allocated to specific project activity - not covered in specific project budgets \$7,625
Growth and Diversification Plan Development	
Meetings and Facilitation	Convening of Grantees, Conference calls for projects, etc. not budgeted for in specific project budgets at \$1,450
Other	Funds to be used to implement capacity building projects Opportunities outlined in Growth Plan probably in the area of Talent Attraction, Innovation, etc.
Project Management	Marketing Outreach activity for specific projects not covered by project budget at \$310
Project Reserves	Funds to be used for future projects if match of 50 cents to \$1 is identified; or, at Council discretion funds may be rolled into Regional Per Capita funds \$111,111
Technical Assistance	

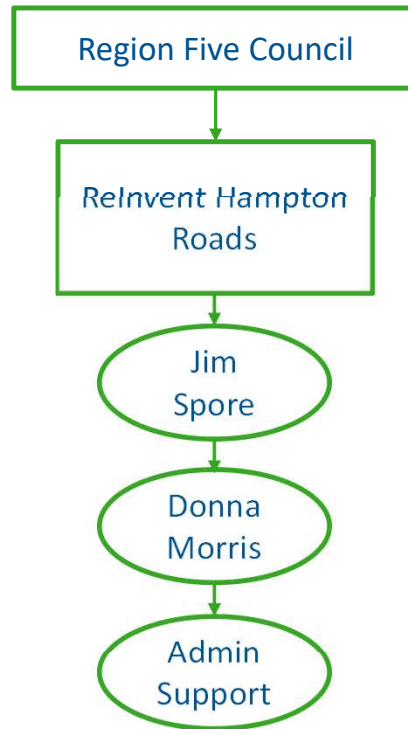


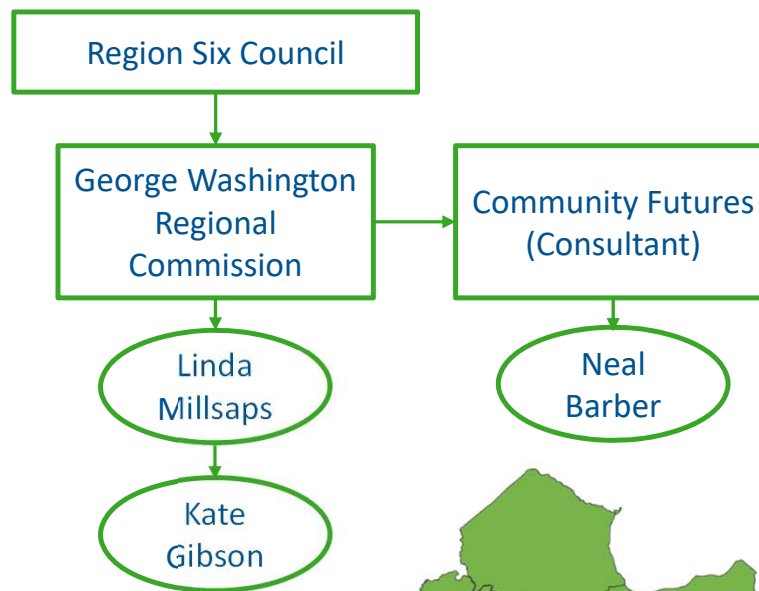


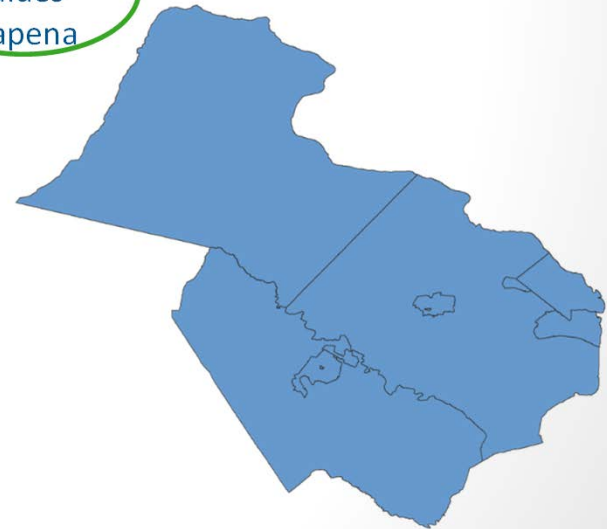
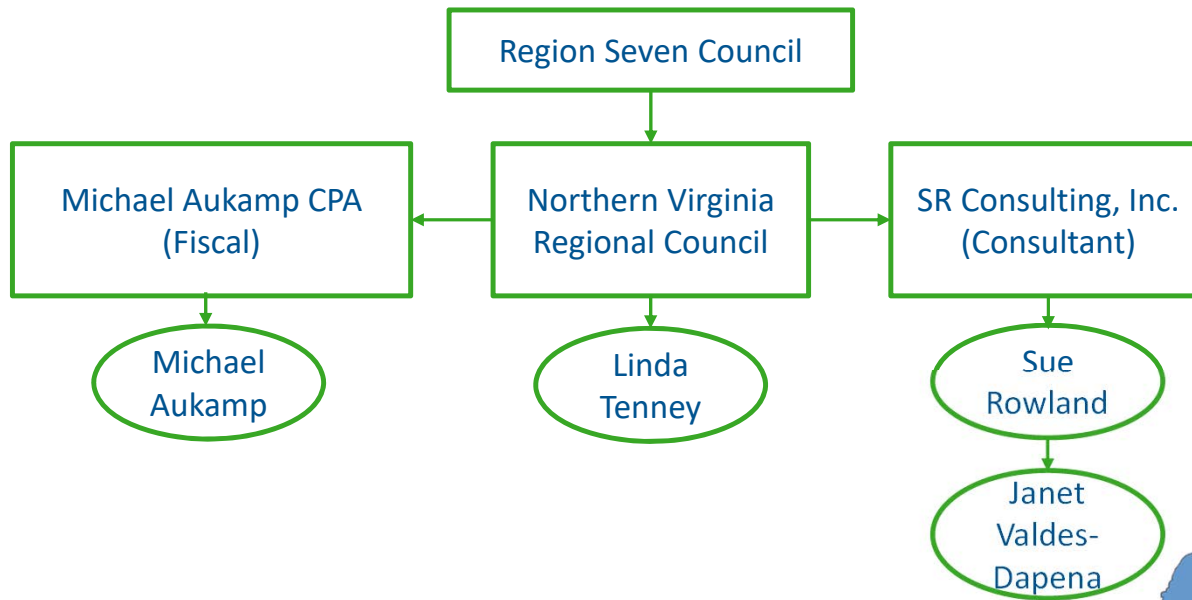




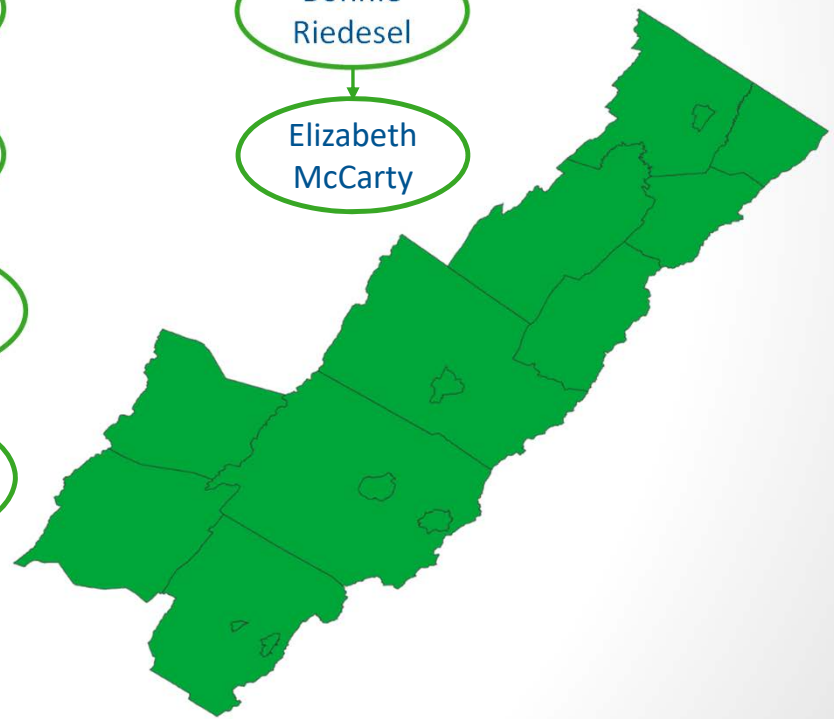
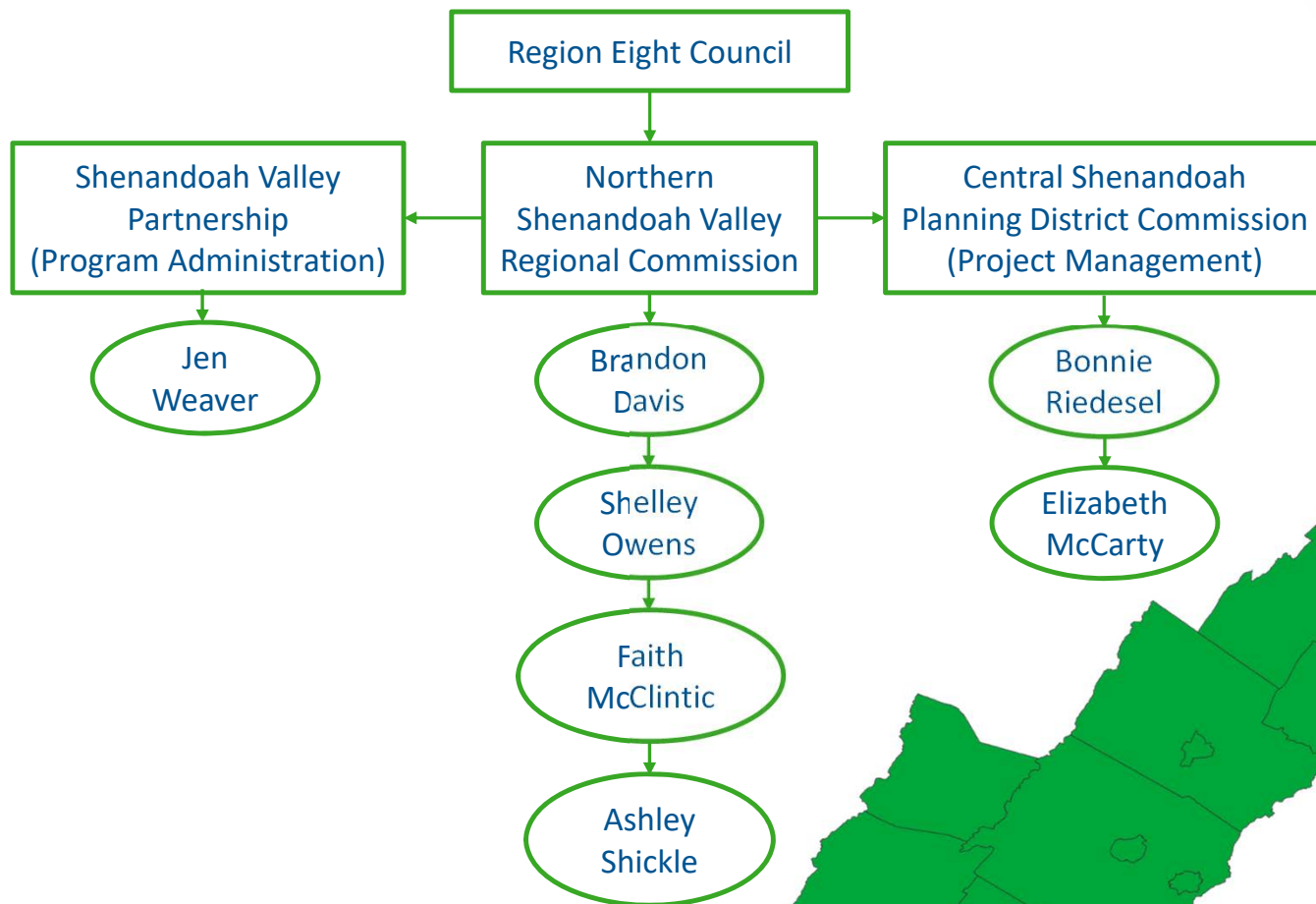
REGION FOUR



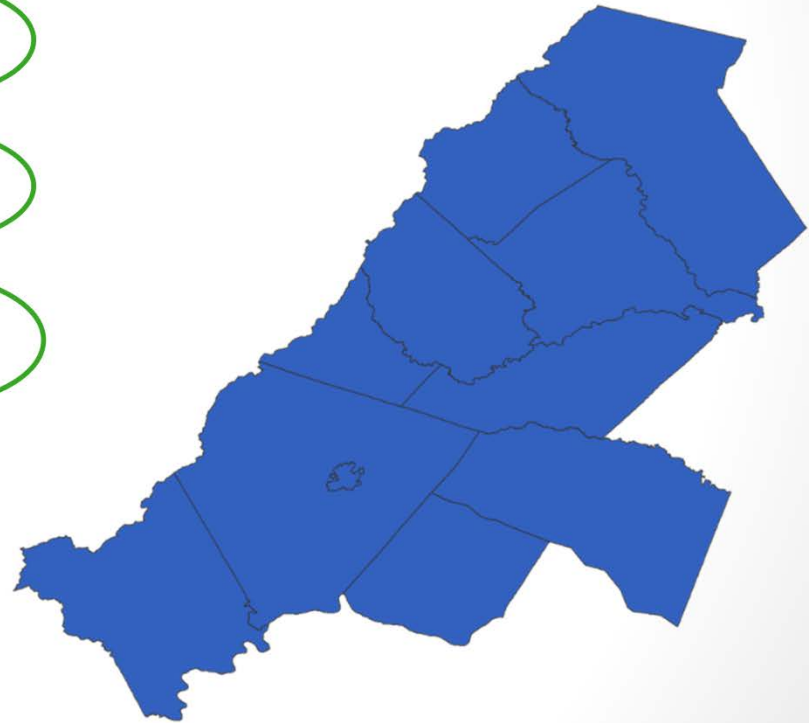
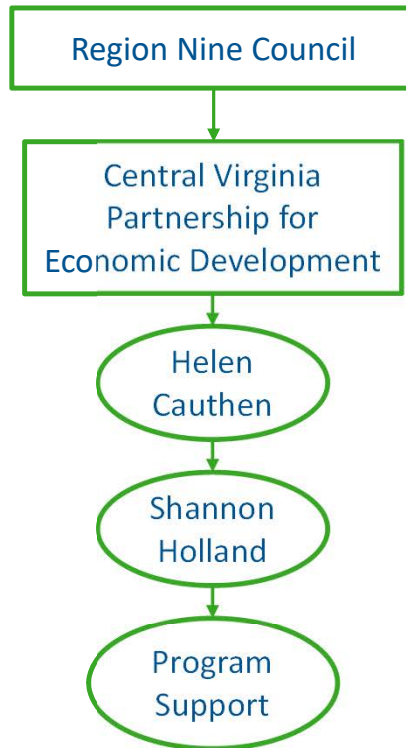




REGION SEVEN



REGION EIGHT





Memorandum

TO: Virginia Growth and Opportunity Board Members

FROM: Erik Johnston, DHCD Director

RE: Region 8 Economic Growth and Diversification Plan Amendment

DATE: August 14, 2018

Region 8 recently re-evaluated its target industries set forth in their Economic Growth and Diversification Plan to consider additional target industries to promote and support transformational projects in Region 8. The services of Camoin Associates were procured to conduct a comprehensive review of data from Region 8's Plan. This review included analyzing historical and projected growth in jobs, regional average wages, GO Virginia requirements, and conversations with key stakeholders.

The Region 8 Council thoroughly considered this background data, along with regional context, and confirmed **Value-Added Food Related Manufacturing** and **Biomedical/Biotechnology** as additional target industries. The Region 8 Council believes that these additional target industries will encourage a range of projects that could be funded through GO Virginia, thereby stimulating vital sectors within their regional economy. The Region 8 Council, at its June 27, 2018 meeting, unanimously approved the addition of these two industries.

If you would like to review the Region 8 Growth and Diversification Plan Amendment in its entirety, please visit:

<https://www.dropbox.com/s/ajrj5z95g5e0eoi/Region%208%20Amendment%20Request.pdf?dl=0>