



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

AGENDA
VIRGINIA GROWTH AND OPPORTUNITY BOARD

Tuesday, June 13, 2023

1:00 PM – 3:00 PM

VIRTUAL MEETING

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 268 312 907 251

Passcode: CJxPbA

Or call in (audio only)

1-434-230-0065

Phone Conference ID: 795 686 02#

If unable to join virtually, please dial for technical assistance: 1-804-773-9075

- I. OPENING
 - a. Call to order Chair
 - b. Roll Call Cody Anderson
 - c. Public Comment Chair

- II. CONSENT AGENDA – **Action Item** Chair (pg. 1)
 - a. March 14, 2023 Meeting Minutes
 - b. FY24 Regional Per Capita and Statewide Competitive Allocation
 - c. FY24 Capacity Building Allocation
 - d. Technical Amendment – Board Policy #12 Use of Tobacco Commission Funds as Match
 - e. Region 3 Extension Request – Statewide MBC Middle Mile Fiber Expansion Project

- III. SPECIAL PRESENTATIONS
 - a. InnoVAtive Framework for Economic Growth Jason El Koubi
 - b. Virginia Health Workforce Development Authority Amy Paul

- IV. DEPUTY DIRECTOR’S REPORT Sara Dunnigan (pg. 12)
 - a. **Action Items:**
 - i. Per Capita Applications (6)
 - ii. Talent Pathways Planning Initiative Applications (2)
 - b. **Action Item:** Board Policy #11: GO Virginia Match Requirements – Per Capita Funds
 - c. **Action Item:** Delayed Implementation - Board Policy #14 - Maximum Regional Per Capita Carryover Allowance and Establishment of Regional Performance Pool

- V. CHAIR’S REPORT
 - a. Bylaws Review and Proposed Changes Pia Trigiani (pg. 43)

- VI. INFORMATION ITEMS Sara Dunnigan (pg. 47)
 - a. GO Virginia Program Performance Dashboard
 - b. DHCD Approved Enhanced Capacity Building Projects



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- c. Funded Project Summary
 - d. Match Policy Feedback – Regional Letters
 - e. Current GO Virginia State Board Bylaws

VII. ADJOURNMENT

Chair

2023 Meeting Schedule

September 12, 2023– In Person (poll for 1.5 day retreat)
December 12, 2023- Virtual



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II. CONSENT AGENDA – *Action Item*

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VIRGINIA INITIATIVE FOR
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VIRGINIA GROWTH AND OPPORTUNITY BOARD MEETING
March 14, 2023
1:00 PM
Library of Virginia
800 E Broad Street, Richmond, VA. 23219

Members Present

Nancy Howell Agee
Delegate Terry Austin
Senator George Barker
The Honorable Steve Cummings
Jim Dyke
W. Heywood Fralin
Leah Fremouw
Speaker Todd Gilbert
William Holtzman
Kenneth Johnson
Doug Juanarena
Delegate Terry Kilgore
John King
Delegate Barry Knight
Senator Frank Ruff
Todd A. Stottlemyer
Pia Trigiani
John O. "Dubby" Wynne

Members Absent

Ben J. Davenport, Jr.
Senator Janet Howell
The Honorable Caren Merrick
Jon Peterson
Marilyn H. West

Call to Order

Ms. Nancy Howell Agee, Chair of the Virginia Growth and Opportunity (GO Virginia) Board, called the meeting to order. It was noted that Mr. Austin, Speaker Gilbert, Mr. Holtzman, and Mr. Wynne were participating remotely, consistent with the GO Virginia State board electronic participation policy.

Roll Call

Mr. Cody Anderson, GO Virginia Program Administrator for the Department of Housing and Community Development (DHCD), called the roll, and stated that a quorum was present.

Public Comment

Ms. Agee opened the floor for public comment.

Ms. Agee asked if Staff had received written comment ahead of the meeting. Mr. Anderson noted that no members of the public had submitted written comment ahead of the meeting.

No members of the public appeared before the Board in the meeting room or virtually.

The public comment period was closed.

Consent Agenda

Ms. Agee introduced the meeting minutes of the December 13, 2022 Board meeting, 2023 Growth and Diversification Plan Review Guidelines, and Board Policy #15: Contract Terms and Performance Period as parts of the consent agenda. A motion was made by Mr. Dyke and seconded by Ms. Fremouw to approve the consent agenda as a bloc. The motion passed.

Special Presentation

Virginia Deputy Secretary of Commerce and Trade Joe Benevento appeared before the Board. Mr. Benevento provided the Board with an overview of the strategies and focus of the governor's office, including an emphasis on the Governor's Compete to Win economic development plan.

Director's Report

Ms. Sara Dunnigan, Deputy Director of Economic Development and Community Vitality at DHCD presented the Board with 9 Per Capita applications regarding workforce development, startup ecosystems, and cluster scale-up: Lynchburg Career Acceleration Program from Region 2, P&HCC – Expanding GO TEC Pathways from Region 3, SVCC Expanding GO TEC Pathways from Region 3, Innovation Pathways from Region 6, Workforce Now from Region 6, Center of Entrepreneurship from Region 2, Rural Entrepreneur Ecosystem Building from Region 9, Demonstration Site for Clean Energy Transition to Green Hydrogen (HRH2) from Region 5, and VNNI – Virginia Nanotechnology Networked Infrastructure from Region 7. Ms. Dunnigan also presented the Board with 1 Talent Pathways Planning Initiative application: Region 5 Talent Pathways Initiative (TPI) from Region 5. A motion was made by Mr. Ruff and seconded by Mr. Juanarena to approve the applications as recommended by staff as a bloc. The motion passed.

Ms. Dunnigan informed the Board that Board Policy #11: Modified Match Requirements is set to expire on June 30, 2023. She noted that staff would welcome written comment from both Board member's and from the Regional Council's ahead of the June meeting of the Board, where any decision on the expiration of the policy would be set to take place.

Chairs Report

Ms. Agee introduced the potential to revise Board Policy #4: Use of GO Virginia Funds for Scholarships and Non-Traded Sectors. After discussion, no action was taken on this matter.

Ms. Agee noted that a review of the bylaws is underway with State Board member Ms. Trigiani taking lead on the effort.

Ms. Agee also noted that some Board members will see their terms ending over the course of the next year and any gubernatorial appointee who wishes to seek reappointment should visit the website of the Secretary of the Commonwealth to apply for reappointment.

Ms. Agee announced that GO Virginia staff has begun planning a leadership summit that would coincide with the in-person State Board meeting in September. More details will be shared as those plans finalize.

Information Items

Ms. Dunnigan provided a brief overview of enhanced capacity building projects administratively approved by staff and a summary of all funded projects to date.

Adjournment

The meeting was adjourned.



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Board Action: GO Virginia Per Capita Allocation

TITLE: FY '24 Per Capita Allocation and Competitive Fund Redistribution

BACKGROUND: To maintain consistency with Board action from the June 14, 2022 meeting for the FY '23 per capita allocations, it is requested to reallocate \$703,189 from the competitive pool to the per capita allocations to ensure each region has a minimum per capita allocation of \$1,000,000.

BUDGET LANGUAGE: “[N2] Of the amounts provided in this paragraph, the appropriation shall be distributed as follows: ... (ii) \$16,900,000 the first year and \$16,900,000 the second year from the general fund shall be allocated to qualifying regions based on each region's share of the state population; and (iii) \$10,850,000 the first year and \$10,850,000 the second year from the general fund shall be awarded to regional councils on a competitive basis. [N3] The Virginia Growth and Opportunity Board may allocate monies among the distributions outlined in paragraph N.2. of this item to meet demonstrated demand for funds. However, only those regional councils whose allocation is less than \$1,000,000 in a fiscal year based on the region's share of state population shall be eligible to receive an additional allocation, and the amount shall be limited such that the total allocation does not exceed \$1,000,000 in a fiscal year.”

RECOMMENDATION: A standard formula allocation of the \$16,900,000 FY 24 per capita allocation would result in three of the nine regions receiving less than \$1,000,000. As such, DHCD recommends that the Board move to create a floor of \$1,000,000 for these three regions by reallocating \$703,189 from the competitive pool to per capita. The competitive pool will be reduced from \$10,850,000 to \$10,146,811 while the per capita pool will be increased from \$16,900,000 to \$17,603,189. DHCD recommends approval of the above described FY24 per capita allocation contingent on the availability of resources allowed by the state budget.

FY '24 PER CAPITA ALLOCATION SCENARIOS:

Region	FY23 Per Capita Allocation with \$1M Floor	FY24 Per Capita Formula Allocation	Recommended FY24 Per Capita Allocation with \$1M Floor
1	\$1,000,000	\$708,951	\$1,000,000
2	\$1,527,228	\$1,520,102	\$1,520,102
3	\$1,000,000	\$700,855	\$1,000,000
4	\$2,552,285	\$2,576,473	\$2,576,473
5	\$3,413,580	\$3,403,581	\$3,403,581
6	\$1,034,304	\$1,048,808	\$1,048,808
7	\$4,969,819	\$4,972,611	\$4,972,611
8	\$1,078,449	\$1,081,613	\$1,081,613
9	\$1,000,000	\$887,005	\$1,000,000
Total	\$17,575,666	\$16,900,000	\$17,603,189

DATE APPROVED: 6.13.2023



Board Action: GO Virginia Capacity Building Allocation

TITLE: FY '24 Capacity Building Match Requirement

BACKGROUND: To maintain consistency with Board action from the June 14, 2022 meeting for the FY '23 capacity building funds, it is requested that the Board waive the \$1:1 match for FY '24 capacity building funds. The regions request this waiver to ensure match is focused on project implementation.

BUDGET LANGUAGE: “[N2] Of the amounts provided in this paragraph, the appropriation shall be distributed as follows: (i) \$2,250,000 the first year and \$2,250,000 the second year from the general fund shall be allocated to qualifying regions to support organizational and capacity building activities, which, notwithstanding § 2.2-2489, Code of Virginia, may not require matching funds if a waiver is granted by the Virginia Growth and Opportunity Board to a qualifying region upon request.”

RECOMMENDATION: DHCD recommends that the Board move to waive the requirement for \$1:1 matching funds for the \$2,250,000 allocated (\$250,000 per region) for FY '24 capacity building funds, contingent on the availability of resources allowed by the state budget.

FY '24 CAPACITY BUILDING ALLOCATION SCENARIOS:

Region	FY '24 Capacity Building Allocations
1	\$250,000
2	\$250,000
3	\$250,000
4	\$250,000
5	\$250,000
6	\$250,000
7	\$250,000
8	\$250,000
9	\$250,000
Total	\$2,250,000

DATE APPROVED: 6.13.2023



Memorandum

TO: GO Virginia Board Members

FROM: DHCD Staff

RE: Update to Use of Tobacco Commission Funds as Match Policy #12

DATE: 06/13/2023

BACKGROUND: As part of the second enactment of Chapter 525 of the Acts of Assembly of 2020, as amended and reenacted by Chapter 146 of the Acts of Assembly of 2021, Special Session I, and by Chapter 137 of the Acts of Assembly of 2022, the General Assembly enabled an exception to State Code which allowed the use of Tobacco Region Revitalization Commission funding to be used as matching funds for the purposes of GO Virginia Grants. This provision was set to expire on July 1, 2023. On March 23, 2023, the Governor signed HB2220, which amended and reenacted this Code Section, extending the provision to expire on July 1, 2025.

BILL LANGUAGE AS PASSED: GO Virginia grants; matching funds; sunset. Extends to July 1, 2025, the sunset date of the provision that allows a locality to use grant funds awarded by the Tobacco Region Revitalization Commission as matching funds for GO Virginia grants.

RECOMMENDATION: Staff recommends that the Board approve the following technical changes to Board Policy #12. These changes make the Board Policy reflective of the most recent update to the Code of Virginia.



Board Policy #12

TITLE: Use of Tobacco Commission Funds as Match

EFFECTIVE DATE: ~~6/13/2023~~6/24/2020

AUTHORITY: § 2.2-2486 - §2.2-2489 of the Code of Virginia

POLICY STATEMENT: It is the policy of the Virginia Growth and Opportunity Board that, as permitted by § 2.2-2489(K) Code of Virginia, Tobacco Region Revitalization Commission funds may be applied as matching funds for GO Virginia projects. Tobacco Commission funds may cover up to 50% of the total project match required and may not be used to satisfy any local match requirement. **Tobacco Commission funds may be utilized as project match funds for projects submitted between July 1, 202~~3~~ and June 30, 202~~5~~3.**

To be considered, projects must meet GO Virginia program guidelines and applicants must provide a letter of award from the Tobacco Region Revitalization Commission that demonstrates that the funds have been awarded by the Commission to support the GO Virginia application and delineate the project activities supported by the Tobacco Region Revitalization Commission grant.

Tobacco Commission and DHCD staff will jointly monitor the project.

APPROVAL AND REVIEW: This Board policy was reviewed and approved on ~~06/13/2023~~06/23/2020.

SUPERSESSION: This review includes technical amendments to Board Policy #12 approved on 9/23/2021, on 6/14/2022, and on ~~6/134/2023~~2.

DHCD DIRECTOR: Bryan Horn



Memorandum

TO: GO Virginia Board Members
FROM: DHCD Staff
RE: Region 3 MBC Middle Mile Broadband Extension Request
DATE: 06/13/2023

BACKGROUND: At the March 10, 2022 meeting, the Board took action to approve the MBC Middle Mile Fiber Expansion Project Competitive application for \$5,000,000. This project approval at the March 14, 2023 meeting, the Board took action to approve Board Policy #15, requiring *“All projects approved by this Board awaiting a decision from another funding source for the purposes of providing match must enter contract no later than one year after the award date of award by this Board.”*

The project is conditioned on receiving the required \$1:1 match from the National Telecommunications and Information Administration (NTIA). Mid-Atlantic Broadband Communities Corporation (MBC) anticipates receiving confirmation on this federal grant sometime this summer. The attached letter details the Region 3 Council’s request to approve an extension.

RECOMMENDATION: Staff recommends that the Board approve an extension to Board Policy #15, granting an extension of its approval until September 12, 2023.



May 19, 2023

SENT VIA ELECTRONIC MAIL

Nancy Howell Agee, Chair
Virginia Growth and Opportunity Board
600 East Main Street, Suite 300
Richmond, Virginia 23219

RE: Mid-Atlantic Broadband Communities Corporation_ Middle Mile Fiber Expansion Project

Dear Chair Agee:

On behalf of the GO Virginia Region 3 Council and Executive Committee, we respectfully request the GO Virginia State Board grant an extension of its approval for this project until September 1, 2023, pursuant to Policy #15. This project was approved by the State Board on March 10, 2022, as a Statewide Competitive grant for Regions 3 and 4, subject to the required match being awarded through a companion grant from the U.S. Economic Development Administration (USEDA). The GO Virginia award was \$5MM.

After the State Board's approval, the USED A advised the applicant that a grant would not be made for the project because the agency had exhausted its funding allocation for these grants earlier than expected. While the USED A had the project under review, the applicant had identified a similar federal grant for middle mile broadband projects from the National Telecommunications Information Agency (NTIA).

Based on the NTIA funding formula, the original project could be expanded to include another two (2) localities in Regions 3 and 4. Additionally, the project under this NTIA grant could extend another middle mile route to Region 9 for the Shannon Hill Regional Business Park in Louisa County. The GO Virginia award of \$5MM would be unchanged, but the requested federal grant amount could be increased from \$4MM to \$15.5MM. The applicant and GO Virginia Region 3 staff received a letter of support from the Region 9 Council for the project expansion.

The Department of Housing and Community Development GO Virginia staff was kept aware of this situation as it unfolded and advised that the application could be amended to show a new source of contingent federal match funds coming from NTIA, provided the GO Virginia award remained unchanged. The GO Virginia Region 3 Council, the Executive Committee, and Region 4 staff were updated similarly.

With the assistance of the Southside Planning District Commission, the applicant submitted a complete application to NTIA by the September 30, 2022, deadline. NTIA, in its Notice of Funding Opportunity, stated that grant awards from this program would not be announced before March 1, 2023.



Nancy Howell Agee, Chair
Virginia Growth and Opportunity Board
May 19, 2023
Page 2

NTIA has made no award announcements since March 1st. However, the applicant advises, "...we have been in active communication with them (NTIA) regarding our grant application, so we take that as a positive sign. We anticipate NTIA making middle mile award announcements by mid-June." The applicant also shared that MBC is working with "...one of our customers who is interested in the Dinwiddie to Prince George route as part of the company's fiber build needs. We are working to secure a contract for fibers, and if that happens in the next few months, we will have additional private sector matching funds to contribute to the GO Virginia middle mile award."

Based on these circumstances, the GO Virginia Region 3 Council and Executive Committee respectfully request the GO Virginia State Board grant an extension of its approval for this project under Policy #15 until September 1, 2023.

GO Virginia Region 3 Council stands ready to answer questions or provide supplementary information.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy J. Clark'.

Timothy J. Clark, Chair
GO Virginia Region 3 Council

cc: GO Virginia Region 3 Council
GO Virginia Region 4 Council
GO Virginia Region 9 Council



VIRGINIA INITIATIVE FOR
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IV. DEPUTY DIRECTOR'S REPORT

a. **Action Items:**

- i. Per Capita Applications (6)
- ii. Talent Pathways Planning Initiative Applications (2)

b. **Action Item:** Board Policy #11: GO Virginia Match Requirements – Per Capita Funds

c. **Action Item:** Delayed Implementation - Board Policy #14 - Maximum Regional Per Capita Carryover Allowance and Establishment of Regional Performance Pool



Per Capita Applications Workforce Development

Per Capita Application

Advancing a Regional Skilled Ecosystem (ARISE) for Life Sciences

Region: 4

Applicant(s): Reynolds Community College

Participating Localities:

City of Richmond (Advisory Board and cash match)

Goochland County (Advisory Board)

Henrico County (Advisory Board)

Investment Strategy: Workforce Development

Targeted Industries: Pharmaceutical manufacturing (biosciences/life sciences)

Type of Project: Per Capita Implementation

Project Goal(s): To create jobs and award credentials for skilled laboratory technicians by creating a fully-equipped learning laboratory at the Reynolds Downtown Campus and developing and launching a laboratory technician major in the Associate of Science degree pathways, and work with industry partners to bring in entry-level employees.

Project Description: Following the results of the Life Science Workforce Study commissioned previously by RCC that confirmed the need for certain skills, credentials, and attributes expected by life science employers, RCC is requesting GO Virginia funding to implement Phase 2 to build a talent pipeline of skilled lab technicians to meet the needs of the emerging R&D cluster and life science industry across the region. The project is matched by federal Build Back Better grant funding to develop curriculum for the project.

GO Virginia funds will be used to purchase equipment and provide project management services. Matching funds will be used to complete curriculum development and for marketing and recruitment strategies and launch a summer/spring “bridge” program.

Project Budget:

Type of Funds	Totals
GO Virginia Request	\$ 253,500
Matching Funds	\$ 167,000
Local Match	\$ 5,000
Additional Leverage	\$
Total Project Budget	\$ 420,500

Advancing a Regional Skilled Ecosystem (ARISE) for Life Sciences

Outcomes:

- 65 credentials awarded
- 83 students trained

Workgroup Discussion:

- Overall strong GO Virginia project – alignment of industry, education, localities; sustainability (GOVA funds for equipment + commitment of community college to fund future courses)
- Industry demand demonstrated through Phase 1 of project - survey of Region 4 life science companies, interviews, and statistical analysis – identified annual need of 181 entry-level positions with pre-baccalaureate education and practical lab experience
- Sector led approach / partnership to create laboratory technician program of study
- Program will be federal financial aid eligible and can transfer to baccalaureate programs with stackable credentials to higher-wage occupations in life sciences
- Bridge Program – address barriers of marginalized populations (academic preparation, access to wrap around supports, career coaching)

Staff Recommendation:

Based on the workgroup discussion and application review, staff **recommends this project for approval.**

Requirements	
\$2:1 Match Requirement	YES
Traded Sector	YES
High-wage Job Creation Potential	YES
3 Year ROI	YES
5 Year ROI	YES
Alignment with G&D Plan	YES
Grant Management Capacity	YES
Sustainable After GOVA Funds	YES

Per Capita Application

GO TEC Region 4 Career Connections Labs

Region: 4

Applicant(s): Commonwealth Center for Advanced Manufacturing (CCAM)

Participating Localities: Dinwiddie County (cash match), Surry County (letter of commitment/intent to develop CC lab), City of Petersburg (cash match), City of Colonial Heights (letter of commitment/intent to develop CC lab), and City of Hopewell (letter of commitment/intent to develop CC lab)

Investment Strategy: Workforce Development

Targeted Industries: Manufacturing, Information Technologies, Bio/Life Sciences

Type of Project: Workforce Development

Project Goal(s): To create work-based learning opportunities and jobs in targeted industries across Region 4 by creating Career Connection labs as a part of the GO TEC hub-and-spoke model to allow middle schoolers to explore career pathways.

Project Description: Complementing the GO TEC 2025 statewide competitive grant award in which CCAM was selected to serve as the In Region Coordinating Entity (IRCE), Region 4 is applying for funding to establish five Career Connections labs in participating middle schools to engage middle school students in STEM career pathways experiences using the GO TEC model.

GO Virginia funds will be used to equip the labs, conduct student outreach and data tracking, and support project management. Match funds will be used for STEM education equipment and supplies and provide additional support to CCAM for administration of the effort.

Additional leveraged support is provided by Colonial Heights school district (STEM education equipment and supplies), Surry County school district (in kind teacher salaries and benefits) and Hopewell City school district (STEM education equipment and supplies).

GO TEC Region 4 Career Connections Labs

Project Budget:

Type of Funds	Totals
GO Virginia Request	\$ 1,150,571
Matching Funds	\$ 619,561
Local Match	\$ 100,000
Additional Leverage	\$ 131,135
Total Project Budget	\$ 1,901,267

Outcomes:

- 50 new internships created
- 15 new apprenticeships created
- 3,655 students trained

Workgroup Discussion:

- Overall application is consistent with statewide GO TEC project as well as the Pharmaceutical Manufacturing Project
- Unclear that match contributions are directly contributing to scope of projects (equipment exclusively used in GO TEC labs)
- Sustainability consistent with GO TEC 2025 Statewide Competitive grant
- Data collection, etc. should be supported by recent statewide project and done at the enterprise level across all GOTEK regions

Staff Recommendation:

Based on the workgroup discussion and application review, staff **recommends deferring this project.**

Requirements	
\$2:1 Match Requirement	UNDETERMINED
Traded Sector	YES
High-wage Job Creation Potential	YES
3 Year ROI	NO
5 Year ROI	YES
Alignment with G&D Plan	YES
Grant Management Capacity	YES
Sustainable After GOVA Funds	UNDETERMINED



Per Capita Applications Startup Ecosystem

Per Capita Application

Capacitor Incubator

Region: 8

Applicant(s): Shenandoah Community Capital Fund

Participating Localities:

Shenandoah County (cash and in-kind match), Staunton City (cash match), Harrisonburg City (cash and in-kind match), Augusta County (cash and in-kind match), Waynesboro City (cash match), Winchester City (cash and in-kind match), Warren County (in-kind match)

Investment Strategy: Startup Ecosystem

Targeted Industries: Food Processing, Light Manufacturing, Information Technology, and Transportation Logistics

Type of Project: Per Capita Implementation

Project Goal(s): To address a gap in the Region 8 entrepreneurial ecosystem by providing a regional incubator program serving early-stage startups.

Project Description: The Capacitor Incubator Program aims to fill a substantial gap of the greater Shenandoah Valley entrepreneurial ecosystem by providing early-stage startups with an array of services including customized validation stage development, commercialization programming, physical working locations hubs, and deep connections to the broader entrepreneurial ecosystem facilitated through dedicated ecosystem builders and mentors.

GO Virginia funds will be used for coaching and professional development services, staff salaries, and furnishings. Match funds will be used for contract services related to coaching and mentor services, legal expenses, fees and licenses, portion of staff salaries, administration, and outreach efforts.

Project Budget:

Type of Funds	Totals
GO Virginia Request	\$ 395,067
Matching Funds	\$ 201,402
Local Match	\$ 81,642
Additional Leverage	\$ 0
Total Project Budget	\$ 596,469

Capacitor Incubator

Outcomes:

- 54 jobs created
- 14 businesses expanded
- 12 businesses created
- 24 businesses served
- 24 entrepreneurs engaged
- 20 mentors engaged
- 6 new products launched

Workgroup Discussion:

- This project represents a strong commitment from localities to participate in and invest in entrepreneurship across the region.
- The applicant for this project was previously awarded funding for an accelerator stage project called Startup Shenandoah Valley. This project is a product of that previous project's experience in ecosystem building and addresses a gap in the pre-accelerator/incubator stage that the region currently lacks. These activities are complimentary.

Staff Recommendation:

Based on the workgroup discussion and application review, staff **recommends this project for approval.**

Requirements	
\$2:1 Match Requirement	YES
Traded Sector	YES
High-wage Job Creation Potential	YES
3 Year ROI	NO
5 Year ROI	YES
Alignment with G&D Plan	YES
Grant Management Capacity	YES
Sustainable After GOVA Funds	YES

Per Capita Application

Region 9 REI

Region: 9

Applicant(s): Community Investment Collaborative (CIC)

Participating Localities: Albemarle County (cash match), Orange County (cash match), Culpeper County (in-kind match), Fauquier County (in-kind match), Fluvanna County (cash match), Louisa County (in-kind match), Madison County (in-kind match), Nelson County (in-kind match), Town of Culpeper (in-kind match), and City of Charlottesville (cash match)

Investment Strategy: Startup Ecosystem

Targeted Industries: Biomedical & Biotechnology; Financial & Business Services; Food & Beverage Manufacturing; IT & Communications; Light Manufacturing

Type of Project: Regional Entrepreneurship Initiative

Project Goal(s): To develop a strategy for defining and implementing recommendations to further grow the Region 9 entrepreneurial ecosystem.

Project Description: Community Investment Collaborative (CIC) will partner with Venture Central to utilize funding set aside by GO Virginia for Region 9's Regional Entrepreneurship Initiative (REI). This project will survey stakeholders in the region, inventory funding needs and sources, and compile best practices from other regions to develop county/city level assessments and prepare a guide and recommendations for local ecosystem collaboration. This will be used to help develop a 3–5-year plan for actionable strategies and potential future GO Virginia Grant Applications.

GO Virginia Funds will be used to hire consultants, pay for staff salaries and fringe at coordinating organizations, travel expenses, event costs, and administration for the grantee and subgrantee. Matching funds will be used for staff salaries, contract services for engaging regional stakeholders in plan development, and in-kind staff time for local staff serving on the advisory board.

Region 9 REI

Project Budget:

Type of Funds	Totals
GO Virginia Request	\$ 300,000
Matching Funds	\$ 165,375
Local Match	\$ 165,375
Additional Leverage	\$
Total Project Budget	\$ 465,375

Products:

- REI Strategy and Report
- Actionable Strategies Plan
- List of potential GO Virginia project applications

Staff Discussion:

- REI effort created to encourage each GO Virginia region to identify an entrepreneurial coordinating entity to identify opportunities and needs within the targeted traded sectors for each region and facilitate implementation
- Selection process encouraged strong regional collaboration – entire match is local match
- Dual coordinating entities – CIC and Venture Central – provide connection to urban (Charlottesville and Albemarle) and rural localities within region
- Financial support and sustainability – awareness that planning effort should create coordination for prioritization of Regional Council’s future GO Virginia investments

Staff Recommendations:

Based on the workgroup discussion and application review, staff **recommends this project for approval.**

Requirements	
\$2:1 Match Requirement	YES
Traded Sector	YES
High-wage Job Creation Potential	N/A
3 Year ROI	N/A
5 Year ROI	N/A
Alignment with G&D Plan	YES
Grant Management Capacity	YES
Sustainable After GOVA Funds	YES



Per Capita Applications Site Development & Infrastructure

Per Capita Application

Falling Branch Corporate Park Regional Site Development

Region: 2

Applicant(s): Montgomery County

Participating Localities: Montgomery County (cash match) and the Town of Christiansburg (cash match)

Investment Strategy: Site Development

Targeted Industries: Life Sciences, Materials and Machinery, and Transportation

Type of Project: Per Capita Implementation

Project Goal(s): To advance an industrial site in an existing corporate park from Tier Four to Tier Five along the Virginia Business Ready Site Program (VBRSP) scale. This effort will assist in promoting the availability of shovel-ready sites to prospective businesses, which would in turn help to create higher paying jobs in GO Virginia Region 2.

Project Description: Montgomery County and the Town of Christiansburg are collaborating to advance this 35-acre site for future development. This effort will build on previous work to develop pad sites within the park. The applicant has indicated that a previous Tier 5 lot in an earlier phase of the park was chosen for a Life Science facility with a \$100 million investment, and that advancing this site to a Tier 5 would allow for less uncertainty and a shorter construction timeline. The project will involve grading the site and installing utilities. GO Virginia funds will be used to extend water and sewer. Matching funds will be used for utilities and site work.

Project Budget:

Type of Funds	Totals
GO Virginia Request	\$ 324,000
Matching Funds	\$ 4,585,000
Local Match	\$ 4,585,000
Additional Leverage	\$ 2,000,000
Total Project Budget	\$ 6,909,000

Falling Branch Corporate Park Regional Site Development

Outcomes:

- 35 acres elevated from Tier 4 to Tier 5 on the Virginia Business Ready Sites Program site characterization scale
- 2,800 linear feet of waterline constructed
- 1,400 linear feet of sewer constructed

Workgroup Discussion:

- Good collaboration between Montgomery, Town of Christiansburg, and Regional group
- Significant local match invested in project
- Site would be the only Tier Five site in Region 2
- High potential economic impact based on past project success in park

Staff Recommendations:

Based on the workgroup discussion and application review, staff **recommends this project for approval.**

Requirements	
\$2:1 Match Requirement	YES
Traded Sector	YES
High-wage Job Creation Potential	YES
3 Year ROI	YES
5 Year ROI	YES
Alignment with G&D Plan	YES
Grant Management Capacity	YES
Sustainable After GOVA Funds	YES

Per Capita Application

Virginia’s Growth Alliance Site Development Project

Region: 3

Applicant(s): Virginia’s Growth Alliance

Participating Localities: Brunswick County (cash match), Lunenburg County (cash match), Greenville County (prior site investment), and Charlotte County (prior site investment)

Investment Strategy: Site Development and Infrastructure

Targeted Industries: Advanced Manufacturing, High Value Natural Resources, Distribution and Logistics, and IT and Data

Type of Project: Per Capita

Project Goal(s): To increase the number of shovel ready sites in GO Virginia Region 3.

Project Description: Virginia’s Growth Alliance Site Development Project will work to elevate seven sites on the VEDP Virginia Business Ready Sites scale. Among those sites are two sites that will be elevated to Tier 5 via due diligence (I-85 Industrial Park and Brunswick County Industrial Park), two sites that will be elevated to Tier 4 via due diligence (Heartland Industrial Park and Lunenburg Commerce Center), two sites that will be elevated to Tier 3 via due diligence (K-V Industrial Site and Lunenburg-Victoria Industrial Site) and one site that will maintain its soon to expire Tier 4 status via updated due diligence (FASTA Site).

GO Virginia funds will be used for architectural and engineering services, as well as for marketing materials and website updates. The match will be used for architectural and engineering services, demolition, construction, and abatement fees.

Project Budget:

Type of Funds	Totals
GO Virginia Request	\$ 488,435
Matching Funds	\$ 275,000
Local Match	\$ 175,000
Additional Leverage	\$ 855,490
Total Project Budget	\$ 1,618,925

Virginia Growth Alliance Site Development Project

Outcomes:

- 73 acres elevated from Tier 2 to Tier 5 (2 sites) 5 on the VEDP Virginia Business Ready Sites scale
- 362 acres elevated from Tier 2 to Tier 4 (2 sites) on the VEDP Virginia Business Ready Sites scale
- 29 acres elevated from Tier 2 to Tier 3 (1 site) on the VEDP Virginia Business Ready Sites scale
- 20 acres characterized and elevated to Tier 3 (1 site) on the VEDP Virginia Business Ready Sites scale
- 42 acres retaining Tier 4 (1 site) on the VEDP Virginia Business Ready Sites Scale

Workgroup Discussion:

- This project represents the efforts across multiple localities in Region 3 as well as one locality in Region 4, with all localities contributing local funding or Tobacco Region Revitalization Commission funds as match.
- Region 4 has committed to providing \$70,500 from their per capita allocation to Region 3 to support the Greenville site which falls within their footprint.
- The Virginia Growth Alliance is currently in the midst of a GO Virginia funded Enhanced Capacity Building Grant to create a strategic economic development action plan that encompasses sites in the VGA footprint.

Staff Recommendations:

Based on the workgroup discussion and application review, staff **recommends approval of this project at a reduced amount of \$326,225 to support the four most regionally significant sites: FASTA – Greenville County (42 acres), I-85 Industrial Park – Brunswick County (45 acres), Heartland Industrial Park – Charlotte County (265 acres), and Lunenburg Commerce Center – Lunenburg County (97 acres).**

Requirements	
\$2:1 Match Requirement	YES
Traded Sector	YES
High-wage Job Creation Potential	YES
3 Year ROI	YES
5 Year ROI	YES
Alignment with G&D Plan	YES
Grant Management Capacity	YES
Sustainable After GOVA Funds	N/A



Talent Pathways Initiative (TPI) Applications

Talent Pathways Planning Initiative Application

Region 2 Talent Pathways Initiative (TPI)

Region: 2

Applicant(s): Virginia Tech Center for Economic and Community Engagement (VT-CECE)

Participating Localities: Botetourt County (steering committee), Campbell County (steering committee), Montgomery County (steering committee), Pulaski County (steering committee), Roanoke County (steering committee), City of Lynchburg (steering committee), and City of Roanoke (steering committee)

Investment Strategy: Workforce Development

Targeted Industries: Life Sciences & Healthcare and Transportation Manufacturing & Autonomy

Type of Project: Talent Pathways Initiative (TPI) Planning

Project Goal(s): To define talent pathways and develop strategies to grow the pool of qualified workers for two of Region 2's targeted industry clusters.

Project Description: The Region 2 Council selected VT-CECE to serve as the Talent Pathways Planning Initiative industry cluster talent coordinating entity. VT-CECE will coordinate with regional implementation partners, including the three Workforce Development Boards within the Region, to undertake the planning activities for the two industry clusters the Region 2 Council has identified that will include the 1) development of industry coalitions, 2) completion of a quantitative and qualitative situational analysis of the workforce needs, 3) completion of a gap analysis, 4) identification of the skills and training needed for people to fill such jobs, 5) development of an asset map that evaluates the region's capacity to support the identified unmet demand, and 6) identify strategies and supporting highest-impact pathway projects for future implementation. The planning process will also pilot the use of the Talent Pipeline Management Academy toolkit, produced by the U.S Chamber of Commerce. This toolkit provides a web-based portal and data collection module that is specifically built for sector strategy initiatives.

GO Virginia funds will be used for salaries, contract services, coordination of steering committees and the access to databases. Match fund will be used for in-kind match in the form of staff time from regional partners.

Region 2 Talent Pathways Initiative (TPI)

Project Budget:

Type of Funds	Totals
GO Virginia Request	\$ 250,000
Matching Funds	\$ 230,039
Local Match	\$
Additional Leverage	\$ 10,000
Total Project Budget	\$ 490,029

Products:

- Region 2 Talent Pathway Initiative Plan for Life Sciences & Healthcare and Transportation Manufacturing & Autonomy

Workgroup Discussion:

- Broad regional collaboration with workforce development partners as well as regional economic development organizations.
- As the coordinating entity for Virginia Talent + Opportunity Partnership (TOP), VT-CECE is well positioned to align talent pipeline with the TPI effort.
- Part of the Lifesciences & Healthcare cluster includes ineligible non-traded sectors i.e., patient care based on Board Policy #4.
- Transportation and Autonomy cluster inclusion will build on existing efforts as well as data and coalition building efforts conducted to prepare unsuccessful US EDA Build Back Better application.
- Active GO Virginia planning grant in Region 2 for the Life Sciences cluster to meet the growing need of regional employers for qualified workers.

Staff Recommendations:

Based on the workgroup discussion and application review, staff **recommends this project be deferred due to the inclusion of an ineligible non-traded industry sector (GO Virginia Board Policy #4).**

Region 2 Talent Pathways Initiative (TPI)

Requirements	
\$2:1 Match Requirement	YES
Traded Sector	NO
High-wage Job Creation Potential	N/A
3 Year ROI	N/A
5 Year ROI	N/A
Alignment with G&D Plan	YES
Grant Management Capacity	YES
Sustainable After GOVA Funds	N/A

Talent Pathways Planning Initiative Application

TPI Planning 2023: SoVa Partnership for Health Science Careers

Region: 3

Applicant(s): Southern Virginia Partnership for Health Science Careers (SOVAPHSC)

Participating Localities: Amelia County, Brunswick County (taskforce), Buckingham County (taskforce), Charlotte County (taskforce), Cumberland County (taskforce), Halifax County (taskforce), Henry County (taskforce), Lunenburg County (taskforce), Mecklenburg County (taskforce), Nottoway County (taskforce), Patrick County (taskforce), Pittsylvania County (taskforce), Prince Edward County (taskforce), City of Danville (taskforce), and City of Martinsville (taskforce)

Investment Strategy: Workforce Development

Targeted Industries: Healthcare

Type of Project: Talent Pathways Initiative (TPI) Planning

Project Goal(s): To have a skill-ready and health-ready workforce that advances Southern Virginia's economy.

Project Description: The Region 3 Council selected the Southern Virginia Partnership for Health Science Careers (SOVAPHSC) to serve as the Talent Pathways Planning Initiative industry cluster talent coordinating entity. This proposal recognizes the competitive disadvantage faced by Southern Virginia when recruiting and retaining traded sector business investment because of their low healthcare outcomes, diminishing access to healthcare providers, and the availability of healthcare workers. The Region 3 TPI Plan will include the following elements:

1. Highlight the gaps and areas for improvement with strategies to address these gaps and a timeline for implementation.
2. Develop roles and responsibilities of partners.
3. Prepare a labor market analysis to understand the workforce needs including skill gaps.
4. Prepare a comprehensive evaluation of all educational and training programs available in the health science occupations.
5. Develop a career pathways to support individuals to pursue the education and training needed.
6. Develop a plan for attracting and retaining health science talent.
7. Develop a plan for promoting diversity, equity, and inclusion.
8. Develop performance metrics
9. Develop a communication plan

TPI Planning 2023: SoVa Partnership for Health Science Careers

10. Develop funding and resource plan to sustain the SOVAPHSC after the TPI Plan.

GO Virginia funds will be used for grant management activities and contract services. Match funds will be used contract services related to project management.

Project Budget:

Type of Funds	Totals
GO Virginia Request	\$ 133,000
Matching Funds	\$ 67,500
Local Match	\$
Additional Leverage	\$ 62,500
Total Project Budget	\$ 263,000

Products:

- Region 3 Talent Pathway Initiative Plan for Life Healthcare

Workgroup Discussion:

- Broad collaboration from local and regional partners.
- The Healthcare cluster represents a non-traded sectors i.e., patient care.

Staff Recommendations:

Based on the workgroup discussion and application review, staff **recommends this project be denied due to the inclusion of an ineligible non-traded industry sector (GO Virginia Board Policy #4).**

Requirements	
\$2:1 Match Requirement	YES
Traded Sector	NO
High-wage Job Creation Potential	N/A
3 Year ROI	N/A
5 Year ROI	N/A
Alignment with G&D Plan	YES
Grant Management Capacity	YES
Sustainable After GOVA Funds	N/A



Memorandum

TO: GO Virginia Board Members

FROM: DHCD Staff

RE: GO Virginia Per Capita Grant Match Discussion – Total Match and Local Match

DATE: 6/13/2023

The purpose of this agenda item is to determine the match requirements for grants awarded using Regional Per Capita Funds. The current policy expires June 30, 2023. This relaxed match policy, which relaxed the match requirement to 2:1 and eliminated the local match requirement, was adopted in response to the economic impact of the pandemic and related fiscal and economic stress affecting the Commonwealth.

This discussion will require evaluation of the Total Match Requirements and Local Match Requirements.

Staff received feedback from seven of nine Regional Councils. A summary is presented. Full comments are included in your board packet.

I. Regional Council Feedback

Region 1 - Extend relaxed match policy citing fiscal and economic distress. Continue to require meaningful local participation in lieu of cash citing fiscal stress.

Region 2 - Allow projects involving communities facing one or more types of economic distress to receive 2-1 match. Eliminate the local match requirement but require meaningful local participation (in-kind and advisory).

Region 3 - Allow communities experiencing fiscal stress to receive 2-1 match. Allow in-kind and cash to satisfy the local match requirement.

Region 4 - No comment

Region 5 - No comment

Region 6 - Allow communities experiencing fiscal stress to receive 2-1 match. Recognize the Fiscal Stress Index as determination for match waiver. Eliminate the local match requirement.

Region 7 - Extend relaxed match policy, citing economic distress and fiscal stress, through FY24.

Region 8 - Extend relaxed match policy citing fiscal stress. Eliminate the local match requirement but require meaningful local participation.

Region 9 - Extend relaxed match policy, citing economic distress and fiscal stress, through FY24. Evaluate local match requirement.

II. GO Virginia Total Match Requirements

Regarding the award of grants to regional councils, Virginia State Code Article 26 Virginia Growth and Opportunity Act Chapter § 2.2-2489. Section K. states:

K. (Effective until July 1, 2023) Any grant awarded from the Fund to a regional council shall require matching funds at least equal to the grant, provided, however, that the Board shall have the authority to reduce the match requirement to no less than half of the grant upon a finding by the Board of fiscal distress or an exceptional economic opportunity in a region. Such matching funds may be from local, regional, federal, or private funds. Matching funds may also be from grants awarded to a locality by the Tobacco Region Revitalization Commission but shall not include any other state general or nongeneral funds, from whatever source.

III. GO Virginia Local Match Requirement

In September 2017, the GO Virginia State Board established the local match requirement to reinforce the importance of meaningful local participation and commitment to the project through demonstration of cost sharing. The guidance states **“Those matching funds should include a local contribution of not less than 20% of the required \$1:1 match, or \$50,000 whichever is greater.”**

The Virginia Growth and Opportunity Act defines “regional activity” as follows:
“Regional activity” means an economic or workforce development-focused collaborative project or program that is (i) endorsed by a regional council, (ii) consistent with the economic growth and diversification plan developed by the regional council, and (iii) carried out, performed on behalf of, or contracted for by two or more localities, political subdivisions, or public bodies corporate and politic within a region.

IV. Board Policy Options

OPTION 1 - Extend existing modified match policy through FY24. (Relaxed Total Match and waived Local Match)

OPTION 2 - Return to original match requirements for various Per Capita project types

OPTION 3 - Return to original Total Match requirements for various Per Capita project types; return to practice that 20% of required match (or 10% of total project costs) be contributed by participating localities (Local Match) but eliminate the \$50K minimum match requirement.

Implementation Strategy for Option 3

1. Enact a Waiver Process for Total Match

- a. Enact an objective waiver process for “fiscal distress” to reduce match required to 2-1 for projects where:
 - Majority of the participating localities are experiencing “fiscal distress” as measured by VEDP’s definition for **Economic Distress** (Double Distress).

- b. Enact an objective waiver process for “extraordinary economic opportunity” to reduce match required to 2-1 for projects meeting one or more of the following conditions.

GO Virginia Goals – Super Collaborator/Super Job Creator/Transformation

- Strong Regional Collaboration – majority of units of local government within the region are meaningfully participating (cash and/or in kind).
- Strong Industry Collaboration – majority of match contributions come from private industry supporters.
- New Job Creation/Filled - percentage increase over a base of the total employment within the supported targeted industry cluster in the project service area.
- Economic Diversification - Transformational Project – the project would dramatically change the trajectory by supporting the accelerated development of a nascent or emerging industry cluster (i.e., offshore wind, small modular nuclear energy, pharmaceutical manufacturing, controlled environment agriculture).

State/Regional Strategic Alignment Goals

- Alignment with InnoVAtive Framework for Economic Development (examples below)
 - GOVA Targeted Industry Cluster -> Framework Priority Industry Sector
 - GOVA Investment Strategy -> Pillar Initiative

Resource Development/Leverage Goals

- Enable draw down federal resources (leverage) in an amount at least two times the GO Virginia grant award.

2. Enact a Waiver Process for Local Match

- a. Enact a waiver process for the Local Match requirements consistent with the original board guidance, but with an objective assessment of locality’s ability to contribute using the Fiscal Stress Index.

Staff recommends that the Local Match Waiver be granted if 50% or more of the participating localities are experiencing rates High or Above Average using the Fiscal Stress Index.

Local Match may also be waived at the discretion of the Board if the participating localities can demonstrate that the applicant has attempted to solicit the local contribution and describe why the participating localities have been unable to provide the local contribution.

V. Board Action:

This topic requires Board action. Staff recommends extending the existing match policy through Sept 30th and adopting Option 3 with Board input on defining an Extraordinary Economic Opportunity.

The revised Match Policy would become effective Oct 1.

Waiver processes and related administrative guidance would be developed with stakeholder input and presented to the State Board for review at the September 12, 2023 meeting.



Board Policy #11

TITLE: Modified GO Virginia Program Match Requirements – Per Capita Funds

EFFECTIVE DATE: 04/17/2020

AUTHORITY: § 2.2-2489 of the Code of Virginia

POLICY STATEMENT: State law requires that any grant awarded from the Fund to a regional council shall require matching funds at least equal to the grant, provided, however, that the Board shall have the authority to reduce the match requirement to no less than half of the grant upon a finding by the Board of fiscal distress or an exceptional economic opportunity in a region.

To provide extended temporary relief to localities and accelerate the deployment of funds during a time of economic contractions caused by the COVID-19 pandemic, the state board will use this authority to modify match requirements. The following table represents the modified match requirements for project using a region’s allocated Per Capita funds. These match requirements will apply to new project applications received between April 17, 2020 and ~~June 30, 2023~~October 1, 2023. ~~The Board may elect to extend these modified match requirements.~~

PER CAPITA FUNDS		
	Total Match	Local Match
Enhanced Capacity Building	2-1	No Local Match Required
Regional Entrepreneurship Initiative	2-1	No Local Match Required
Sites (planning)	2-1	No Local Match Required
Sites (implementation)	2-1	No Local Match Required
Broadband (planning)	2-1	No Local Match Required
Broadband (implementation)	2-1	No Local Match Required
Project Implementation	2-1	No Local Match Required

APPROVAL AND REVIEW: This Board policy was reviewed and approved on 4/17/2020 and 9/22/2020. Amended 3/16/2021. Amended 4/21/2022. Amended 6/13/2023.

SUPERSESION: This Board policy will expire on ~~06/30/2023~~10/01/2023. ~~unless otherwise extended by the Board.~~

DHCD DIRECTOR: Bryan Horn



Board Policy #11

TITLE: GO Virginia Program Match Requirements – Per Capita Funds

EFFECTIVE DATE: ~~04/10/17~~01/2020~~03~~

AUTHORITY: § 2.2-2489 of the Code of Virginia

POLICY STATEMENT: State law requires that any grant awarded from the Fund to a regional council shall require matching funds at least equal to the grant, provided, however, that the Board shall have the authority to reduce the match requirement to no less than half of the grant upon a finding by the Board of fiscal distress or an exceptional economic opportunity in a region.

GO Virginia projects require the participation of two or more localities and implementation projects shall require that 20% of the total match be contributed by partnering localities. That match may be cash or in kind.

Participating localities may request a waiver of the Total Match or Local Match as required in the table below and shall submit that request for consideration using the Match Waiver Administrative Guidance developed by DHCD.

~~To provide extended temporary relief to localities and accelerate the deployment of funds during a time of economic contractions caused by the COVID-19 pandemic, the state board will use this authority to modify match requirements. The following table represents the modified match requirements for project using a region’s allocated Per Capita funds. These match requirements will apply to new project applications received between April 17, 2020 and June 30, 2023. The Board may elect to extend these modified match requirements.~~

PER CAPITA FUNDS		
	Total Match	Local Match
Enhanced Capacity Building <u>(planning)</u>	2 <u>1</u> -1	No Local Match Required
Regional Entrepreneurship Initiative <u>(planning)</u>	2-1	No Local Match Required
Sites (planning)	2-1	No Local Match Required
Sites (Implementation)	2 <u>1</u> -1	No Local Match Required <u>20% of Total Match</u>
Broadband (planning)	2-1	No Local Match Required
Broadband (Implementation)	2 <u>1</u> -1	No Local Match Required <u>20% of Total Match</u>
Project Implementation	2 <u>1</u> -1	No Local Match Required <u>20% of</u>

		<u>Total Match</u>
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APPROVAL AND REVIEW: This Board policy was reviewed and approved on 4/17/2020 and 9/22/2020. Amended 3/16/2021. Amended 4/21/2022. Amended 6/13/2023.

SUPERSESSION: ~~This Board policy will expire on 06/30/2023 unless otherwise extended by the Board.~~

DHCD DIRECTOR: Bryan Horn



Memorandum

TO: GO Virginia Board Members

FROM: DHCD Staff

RE: Delayed Implementation of Maximum Regional Per Capita Carryover Allowance and Establishment of Regional Performance Pool Policy #14

DATE: 06/13/2023

BACKGROUND: As part of the second enactment of Item 115 #5c subsection 5 of the 2022-2024 Biennium Budget, the Board was empowered to rescind funds allocated to regional councils on a per capita basis if the unobligated balances of a regional council exceeded its average annual per capita distribution award. On December 13, 2022, the Board adopted Board Policy #14, which exercises that power granted in the Biennium Budget. These rescinding of funds would take place on the first day of each fiscal year.

On May 7, 2023, the GO Virginia Region 1 Council met to discuss and vote on the attached request to delay the first implementation of this Policy by one quarter, citing the recency of the adoption of the Board Policy.

BUDGET LANGUAGE: 5. The Virginia Growth and Opportunity Board may rescind funds allocated to regional councils on a per capita basis, if the unobligated balances of a regional council exceeds its average annual per capita distribution award. Any funds rescinded pursuant to this paragraph shall be retained in the Virginia Growth and Opportunity Fund (09272) and may be used by the Virginia Growth and Opportunity Board for grant awards to competitive projects. The Department shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 10 days of the decision by the Virginia Growth and Opportunity Board to rescind regional per capital allocations. The regional council, the amount, and reason for unused funds shall be included in such notice.

RECOMMENDATION: DHCD staff recommends the attached technical amendment to Board Policy #14 which delays the enactment of this Policy.



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

Board Policy #14

TITLE: Maximum Regional Per Capita Carryover Allowance and Establishment of Regional Performance Pool

EFFECTIVE DATE: 12/13/2022

AUTHORITY: Item 115 #5c subsection 5 of the 2022-2024 Biennium Budget

POLICY STATEMENT: It is the policy of the Virginia Growth and Opportunity Board that, as permitted by Item 115 #5c subsection 5 of the 2022-2024 Biennium Budget, the Board will establish a maximum carryover allowance for Per Capita Funds and establish a Regional Performance Pool which shall be part of the Statewide Competitive Fund. This fund is established to encourage resource utilization and make additional resources available to eligible regions on a competitive basis. Regions may carry forward an amount not to exceed the prior year's per capita allocation funding. Recapture of these funds will first take place on October 1, 2023 and then on the first day of the fiscal year for every year thereafter.

The Regional Performance Pool will be available to those regions who have fully obligated their per capita fund allotments. The Regional Performance Pool will accept applications quarterly and conform to program guidance developed by DHCD in consultation with regional stakeholders.

APPROVAL AND REVIEW: This Board policy was reviewed and approved on 12/13/2022/6/13/2023.

SUPERSESION: This policy ~~is new.~~ includes technical amendments to Board Policy #14 approved on 12/13/2022, and on 6/13/2023.

DHCD DIRECTOR: Bryan Horn

GO Virginia Region One



Council

- Beth Rhinehart, *Chair*
- Mark Eschle, *Vice Chair*
- Moir Beamer
- Sam Cassell
- Lois Clarke
- Pam Collic-Price
- Blake Edwards
- Richard Edwards
- Todd Elswick
- David Graf
- Chancellor Donna Henry
- Melanie Protti-Lawrence
- Duane Miller
- Dr. David Olive
- Dr. Keith Perrigan
- Mike Quillen
- Dr. Dean Sprinkle
- Travis Staton
- Scotty Wampler
- Browning Wynn, II

Staff

- Robyn Lec, *Interim Program Director*
- Thomas Asher, *Program Manager*
- Shannon Blevins, *Vice Chancellor for Administration, Government Relations and Strategic Initiatives at UVA Wise*

Mr. Bryan Horn
Department of Housing and Community Development
600 E. Main Street, Suite 300
Richmond, VA 23219

May 7, 2023

RE: Request for Quarter Extension to Adhere to State Board Policy 14

Dear Bryan,

The GO Virginia Region 1 Council at its April 27, 2023 meeting voted to draft a letter to the GO Virginia State Board requesting an extension to carry over more than the maximum carryover allowance for Per Capita funds as it relates to Board Policy 14. A quarter extension will allow Region 1 to continue awarding FY22 Per Capita funds for an additional quarter.

Region 1 will end June 30, 2023 with \$263,876.99 in the FY22 Per Capita fund and \$1,000,000 in the FY23 Per Capita fund, bringing the carryover amount to \$1,263,876.99. The amount remaining in the FY22 Per Capita fund includes initial per capita allocation funding, \$3,484.87 that was transferred from FY21 building capacity funds, and \$105,373.13 in transferred funds remaining from awarded per capita projects in FY18 – FY21. The \$1,263,876.99 in FY22 and FY23 Per Capita funds exceeds the maximum carryover allowance for Per Capita funds specified in Board Policy 14. As such, Region 1 is slated to lose \$263,876.99 in Per Capita funds on June 30, 2023.

Due to the recent adoption of Board Policy 14 on December 13, 2022, the Region 1 Council would like to request additional time to award the \$263,876.99. Should the State Board grant Region 1 a quarter extension, Region 1 will be able to accept one cycle of Per Capita applications for submission at the State Board's September 12, 2023 meeting.

Should you need additional information or have questions concerning this request, please do not hesitate to contact me.

Sincerely,

Beth Rhinehart
Chair, GO Virginia Region One



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

V. CHAIR'S REPORT

a. Bylaws Review and Proposed Changes



Memorandum

TO: GO Virginia Board Members
FROM: Pia Trigiani
RE: GO Virginia Bylaws Review and Proposed Changes
DATE: 6/13/2023

The GO Virginia State Board bylaws address basic operation and governance of GO Virginia – tied to statutory authority for the creation and establishment of GO Virginia. The bylaws are based upon standard provisions for governmental bodies and address such matters as Board powers and duties, membership, committees, officers, compensation, meetings, quorum, and procedure as well as the process that must be followed to implement bylaw amendments. GO Virginia has operated under these bylaws since adoption in December 2016.

As GO Virginia has gone about its work, the bylaws have been foundational but, in the background – without much need to be given attention. Developments in the GO Virginia program and experience in operating this inventive and unique state-funded business and job growth incubator prompted State Board Chair Nancy Agee at the March 2023 GO Virginia Board meeting to ask Board Member Pia Trigiani to conduct a comprehensive review of the existing bylaws and work with staff to produce recommendations for bylaw amendments.

Working with Sara Dunnigan and Cody Anderson and with input from the Chair, Vice Chair and Go Virginia founder and past chair, Dubby Wynn, attached is an outline of recommendations for Board consideration.

Attachment.



BYLAW REVIEW – Recommendations

1. STRUCTURE AND FRAMEWORK

- ***The Bylaws should be amended to create two vice chair positions:***
 - **Vice Chair for Regional Councils** – To coordinate and oversee the work of regional councils. The Vice Chair would develop strategies to ensure communication between the Board and regional councils, create synergy among the regions, to invite feedback, share information on project focus and purpose, and ensure that regional councils are briefed on direction and strategies for implementing the GO Virginia mission. The Vice Chair for Regional Councils would chair the Regional Council Committee.
 - **Vice Chair for Project Evaluation** – To conduct an annual or semiannual review of funded projects. While currently a staff function with periodic reporting to the Board, additional Board focus on reviewing projects will enhance Board attention to assess performance, ensure contract compliance, and identify projects that are scalable. The Vice Chair for Project Evaluation would chair the Project Evaluation Committee.

Considerations: Establishing leadership positions to oversee two important Board functions - creates opportunity for additional Board member engagement while establishing pathways for deeper connection with regional councils and ensuring Board diligence in monitoring funded projects. The goal is to ensure projects are successful and to create avenues to correct course, as appropriate.

- ***The Bylaws should be revised to consider clarifying the role of the Executive Committee.***

Considerations: The role of the Executive Committee, comprised of Board officers, (and if established, committee chairs) should be well-defined in the Bylaws. Executive Committee functions are not intended to and should not be a replacement for full Board participation, deliberation, and action. The role of the Executive Committee should instead be focused on setting agendas and proposing and implementing strategy.

- ***The Bylaws should be amended to establish three new committees:***
 - Regional Council Committee
 - Project Evaluation Committee
 - Governance and Policy Committee

Considerations: Additional committees should be established only if that structure adds value to, streamlines, and enhances Board work. Committee role and scope of work must be clearly defined in Board policy.

- ***The Bylaws should be amended to address procedures for service on regional councils.***

- Terms of office.
- Number of Council members.
- Stakeholder Representation on Councils.
- Leadership Succession.

Considerations: Regional Council composition is currently established with administrative guidance and addressed in the regional council bylaws, adopted by each regional council and approved by the Board. Bylaw provisions should not be proscriptive or restrictive but reflect Board support for recruiting and sustaining strong and committed regional council membership that represents diverse business interests, with particular attention to encouraging and supporting representation on councils by economic development professionals.

2. GOVERNANCE

- ***The Bylaws should be amended to establish a two-year Board Chair term renewable for one additional year.***

Considerations: In order to create order in succession planning and ensure continuity and foster strong leadership, the term of the Board Chair should be defined and limited. With Board member terms limited to two possible four-year terms, identification and development of leadership is crucial.

- ***The Bylaws should be amended to establish a Governance and Policy Committee.***

Considerations: The Governance and Policy Committee would serve two primary functions: establish and implement a policy for development of Board members and to develop recommendations to the Governor on policy matters consistent with the GO Virginia mission as defined in the GO Virginia Fund’s enabling legislation. The Governance and Policy Committee would also focus on Board engagement and development of a Board strategic plan.

3. BOARD ENGAGEMENT

- ***The Board should consider and develop strategies to support staff briefing of new Board members on Board member expectations, the GO Virginia mission, and the policy and project review criteria and process.***

- Bi-Annual Board Retreat.
- Formalize and routinize new Board member orientation.
- Assign Board members mentors to new Board members (peer mentors).

Considerations: The Governance and Policy Committee should develop an orientation program and periodic retreat for Board and regional council members.

VI. INFORMATION ITEMS

- a. GO Virginia Program Performance Dashboard
- b. DHCD Approved Enhanced Capacity Building Projects
- c. Funded Project Summary
- d. Match Policy Feedback – Regional Letters
- e. Current GO Virginia State Board Bylaws



Administratively Approved Enhanced Capacity Building Applications

Administrative Approvals: Site Development Planning Grant

West Point Airport Industrial Site Evaluation

Region: 6

Participating Localities: King and Queen County (cash), Town of West Point (marketing)

Investment Strategy: Site Development (Planning)

Targeted Industry(s): Aquaculture/Seafood/Commercial Fishing/Marine Industries, Forestry/Wood Products/Paper; Manufacturing; Professional, Scientific, and Technical Services

Type of Project: Site Development Planning Grant

Applicant(s): Middle Peninsula Planning District Commission

Project Goal(s): To raise Middle Peninsula Airport Site (368.25 total acres) from Tier 2 to Tier 3 on Virginia Business Ready Sites levels.

Project Description: The Middle Peninsula Planning District Commission (MPPDC) is applying for \$100,000 in GO Virginia funds to conduct due diligence professional services necessary to raise the VEDP Business Ready Sites tier level of the [Middle Peninsula Airport property](#) from a Tier 2 to a Tier 3. The site has potential to support businesses in the following sectors: aquaculture/seafood/commercial fishing/marine industries, forest products, manufacturing (those not requiring municipal water and sewer), professional services and resiliency related businesses. The site is owned by the Town of West Point but is located in King and Queen County. The Town of West Point is contributing \$35,000 in cash match and King and Queen County is committing to marketing the site in their economic development efforts. Additional matching funds are provided from the Town of West Point through previous site acquisition of the timber rights to the property totaling \$30,000.

Project Budget:

Type of Funds	Totals
GO Virginia Request	\$ 100,000
Matching Funds	\$ 65,000
Local Match	\$ 65,000
Additional Leverage	
Total Project Budget	\$ 165,000

Outcomes:

- 368.25 acres advanced to a higher tier per Virginia Business Ready Sites program

Products:

- Master plan of development for the site
- Preliminary engineering report outlining costs to further develop the site

West Point Airport Industrial Site Evaluation

Staff Discussion:

- This project was conditionally approved in January 2023 upon updated match or at a reduced award amount, due to their submitted DCR match being ineligible as state funds. The applicant has resubmitted with match documentation for the purchase of timber rights in 2022 to be used to replace the original DCR match. *Purchasing the timber rights is the final step in fully acquiring the site. Without the timber rights, the Town would not be able to develop the industrial park that it envisions at the site.* GO Virginia Site Investment guidance states that previous investments in sites can be approved on a case by case basis.
- Regional collaboration - site is owned by the Town of West Point but the site is located in King and Queen County
- Site is covered by revenue sharing agreement between participating localities in Middle Peninsula Regional Airport Authority (only site in Region 6 that has revenue sharing agreement in place)
- Site characterization hasn't previously occurred, but presumed to be a Tier 2 and TRC proposal refers to it as a Tier 2 site
- Letter from King and Queen County indicates intent to include findings "in economic development marketing programs and efforts" - can be built into contract

Administrative Approvals: Enhanced Capacity Building

Expanding Smart Community Tech Entrepreneurship Across Region 6

Region: 6

Participating Localities: Gloucester County, Middlesex County, Town of Colonial Beach

Investment Strategy: Startup Ecosystem

Targeted Industry(s): Professional, Scientific, and Technical Services

Type of Project: Enhanced Capacity Building

Applicant(s): Stafford County Economic Development Authority (EDA)

Project Goal(s): To conduct feasibility work to determine if opportunities exist in rural localities in Region 6 beyond “Rappahannock region” to expand the existing Testbed and connect entrepreneurs and companies to solve local issues that may be improved using smart technology.

Project Description: The project will host a series of local community “discovery” and “project shaping meetings” with local leaders to identify environmental management, water, stormwater, public safety, traffic, and other community issues. Testbed staff and IoT staff will then identify possible technology solutions and identify technical solution entrepreneurs or providers that could address these issues using the Testbed and smart technology.

GO Virginia funds will be used to pay for contract services and meeting costs.

Project Budget:

Type of Funds	Totals
GO Virginia Request	\$ 96,250
Matching Funds	\$ 71,340
Local Match	\$ 25,090
Additional Leverage	
Total Project Budget	\$ \$167,590

Products:

- Region 6 Smart Tech Strategic Plan – to identify areas of interest to engage with entrepreneurs and provide marketing strategy for testbed for ED department across GO Virginia Region 6, particularly rural localities

Expanding Smart Community Tech Entrepreneurship Across Region 6

Staff Discussion:

- Feasibility study to expand Testbed to more rural areas of region 6. Builds on previous GOVA investment relating to expansion of testbed and smart technology industry and entrepreneurship support for said industry: Fredericksburg Region Cyber & Smart Tech Entrepreneurial Program.
- Virginia Sea Grant as partner – consistency with Coastal Resiliency GO Virginia project that is testing smart technology in the context of coastal resilience.
- *Regional entrepreneurship strategy*: Partnership with FRA – identified coordinating entity that plans to conduct REI for Region 6 once non-profit status is finalized.
- Discovery meetings will be open to all localities in Region 6, not just those contributing match



Memorandum

TO: GO Virginia Board Members
FROM: DHCD Staff
RE: GO Virginia Funded Projects - Update
DATE: 6/13/2023

The following link to the [GO Virginia Funded Projects](#) shows all projects funded to date. This represents 257 projects with a total funded amount of \$107,521,231.

GO Virginia Region One



Council

Beth Rhinehart, *Chair*
Mark Eschle, *Vice Chair*
Moir Beamer
Sam Cassell
Lois Clarke
Pam Collie-Price
Blake Edwards
Richard Edwards
Todd Elswick
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Dr. David Olive
Dr. Keith Perrigan
Mike Quillen
Dr. Dean Sprinkle
Travis Staton
Scotty Wampler
Browning Wynn, II

Staff

Robyn Lee, *Interim Program Director*
Thomas Asher, *Program Manager*
Shannon Blevins, *Vice Chancellor
for Administration, Government Relations and
Strategic Initiatives at UVA Wise*

Ms. Sara Dunnigan, Deputy Director
Economic Development and Community Vitality
Virginia Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, VA 23219

May 17, 2023
RE: Request to Extend State Board Policy 11

Dear Sara,

The GO Virginia Region 1 Council appreciates the opportunity to provide input regarding the expiration of Board Policy 11 and GO Virginia match requirements for future projects. When the COVID-19 pandemic struck, the GO Virginia State Board quickly pivoted to ensure that the GO Virginia program would aid our communities, stakeholders, and businesses during a trying time for the Commonwealth and the nation. With the direction from leadership and establishment of Board Policy 11, moving the match requirement from 1:1 to 2:1 with no local match required has made a tremendous impact on Southwest Virginia. The growth of the GO Virginia program in Region 1 over the last three years can be attributed to the reduced match guidelines for Per Capita projects. As such, the Region 1 Council respectfully recommends the GO Virginia State Board extend Board Policy 11 to continue the reduced match requirement for Per Capita projects.

Like many of the other GO Virginia regions across the Commonwealth, Region 1's industry growth and job growth were negatively impacted by the COVID-19 pandemic. However, the GO Virginia program experienced several years of success due to the State Board's creation of the Economic Resilience and Recovery (ERR) program and relaxed match guidelines that allowed GO Virginia to be more accessible and create a positive economic impact without the additional barrier of match in a struggling economy. Since the onset of Board Policy 11 in April 2020, GO Virginia Region 1 has partnered with regional localities and organizations to announce 19 regional Per Capita projects and 6 ERR projects, mobilizing \$12,827,612.00 dollars of public and private investment tied to Region 1's target industries. These projects have made significant economic impact as it relates to site development, industry expansion, prospect recruitment, talent development, and entrepreneurial initiatives.

Under Board Policy 11, Region 1 continues to experience meaningful participation from our localities without the cash match requirement. The policy has enabled project partners to work collaboratively with localities to reach economic goals without the burden of providing cash resources directly to the project. Reverting back to the original match requirements would hinder the participation and collaboration of the 16 rural localities in our region and delay the project pipeline in Southwest Virginia.

Region 1 has gathered input from local and regional partners concerning the GO Virginia match guidelines and the impacts of the expiration of Board Policy 11. We have heard specifically from economic developers stating that the availability of Board Policy 11 has been instrumental in

ensuring the success of several regional projects that will have substantial, lasting impacts on the economy of the far Southwest Virginia region.

“One of the largest struggles faced by our rural localities is the ability to fund economic development projects. With the majority of these communities in some form of economic hardship, that they are working on remedying, the return of the GO Virginia local match requirement could be damaging to innovative efforts. Reimplementing the local match requirement could also eliminate true economic development creativity by placing emphasis on the quantity of dollars that need to be contributed instead of the quality of ideas that have been nurtured to create economic growth in a rural area.”

“With the match constraints of most state and federal funding agencies, the local non-match requirement of GO Virginia funds also is extremely helpful in terms of the first funds into a project. GO Virginia funds may not have a local match requirement, but they can be the key to unlocking other funding sources by utilizing GO Virginia funds as the required match for other state and federal funding sources.”

- Regional Planning District Commission

“We understand that there is consideration being given by the State Board to amend the Per Capita Funds Match required by localities. As a founding Region 1 Council member and current Region 1 Council Chair, I can confirm that the match requirement for our rural communities of Southwest Virginia is one of the greatest challenges/obstacles for successful applications and program implementation. As a Chamber CEO, our businesses consistently indicate that capital is the greatest challenge for ongoing success and sustainability. Finally, our communities have been under stresses that are not as prevalent in the more metro-based regions of the Commonwealth. As GO Virginia stands for Growth and Opportunity in each region, I would respectfully ask that the uniqueness of our Region be considered with regard to our limited opportunity for matching funds.”

- Chamber of Commerce

Thank you for your attention to this matter and for considering this request to extend the relaxed match guidelines to allow rural regions like Southwest Virginia to continue to benefit from programs like GO Virginia. Region 1 is confident that we can continue to meet the goals of GO Virginia in collaboration with the state and regional partners with the reduced match requirements.

Should there be further conversations or opportunities to provide feedback concerning this policy and match guidelines, Region 1 is ready and willing to participate in the discussion.

Sincerely,



Beth Rhinehart
Chair, GO Virginia Region One



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

GO Virginia Region 2

May 15, 2023

Ms. Sara J. Dunnigan
Deputy Director of Economic Development and Community Vitality
Virginia Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, VA 23219

Ms. Dunnigan,

We have appreciated the state GO Virginia board’s willingness to respond with flexibility to economic conditions in recent years. As they consider a change to current match policy, we would request they use their statutory authority provide a structured approach to allowing communities facing one or more types of economic distress to submit applications at a relaxed (1:2) rate and continue to waive local match requirements for all projects.

While economic conditions in our region have improved since the launch of GO Virginia, localities across our region continue to have incomes lower than the state average, poverty rates higher than the state average, and in some cases are seeing mass layoffs in legacy industries.

Under the relaxed match rates, we have been able to support 24 projects focused both on advancing new opportunities in our region, like the rapid growth of our support systems life science sector, but also accelerating change in areas of historic strength like truck manufacturing as we become a center for electric and autonomic vehicles.

Under the waiver on local match, we have still seen significant match contributions from localities, with \$3,821,156 committed since the waiver was in place. But we have also seen active participation in advisory committees or groups helping guide and manage local projects.

This has been particularly important in creating space for our least prosperous communities to engage meaningfully in project partnerships with their peers. We recently convened small and rural communities across our region and this issue was discussed with some sense of urgency.

Regards,

DocuSigned by:
William E. Amos 5/17/2023
44912ABE5699452
William E. Amos, Chair

DocuSigned by:
Beverly Dalton 5/17/2023
037AF4529913476
Beverly Dalton, Vice Chair

Region 2 GO Virginia Council

Region 2 GO Virginia Council



May 16, 2023

SENT VIA ELECTRONIC MAIL

Nancy Howell Agee, Chair
Virginia Growth and Opportunity Board
600 East Main Street, Suite 300
Richmond, Virginia 23219

RE: GO Virginia Region 3 Position Board Policy #11 – Modified Match Requirements for Per Capita Grants

Dear Chair Agee:

On behalf of the GO Virginia Region 3 Council and Executive Committee, we respectfully request the GO Virginia State Board consider continuing with Board Policy #11 for the reasons presented in this letter. While it was appropriate and necessary for the State Board to address local fiscal conditions quickly and responsibly during the COVID-19 Pandemic, the results of this State Board policy have provided greater flexibility to the Region 3 Council for developing a number of transformational projects from a variety of stakeholders, including local governments.

The following comments are provided for the GO Virginia State Board's consideration in support of continuing with Board Policy #11:

- §2.2-2489.K of the Code of Virginia, as amended, provides the State Board with its authority to require a match for all GO Virginia grant awards:
 - i. Any grant awarded to a Regional Council shall require matching funds at least equal to the grant amount (1:1 – grant to match ratio); and,
 - ii. The State Board is given the discretion to reduce the match requirement to no less than half of the grant upon a Board finding of fiscal distress or exceptional economic opportunity (2:1 – grant to match ratio); and,
 - iii. Matching funds for a GO Virginia grant award may be from local, regional, federal, or private sources but shall not include any state general or non-general funds.
- While it is known that the COVID-19 Pandemic is no longer a public health emergency, Region 3's local government operating and capital budgets continue under fiscal distress because of the increases in compensation needed to recruit and retain local government employees; inflationary pressures for goods and services purchased by these local governments; higher interest rates for debt service; and, locally elevated unemployment and poverty rates among other negative economic factors.



Nancy Howell Agee, Chair
Virginia Growth and Opportunity Board
May 16, 2023
Page 2

In light of this situation, the State Board must consider the significant variations among all Regional Councils when enacting new policies or modifying existing policies to ensure the economic divide between the “urban crescent” and the “rural horseshoe” is reversed.

- The State Board should seriously consider the Commonwealth’s fiscal distress rankings for localities when developing policies governing match ratios for Per Capita grants. Region 3’s localities and other similarly situated localities in Virginia demonstrate, year in and year out, high fiscal distress—however measured and across the board. This challenge is precisely why the Region 3 Council has developed strategies to grow business investment and high-paying jobs.

To address this reality, the State Board should institute a fiscal distress measure to reduce the match ratio for Per Capita grants from 1:1 to 2:1 for localities with objectively measured fiscal distress.

- **Proposed Policy #11 Amendment:** Instead of returning to mandating a required *minimum local government cash match* amount, a fair reading of the enabling authority could find the State Board amending Policy #11 to allow each Regional Council to determine, in line with State Code requirements, the most effective and financially practical blending of match sources and cash and in-kind contribution amounts for each Per Capita grant. Such an approach would give local governments and regional economic and workforce development stakeholders the ability and motivation to bring forward quality projects to implement each Regional Council’s Growth & Diversification Plan strategies.
- The following items are offered as background information for the State Board:
 - Region 3’s pipeline of projects (development through award approval) has increased since the State Board modified Policy #11 on 4.20.20, meaning a larger universe of stakeholders, including local governments, was actively engaged with the GO Virginia program.

Projects Before 4.20.23

-\$648,000 one (1) Per Capita project at a 1:1 ratio with required local match minimum met

Projects After 4.20.23

-\$3,433,297 six (6) Per Capita projects at a 2:1 ratio with no local match required per Policy #11



Nancy Howell Agee, Chair
Virginia Growth and Opportunity Board
May 16, 2023
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- The definition of “match,” as presented in the GO Virginia administrative guidance document entitled *“Project Match Documentation Guidelines,”* permits both cash and in-kind match and provides examples of eligible in-kind match.

Region 3 supports these definitions but also notes the following:

- In practice, “match” is frequently assessed and given significant weight during the application review process through the lens of “cash”——an investment that can be physically or tangibly measured.
 - In practice, an “in-kind” match that comes through the intellect and the time commitments of project partners and allied stakeholders tends to be devalued when, in fact, it is just this type of human engagement that leads to true and sustained regional collaboration among economic and workforce development stakeholders.
 - As a matter of policy, the State Board should encourage and up-value the time and intellect commitments of the stakeholders for each project, particularly stakeholders representing local governments.
- An informal and representative survey of Region 3’s local government managers finds a consensus that providing local cash match at the minimum amounts required is difficult outside of the annual budget development process, which occurs many months before the start of the new fiscal year. The budget development and adoption process for Region 3’s local governments is often out of cycle with the GO Virginia grant calendar.

Furthermore, it is challenging and a burden in a scarce resource environment for rural local governments to include a budget line that estimates a GO Virginia “match contingency amount” for an unknown project or projects which may or may not occur during the ensuing fiscal year.

- For a local government to provide a cash match for a GO Virginia grant outside of its annual budget development and adoption process requires amendment of the adopted current fiscal year operating or capital budget. In Region 3, such a budget amendment typically requires approval by the governing body with the accompanying time delay.



Nancy Howell Agee, Chair
Virginia Growth and Opportunity Board
May 16, 2023
Page 4

This budget amendment process will likely involve questions posed by members of the governing body about how the proposed GO Virginia project is related to core local government services such as public education, public safety, and emergency services and why it should be acted upon outside of the regular annual budget process.

- Using cash match (past or future expenditures) for business site development is usually the most straightforward way for local governments to pursue a GO Virginia grant project.

Outside of GO Virginia grants for business site development, relating workforce development, cluster scale-up, and entrepreneurship projects to core local government services to secure a local government's cash match often proves problematic in light of scarce fiscal resources. This is because other local, regional, state, or non-profit organizations can often be seen as responsible for undertaking and managing these projects.

Be assured the GO Virginia Region 3 Council stands ready to continue our successful regional collaboration to grow business investment and create high-paying jobs. We respectfully request the continuance of Board Policy #11.

Again, thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy J. Clark'.

Timothy J. Clark, Chair
GO Virginia Region 3 Council

cc: GO Virginia Region 3 Council



Mary Ball Washington Regional Council

GO Virginia Region 6

406 Princess Anne Street

Fredericksburg, VA 22401

www.govirginia6.org

May 17, 2023

Nancy Agee, Chairwoman
GO Virginia State Board of Directors
600 E Main Street
Suite 300
Richmond, VA 23219

Re: GO Virginia Match Requirements

Dear Ms. Agee:

On behalf of the Region 6 Council, we are writing to express our perspective on the potential expiration of *Board Policy #11 – Modified GO Virginia Program Match Requirements – Per Capita Funds*. Though it is not officially on the docket for the June board meeting, we would also like to shed light on the potential reinstatement of the local match requirement as well.

First, we want to thank the Board for its quick action in 2020 to reduce the match and waive the local match requirement. Several significant projects were approved shortly after the reduction. In the last year alone, we've had seven transformative projects approved that stretch across each GO Virginia investment area and include localities that don't typically participate in projects.

While we understand that a reversion to a 1:1 match may be unavoidable, our Council fears that this will limit the number of applications brought to us by rural localities. Nine of the fifteen localities in our region suffer from fiscal distress according to the *Report on Comparative Revenue Capacity, Revenue Effort, And Fiscal Stress of Virginia's Cities and Counties*. We currently work intimately with all Region 6 local partners to creatively approach match and have been successful in doing so. Nonetheless, we still often face inertia in reaching just the 2:1 threshold. The expiration of *Board Policy #11* will undoubtedly exacerbate this and likely limit the number of applications brought to the Council by areas that need investments in economic development projects the most.

Similarly, the reinstatement of the local match requirement will also be an impediment to the more economically challenged parts of the region. As mentioned above, more than half of our region's localities lack significant enough funds to meaningfully contribute to projects, especially ones that require larger investments. For instance, more than other parts of the state, our region suffers from a deficiency of business ready sites. Reintroducing the local match requirement will make developing sites to Tier 4 or 5 designation a steep hill to climb.

In conclusion, we appreciate the State Board's quick action in reducing the match in 2020 and understand that you all feel compelled to revert the match back to 1:1. We simply hope that our region's unique perspective is considered when reviewing projects in the future.

Sincerely,

A handwritten signature in cursive script that reads "G. William Beale".

G. William Beale, Chair
Mary Ball Washington Regional Council

A handwritten signature in cursive script that reads "Robert Quartel".

Robert Quartel, Vice Chair
Mary Ball Washington Regional Council



Mary Ball Washington Regional Council

GO Virginia Region 6

406 Princess Anne Street

Fredericksburg, VA 22401

www.govirginia6.org



March 29, 2023

Ms. Nancy Agee, Chairman
Virginia Growth and Opportunity Board
c/o Virginia Department of Housing & Community Development
600 East Main Street, Suite 300
Richmond, Virginia 23219

Dear Chairman Agee:

On behalf of the GO Virginia Region 7 Council, thank you and the GO Virginia State Board for the enhanced local funding flexibility that has been authorized since the COVID-19 Pandemic impacted our region. The Northern Virginia labor market has been especially hard hit since March 2020 and is just now beginning to recover. The State Board's adoption of Policy #11 – GO Virginia Program Match has been essential to our regional recovery efforts. Our Council encourages you and the State Board to continue authorizing these reduced match funding requirements, as well as a waiver of local match, through FY24. There continues to be uncertainty in our local economy with large numbers of layoffs in the tech sector, as well as banking and financial uncertainty, escalating inflation, and rising interest rates. The local governments have not rebounded completely and the timing to receive funding has dramatically increased.

Since the adoption of Policy #11 in Spring 2020, the GO Virginia Northern Region 7 has been awarded twenty (20) proposals for a total of \$14,046,982 in funding. This is a substantial increase over the initial two years of the program, with only four (4) approved projects using the initial match requirements. The proposals over the past three years have been strong, quality submissions. In FY23, our region has had two very large projects approved, \$2.5 million and \$3.3 million subsequently to address industry scale-up of the Nanotechnology and Semi-conductor industry sectors, in response to the federal CHIPS Act. These projects could have never been funded with the previous 1:1 match policy and local match requirements. The State's match funding policy change has encouraged broader community participation in the GO Virginia policy process and Region 7 has benefited from that revision, while demonstrating significant impact regionally and statewide.

Thank you for your consideration of our request to extend the State's enhanced program funding match requirements. As the new Chair of the GO Virginia Region 7 Council, my colleagues and I look forward to our continued work with you and the State Board, to promote and implement innovative and collaborative economic and talent development initiatives for the Northern Virginia region.

Sincerely,

Raul Vargas.

Raul "Danny" Vargas
Chairman, GO Virginia Region 7 Council
Founder/President, VARCom Solutions, LLC (www.varcom.com)
Tel: 571-276-3109
Email: dvargas@varcom.com



Shaping Perceptions. **Delivering Results.**



Region 8

*Cities of: Buena Vista, Harrisonburg, Lexington,
Staunton, Waynesboro, & Winchester
Counties of: Augusta, Bath, Clarke, Frederick, Highland,
Page, Rockbridge, Rockingham, Shenandoah, & Warren*

May 15, 2023

Ms. Sara Dunnigan, Deputy Director
Economic Development and Community Vitality
Virginia Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, VA 23219

Dear Sara,

On behalf of the GO Virginia Region 8 Council, we respectfully request the GO Virginia State Board consider extending the amendment to GO Virginia Policy #11, effectively continuing the reduced match requirement for Per Capita Fund projects. This amendment – initiated in April 2020 in response to the COVID pandemic – allowed the localities and GO Virginia project partners within our Shenandoah Valley footprint to announce 11 projects representing \$8,453,956 dollars of public and private investment tied to five target industries in our region’s strategic Growth & Diversification Plan.

Our region has fully embraced the GO Virginia program as a unique catalyst to diversify our economy. While the cash match reduction was intended to relieve fiscal stress from the challenging effects of the COVID pandemic on local budgets, we have found benefits beyond the immediate pandemic relief response. Through a series of strategic conversations across the region with public, private, nonprofit, and education partners, we see our 16 locality partners more creative, engaged, and flexible with grant proposals and project development.

One of the key factors contributing to this advancement of the GO Virginia program in our region is an appreciation by our locality members that they can achieve our shared goals without diverting scarce cash resources from core services in their municipalities. Through in-kind staff time, real estate, eligible grant match sources, and other revenue sources, our localities have fully provided meaningful contributions to the 11 projects we’ve facilitated since the GO Virginia Policy #11 amendment took effect.

These match options are especially critical for rural localities in the Commonwealth – a designation that applies to most of our jurisdictions. As a Council, we are excited to be evaluating several project proposals in our region that would represent potential investments of millions of dollars and advance all of our target industries in our ongoing effort to enhance our regional economy through this program. The loss of this amendment, if expired or discontinued by the GO Virginia Board, would currently jeopardize the viability of all these projects. However, without the barrier of a cash match, we believe each locality involved in these

potential proposals can provide committed, meaningful project participation and support just as several of them have done under this policy over the last three years.

We appreciate the opportunity to provide input and share feedback on the GO Virginia Policy #11 amendment. Our Region 8 Council had a robust discussion about this policy at our April 26, 2023, quarterly meeting and we subsequently heard from several current grantees and local government partners about the potential impact of reverting these match provisions. We believe we can collaboratively execute the goals of the GO Virginia program in Region 8 in partnership with the state through local meaningful participation without the barrier of a cash contribution.

“Please consider extending VA Policy #11 amendment a minimum of an additional 24 months. This pandemic-initiated change enabled many Virginia localities to effectively participate in successful GO Virginia projects that have benefitted the economic well-being of many Virginians. Cash matches from local governments, particularly in the Shenandoah Valley, are difficult to earmark and appropriate. We sincerely hope the state Board will offer this flexibility to enable local governments to be innovative and find creative partnerships to carry out the goals of GO Virginia.”

- Economic Development Director

“It has been brought to our attention that the GO Virginia State Board is considering amending the Per Capita Funds Match required by localities that is set to expire at the end of June. As a small, rural locality our ability to come up with matching funds is constrained by limited budgets which predominantly derive their revenues from real and personal property taxes. With the expiration of GO Virginia Policy #11 eliminating the 20% or \$50,000 match requirement, our locality would be extremely limited to participate in upcoming GO Virginia projects thereby diversifying our tax base and that of the Commonwealth. We hope that you will consider extending the amendment allowing rural localities such as Shenandoah County to continue our involvement in GO Virginia for the economic benefit of the entire Commonwealth of Virginia.”

- County Administrator

“Rural areas typically have limited budgets and resources, making it difficult for them to meet the matching requirement. This could result in lost opportunities for funding and development in areas which need it most. In some cases, private developers might be called upon to help meet the match to win a grant. This would subsequently divert funds that they had intended to apply elsewhere in the project. Similarly, with limited capital, rural localities may have to choose between other investments critical to development (infrastructure, incentives, etc.) in order to achieve the GOVa match requirement.”

- County Administrator

“As a fiscally conservative locality, keeping a low tax rate is one of the top priorities of our residents and has played a large role in the business friendly

Ms. Sara Dunnigan

May 15, 2023

Page 3

environment our economic development strategy guides us toward. The tax rate the locality currently operates under has only been minimally increased over the past decade. Economic development is prioritized in our area by leaders, but it is not easy, or sometimes possible, to balance increased day-to-day services for rural residents and set aside contingency funds for the hope of possible, long-term grant opportunities.”

- County Economic Development Director
and County Administrator

Thank you for your attention to this matter, your partnership, and your leadership. We hope this letter and the input from past grantees and local governments enables State Board members from more urban regions to recognize the need for local government match to continue to be *meaningful participation* with or without a cash contribution.

Respectfully submitted,



Chris Kyle, Region 8 Chair



Deborah K. Flippo, Executive Director

c Region 8 Council Members
Brandon Davis, NSVRC/Region 8 Support Organization
Joel Hensley, Administrative Coordinator



VIRGINIA INITIATIVE FOR
**GROWTH &
OPPORTUNITY**
IN EACH REGION
REGIONAL COUNCIL 9

May 11, 2023

Nancy Howell Agee
Chair, GO Virginia Board
c/o Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, VA 23219

Dear Chair Agee,

On behalf of the GO Virginia Region 9 Council, I'm pleased to share input for the GO Virginia Board to consider during discussion of Board Policy # 11 - Modified GO Virginia Program Match Requirements set to expire this June. The Region 9 Council supports the extension of eased match requirements through 2024 and elimination of the previously required minimum match contributions for localities.

We recognize and appreciate that the Board acted at the onset of the pandemic to relax match requirements across per capita grant types and suspended requirement for minimum locality match contributions. This timely and immediate action opened the door quickly for regional councils to help drive support for economic recovery. With new forms of economic uncertainty looming, it is too soon to reinstate either the 1:1 match or the minimum locality requirements to pre-policy levels.

Related specifically to the 2:1 match easement, it is our view that there is still much uncertainty in economic conditions related to inflation, labor demand and supply gaps, etc. that suggest that it is premature to reset match back to 1:1. Local governments and the private sector are still navigating the labor sector challenges, exacerbated by the impact of inflation along with other market concerns. Economists are indicating that a recession is still possible, and thus it would be premature to back off efforts that have helped drive regionally responsive growth opportunities and solutions for talent development, business ready sites and entrepreneurship.

There is also strong sentiment that the minimum locality match participation may not need to be reinstated to pre-pandemic terms. That is, a minimum of 25% match or \$50,000 whichever is greater. Over the past three years, the DHCD team and regional staff have worked hard to develop broader standards for regional local government participation. This requirement adds an unnecessary level of complexity to the GO Virginia program.

Regards

A handwritten signature in blue ink, appearing to read 'Ray Knott', is written over the word 'Regards'.

Ray Knott
Chair, GO Virginia Region 9 Council

VIRGINIA GROWTH AND OPPORTUNITY BOARD BYLAWS

ARTICLE I NAME

The name of this board is the Virginia Growth and Opportunity Board, hereinafter referred to as the Board.

ARTICLE II AUTHORIZATION

The Board was established pursuant to Title 2.2, Chapter 24, §§ 2.2-2484 through 2.2-2490 of the Code of Virginia (2016), as amended.

ARTICLE III LOCATION

The Office of the Board shall be in the Department of Housing and Community Development. Regular meetings of the Board will occur at a designated location in the Commonwealth.

ARTICLE IV POWERS AND DUTIES

The Board shall have all rights, powers and duties bestowed by and be subject to the limitations and restrictions set forth in the Code of Virginia or the Appropriations Act.

The Board shall adhere to the Freedom of Information Act (FOIA) and the Conflict of Interest Act (COIA) except as exempted pursuant to §2.2-3711.A.48 of the Code of Virginia.

ARTICLE V MEMBERSHIP

Section 1 Number, Appointment and Confirmation: (As stipulated in the Code of Virginia, §2.2-2485 B)

The Board shall consist of twenty-four (24) members; fourteen (14) nonlegislative citizen members: two (2) appointed by the Governor not subject to confirmation by the General Assembly, eight (8) appointed by the Governor subject to confirmation by the General Assembly, two (2) appointed by the Speaker of the House of Delegates, and two (2) appointed by the Senate Committee on Rules; seven (7) legislative members, and three (3) Cabinet Secretaries appointed by the governor to serve ex-officio terms.

Section 2 Term: (As stipulated in the Code of Virginia, §2.2-2485 C)

Members appointed by the Governor and the General Assembly shall serve for terms not

to exceed four years and no nonlegislative member shall serve more than two successive full terms. The legislative members and Cabinet Secretaries shall serve terms coincident with their terms in office. No member appointed by the Speaker of the House of Delegates shall serve more than four successive two year terms and no member appointed by the Senate Committee on Rules shall serve more than two successive four year terms.

ARTICLE VI COMMITTEES

The Board may create advisory, executive, or Board member committees to consider specific issues and provide guidance to the Board as a whole.

ARTICLE VII OFFICERS

Section 1 Election of Officers

The Board shall elect a Chairman and Vice Chairman from among its membership at the first meeting of each fiscal year. The legislative and ex-officio Board members shall not serve as Chairman or Vice Chairman. The incumbent Chairman and Vice-Chairman shall be eligible for re-election. The Chair and Vice Chair shall not serve more than two (2) consecutive four year terms.

Section 2 Duties of the Chairman

The Chairman shall preside at all meetings of the Board at which he/she is present, and shall vote as any other member. The Chairman shall make appointments to Board's committees as deemed appropriate and in accordance with statute. Members may request appointment to certain committees but appointment is solely the responsibility of the Chairman. The Chairman shall appoint a chairman of each standing committee annually following the election of officers. The Chairman may call special meetings as required and shall in general act as the Board's spokesman and perform such other duties as it may direct. The Chairman shall be an ex-officio member of all standing committees.

Section 3 Duties of the Vice Chairman

The Vice Chairman shall, in the absence of the Chairman, have authority to perform all duties and exercise all powers of the Chairman and shall perform other duties as the Board may direct. The Vice-Chairman shall be an ex-officio member of all standing committees.

Section 4 Designation of a Secretary

The Director of the Agency that has fiduciary responsibility for the Growth and Opportunity Fund shall serve as Secretary to the Board. The Board may designate and select someone else to serve as Secretary and to serve in that capacity as well.

Section 5 Duties of the Secretary

The Secretary shall attend all meetings of the Board, keep a record of proceedings, and notify members of all meetings. In general, the Director shall perform all duties incident to the office of Secretary and may also perform or direct Department staff to perform such other duties as may be assigned by the Board. The Secretary is responsible for drafting the annual report on behalf of the Chairman.

ARTICLE VIII COMPENSATION

Legislative members of the Board shall receive such compensation as provided in § 30-19.12, and nonlegislative citizen members shall receive compensation as provided in § 2.2-2813 for the performance of their duties. All members shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825.

ARTICLE IX MEETINGS

Section 1 Regular Meetings

Regular meetings may be held as determined by the Board; the Board must meet at least quarterly. Committee meetings will be held as needed at a time and place agreed to by the Board. The meeting notice of time, location and purpose shall be given to all Board members at least 30 days prior to the date of meeting. The Board will provide for public participation as directed by the Code of Virginia.

The Board will adhere to the Freedom of Information Act (FOIA) and the Conflict of Interest Act (COIA) except as exempted pursuant to §2.2-3711.A.48 of the Code of Virginia.

Section 2 Special Meetings

Special meetings may be called by and at the discretion of the Chairman or shall be called by the Chairman upon petition of three other Board members. At least 3 days' notice must be given to all Board members in writing or by telephone stating the time, place and purpose of the special meeting.

Section 3 Agenda

The Secretary, in consultation with the Chairman, will prepare an agenda for distribution to the members prior to the regularly scheduled meetings. Any member may place an item on the agenda by providing notice to the Secretary fifteen days prior to the regular meeting. During a regular meeting of the Board and upon approval by a quorum of the Board, items not appearing on the agenda may be discussed under New Business and may be acted upon by the Board during the meeting or placed on the agenda for Board action during a later meeting.

ARTICLE X QUORUM

A majority of the members of the Board shall constitute a quorum. Any decision by the Board shall require an affirmative vote of a majority of the members of the Board.

ARTICLE XI PARLIAMENTARY PROCEDURE

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

ARTICLE XII AMENDMENTS

These bylaws may be amended by a two-thirds (2/3) affirmative vote of the total members at any regular meeting. Action on amended bylaws may not take place at the meeting in which they are introduced. Action on amended bylaws shall take place a minimum of thirty days after their introduction. The Bylaws shall be amended to conform to statutory requirements as required.