



DAY 1



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

Virginia Growth and Opportunity Board

2023 Board Retreat
September 11-12, 2023
Richmond, Virginia



COgro Labs at Virginia Tech Corporate Research Center
(Source: GO Virginia Region 2 Annual Report)



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**
Partners for Better Communities



VIRGINIA INITIATIVE FOR
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OPPORTUNITY**
IN EACH REGION

Opening Remarks

Nancy Howell Agee

President and CEO of Carillion Clinic

GO Virginia Board Chair





Schedule – Retreat Day 1

12:00-12:15 Opening Remarks

Nancy Howell Agee, GO Virginia State Board Chair

12:15-12:45 Governor Youngkin's Economic Development Progress Report

The Honorable Caren Merrick, Secretary of Commerce and Trade

12:45-1:30 State of the Virginia Economy & Regional Perspectives

Fletcher Mangum, Mangum Consulting

1:30-1:45 Break

1:45-2:30 Implementing the InnoVAtive Growth Framework

Jason El Koubi, President and CEO, Virginia Economic Development Partnership

2:30-2:45 Break

2:45-3:30 Virginia's Emergent Talent Development Strategies – A Panel Discussion

The Honorable Bryan Slater, Secretary of Labor

Kirk Cox, Executive Director, Virginia Business Higher Education Council

David Dore, President, Virginia Community College System

3:30-4:30 Virginia State Budget Update

The Honorable Stephen Cummings, Secretary of Finance

4:30-6:00 Reception



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Governor Youngkin's Economic Development Progress Report

The Honorable Caren Merrick
Virginia Secretary of Commerce and Trade



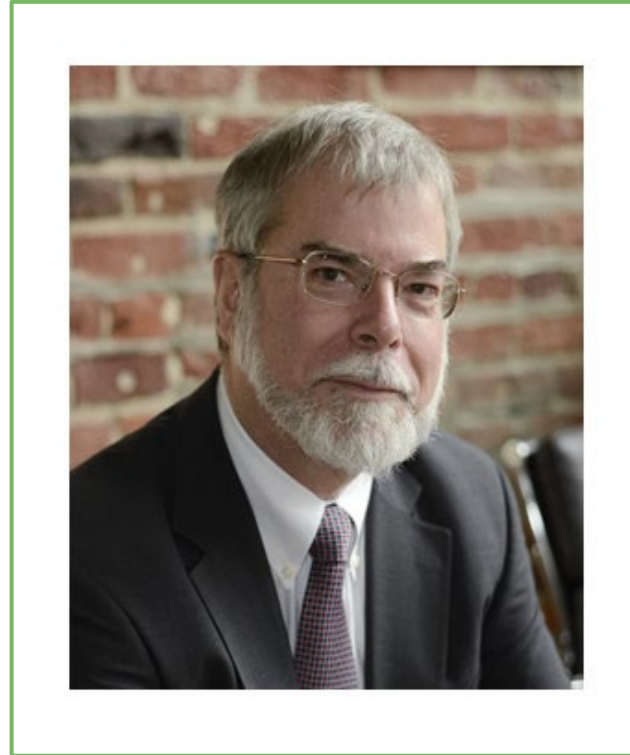


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State of the Virginia Economy & Regional Perspectives

Fletcher Mangum

Founder and CEO of Mangum Economic Consulting





BREAK / Return 1:45





VIRGINIA INITIATIVE FOR
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Implementing the InnoVAtive Growth Framework for Economic Development

Jason El Koubi

President and CEO

Virginia Economic Development Partnership





AN INNOVATIVE FRAMEWORK FOR ECONOMIC GROWTH

September 11, 2023



Virginia
Economic
Development
Partnership
VEDP.org

TRANSFORMATIONAL GOALS FOR THE COMMONWEALTH

- 1 Robust State Growth**
Position Virginia to achieve a growth rate among that of the top 5-10 states in the U.S.
- 2 Every Region Wins**
Ensure that every region participates in the growth of the Commonwealth
- 3 Best State for Business**
Restore Virginia to its previous leadership position near the top of the national business climate rankings
- 4 Top State EDO**
Reestablish VEDP as one of America's most effective state economic development organizations
- 5 Super Collaborator**
Exhibit collaboration and coordination as hallmarks of VEDP (i.e., place a central focus on the "P" in VEDP)

IN THE PAST FIVE YEARS WE HAVE MADE MARKED IMPROVEMENTS, YIELDING STRONG RESULTS

Better capabilities

- Established new capabilities / teams (Talent Accelerator, VOEE, Real Estate Solutions)
- Enhanced lead generation and FDI attraction offices
- Improved project management in Research
- Developed strong Value Proposition research and materials for target industries
- Implementation of Virginia's first-ever comprehensive Intl. Trade Strategic Plan
- Accelerated the Regional Talent Solutions and Business Outreach team



Better collaboration

- Provided regular VEDP updates to partners ('VEDP updates', activity reports, etc.)
- Partnered with Virginia Chamber Foundation to launch Team Virginia
- Engaged site selection consultants (e.g., marquee events, outreach)
- Strengthened External Affairs team
- Accelerated the Virginia Business Ready Sites Program w/ stronger funding
- Launched the \$2B Tech Talent Investment Program





Better results

- Secured transformational project wins (e.g., HQ2, LEGO, DroneUp, Morgan Olson, Micron, AWS)
- Achieved notable rankings: CNBC No. 1 State for Business
- Improved economic outlook in a material way
- Navigated the economic challenges of a global pandemic
- Launched distinctive marketing campaigns: strong marketing brand reinforced by distinctive collateral (e.g., *Virginia Economic Review*)


PROGRESS HAS BEEN MADE ON ALL FIVE TRANSFORMATIONAL GOALS, BUT OPPORTUNITIES EXIST TO ACHIEVE SUCCESS

Transformational goal	Progress to-date	Outlook
1. Robust state job growth	<ul style="list-style-type: none"> Improved 10-year job forecast growth rank from No. 28 in 2017 to No. 16 today¹ (peaked in 2020 at No. 14) Forecast to rank No. 21 in 10-year job growth relative to pre-pandemic levels; bold action required to reach growth goals² 	
2. Every region wins	<ul style="list-style-type: none"> Marketing regions projected to grow jobs increased from 4 in 2017 to 16 today (18 total regions)¹ Expected to grow jobs in 12 regions relative to pre-pandemic levels by 2026² 	
3. Best state for business	<ul style="list-style-type: none"> Secured No. 5 average rank across five bus. climate rankings (CNBC, <i>Site Selection</i>, <i>Chief Exec.</i>, <i>Biz. Facilities</i>, <i>Area Dev.</i>) 	
4. Top state EDO	<ul style="list-style-type: none"> Developed Virginia Talent Accelerator Program, International Trade Plan, Virginia Office of Education Economics (VOEE), <i>Virginia Economic Review</i>, best-in-class site intelligence and development, and incentives administration 	
5. Super collaborator	<ul style="list-style-type: none"> Improved communication through Quarterly Partner Reports, prospect protocols, and post-project surveys 	

 On track to achieve long-term goals with no major concerns

 Will likely not meet goal (typically due to lack of funding)

 Will make progress against long-term goals but concerns

 Not started

¹2017 forecast reflects then-current 2017-2026 job growth predictions, present 10 year-job forecasts reflect 2023-2032 job growth

²December 2019 used as baseline to account for impacts of the pandemic

PRIORITY SECTORS ARE CRITICAL TO EMPLOYMENT GROWTH, YET VIRGINIA IS FORECASTED TO HAVE AVERAGE PERFORMANCE

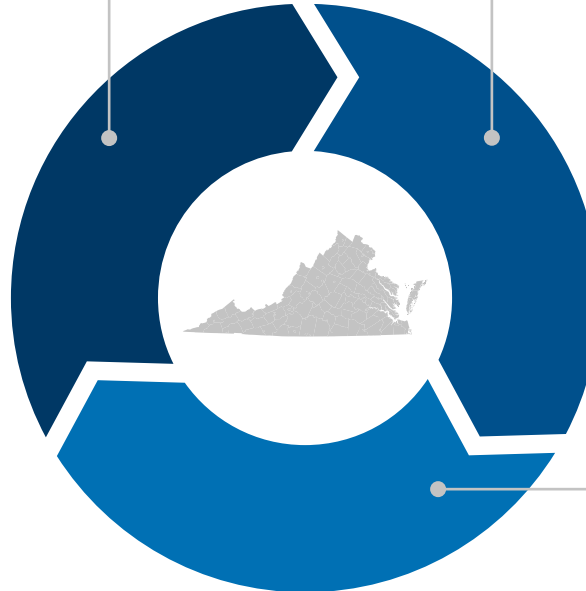
Cluster	Virginia			U.S.		VA projected 2022-30 growth ranking
	Employment, thousands (2022)	Employment growth, CAGR (2022-30)	Share of tradable sector growth	Employment growth, CAGR (2022-30)	Share of tradable sector growth	
Knowledge work	719.6	1.0%	51.4%	1.3%	46.0%	31
Manufacturing	108.0	1.3%	9.7%	0.7%	8.0%	13
Logistics	85.2	0.5%	3.1%	1.4%	10.4%	37
Total priority sectors	912.8	-	64.2%	-	64.4%	24

THIS INNOVATIVE FRAMEWORK WOULD PUSH THE BOUNDARIES OF “TRADITIONAL” ECON DEV TO FOCUS ON BUILDING ECOSYSTEMS

Deal Excellence

- Better leads
- Improved yield (i.e., project win rate)
- Greater volume of project wins (e.g., jobs, capex)
- Customized comprehensive solutions (e.g., workforce, talent pipeline, sites, incentives)

Traditional VEDP focus



Ecosystem Building

- Enhanced competitiveness (e.g., more/ better talent, infrastructure, connectivity)
- Start-up formation
- Homegrown companies becoming anchors
- Organic employment growth

Priority for accelerating economic growth;
Requires new ways of thinking and working

Economic Performance

- VA leads nation in employment growth (%)
- Growth led by core sectors – from middling (~25th)...to top tier (<10th)... to top of nation (1st)
 - Knowledge work
 - Manufacturing
 - Logistics

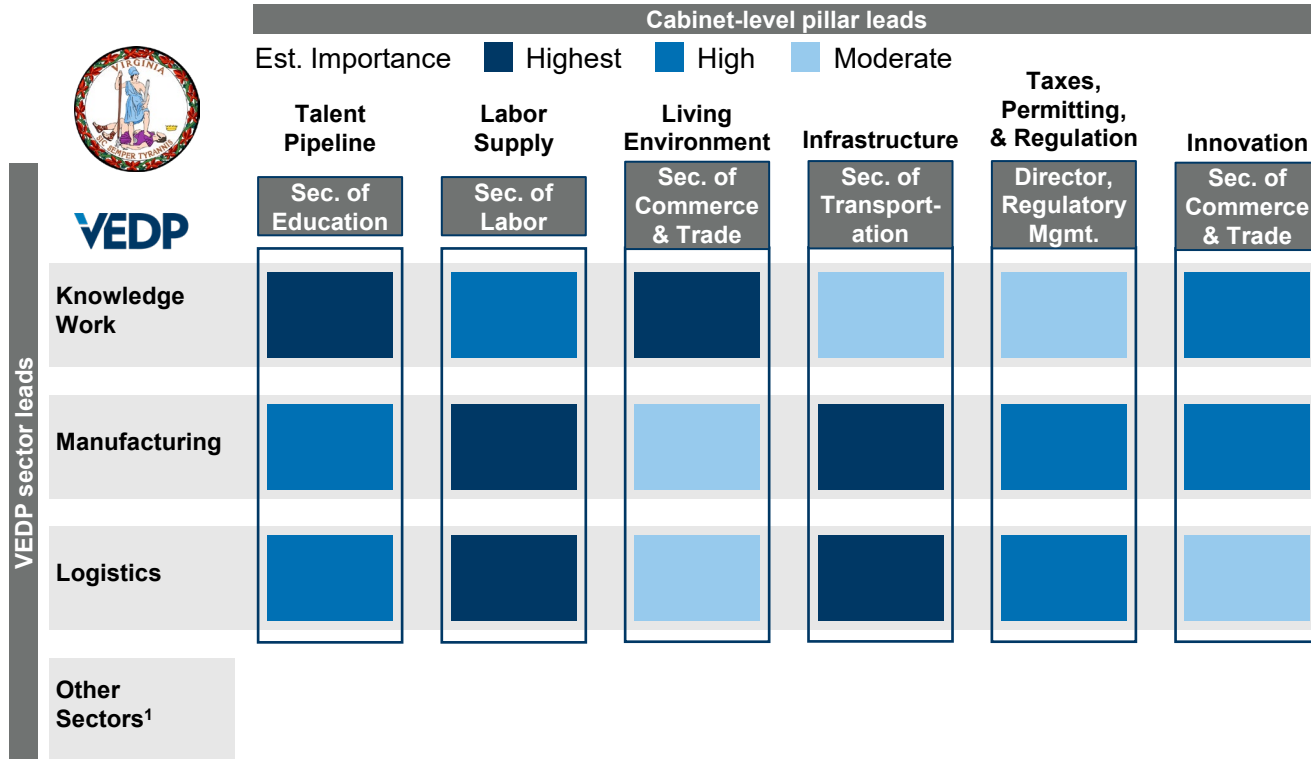
AN INNOVATIVE FRAMEWORK FOR ECONOMIC GROWTH



VEDP'S STRATEGY IS BUILT AROUND EIGHT CORE INDUSTRIES, WITH 11 OTHER INDUSTRIES ALSO ACTIVELY TARGETED

Core industries	Other target industries
Knowledge Work A&D Innovation Financial services Business services Software & cybersecurity	A&D Manufacturing AgTech Data centers EV and batteries Maintenance, Repair, & Overhaul Nuclear energy Offshore wind Quantum computing Semiconductors Traditional automotive Wood products
Manufacturing Advanced materials Food & beverage manufacturing Biopharmaceuticals	
Logistics Transportation & logistics	

VEDP AND PARTNERS WILL COLLABORATE TO BUILD ECOSYSTEMS IN CORE SECTORS THROUGH PILLAR-SPECIFIC INITIATIVES



¹Includes EV and Batteries, Data Centers, Semiconductors, Traditional Automotive, Headquarters, Maintenance/Repair/Operations (MRO), Ag Tech, Nuclear Energy, Offshore Wind, Aerospace and Defense Space and Ground Equipment, Quantum Computing, Wood Products, other long-tail tradables

CORE SECTOR LOCATION/GROWTH FACTORS DRIVE “NO-REGRETS” PROPOSALS

Bold text denotes action opportunities

	Knowledge Work ¹	Manufacturing ¹	Logistics
SECTOR PRIORITY ↑ High ↓ Low	Talent Pipeline <ul style="list-style-type: none"> ▪ Quality talent availability ▪ Anchor company presence ▪ Access to universities 	Labor Supply <ul style="list-style-type: none"> ▪ Availability and cost for key occupations 	Infrastructure <ul style="list-style-type: none"> ▪ Access to consumer hubs ▪ Site readiness/availability ▪ Access to road/rail/port infrastructure, low congestion
	Labor Supply <ul style="list-style-type: none"> ▪ Availability of labor ▪ Labor supply in medium-sized low-cost regions (Business Services) 	Talent Pipeline <ul style="list-style-type: none"> ▪ Quality talent availability ▪ Trained workers 	
	Living Environment <ul style="list-style-type: none"> ▪ Amenity-rich metros to attract tech talent w/ airport access, recreation ▪ Location/company value alignment 	Infrastructure <ul style="list-style-type: none"> ▪ Project-ready sites ▪ Strong transportation networks ▪ Renewable energy access 	Taxes, Permitting, & Regulation <ul style="list-style-type: none"> ▪ Operating cost competitiveness, non-labor ▪ Tax incentives, low lease/land costs, and site move-in assistance ▪ Import/export regulation; zoning, property and lease regulation; and industry-specific compliance
	Innovation <ul style="list-style-type: none"> ▪ VC attractiveness ▪ Startup resources ▪ Research commercialization 	Taxes, Permitting, & Regulation <ul style="list-style-type: none"> ▪ Competitive operational costs (labor, taxes, power) ▪ Reliable, low-cost electricity 	
	Taxes, Permitting, & Regulation <ul style="list-style-type: none"> ▪ Operating cost competitiveness (non-labor) 	Innovation <ul style="list-style-type: none"> ▪ Existing industry presence & value chains ▪ Proximity to R&D, hospitals, VC markets (Biopharma) 	Labor Supply <ul style="list-style-type: none"> ▪ Talent accessibility (high school, GED or less) ▪ Associates and certificate holders in equipment maintenance, IT ▪ Cost competitive labor
	Infrastructure <ul style="list-style-type: none"> ▪ Local/regional transport options ▪ High-quality office space ▪ Air service connectivity 	Living Environment <ul style="list-style-type: none"> ▪ Amenity-rich urban and metro areas (Biopharma) 	

¹ Within the Innovative Framework, Knowledge Work is composed of Business Services, Software & Cybersecurity, Financial Services, and Aerospace and Defense Innovation; Manufacturing of Advanced Materials, Food Processing and Manufacturing, and Biopharmaceuticals

Source: McKinsey; BCG; VEDP analysis

THE INNOVATIVE FRAMEWORK INTRODUCES THREE NEW PIVOTAL ROLES IN OUR SECTOR TEAMS

Pivotal new sector-focused roles

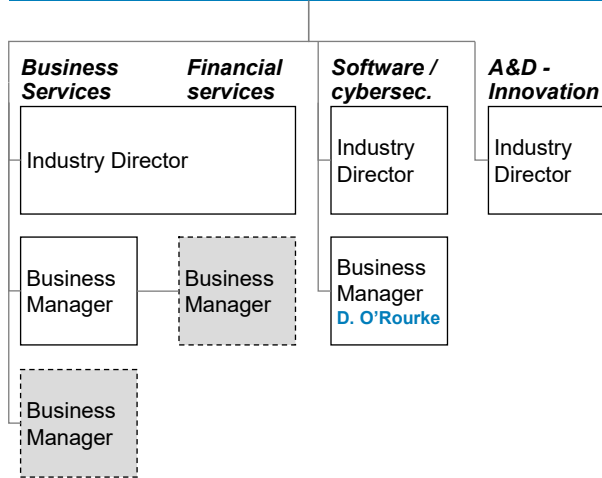
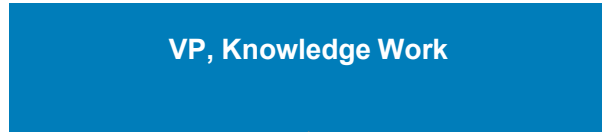
Sector Leader	Provides overall sector leadership and accountability
Industry Director	Supports sector leadership with emphasis on ecosystem-building and coordinating whole-of-government processes
Business Manager	Focuses on sector-specific lead generation, pipeline development, and oversight of after-care for priority companies

SECTOR TEAM STRUCTURE

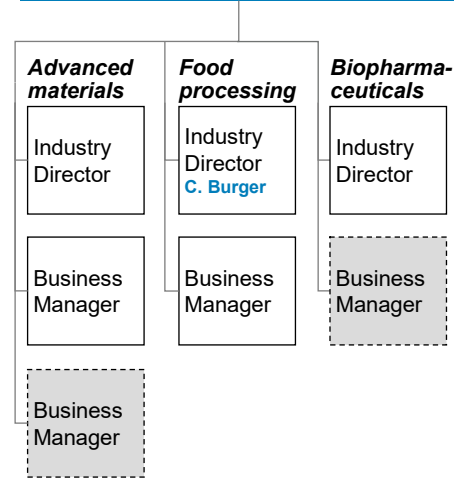
□ Roles to recruit in first “wave” ▤ Roles to recruit in later “wave”

13-18 total future FTEs

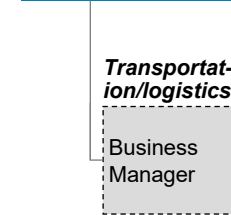
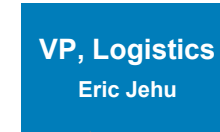
8 FTE



8 FTE



2 FTE



Smaller team reflects partnership with The Port of Virginia

VEDP'S CORE INDUSTRIES AND THE GOVA REGION TARGET INDUSTRIES SHOW BROAD ALIGNMENT

VEDP Core Sector ¹		GOVA 1	GOVA 2	GOVA 3	GOVA 4	GOVA 5	GOVA 6	GOVA 7	GOVA 8	GOVA 9
Manufacturing	Advanced Materials	X	X			X	X		X	X
	Food & Beverage	X		X			X		X	X
	Pharmaceuticals		X	X	X				X	X
Knowledge Work	Software & Cybersecurity	X	X			X	X	X	X	X
	Business Services			X	X	X	X	X	X	X
	Financial Services			X	X	X	X	X	X	X
	A&D Innovation		X			X			X	
Logistics	Transportation & Logistics				X	X	X	X	X	

Crosswalk from VEDP Core Sectors¹ to GOVA Target Industry Classifications²

Advanced Materials = Chemical Products, Metalworking Technology, Advanced Materials, Plastics and Rubber Products

Food & Beverage = Animal Processing, Beverage (Alcoholic and Non-Alcoholic), Food Processing

Pharmaceuticals = Pharmaceuticals Manufacturing

Software & Cybersecurity = Computer Systems and Software Design, Cybersecurity

Business Services = Computer Services, Consulting Services, Engineering Services, Marketing, Design, and Publishing

Financial Services = Financial Services

A&D Innovation = Autonomous Systems

Transportation & Logistics = Shipping Services, Transportation, Warehousing

¹These follow the classifications laid out in the Industry to NAICS crosswalk produced by McKinsey

Source: [GO Virginia 2021 Growth and Diversification Plan](#)

TARGETING TO MEET WITH ALL GOVA REGIONAL COUNCILS IN FY24

	Status
GOVA Board Meeting	Kickoff discussion: June 13
GOVA Region 9	Kickoff discussion: August 8
GOVA Region 8	Upcoming: October 10
GOVA Region 1	Contacted; scheduling in progress
GOVA Region 2	Contacted; scheduling in progress
GOVA Region 3	Contacted; scheduling in progress
GOVA Region 4	Contacted; scheduling in progress
GOVA Region 5	Contacted; scheduling in progress
GOVA Region 6	Contacted; scheduling in progress
GOVA Region 7	Contacted; scheduling in progress

HOW YOU CAN ENGAGE / NEXT STEPS

General Feedback

Provide your input and feedback as we translate our vision into reality

Sector Depth

Think about how your communities' activities align with sector-team focus areas, and consider ideas and tactics

Robust Ecosystems

Begin considering things you can do in your community / region to build a more robust ecosystem for these sectors

Commonwealth Collaboration

Consider ways to deepen collaboration between VEDP and partners in this Framework



THANK YOU



Jason El Koubi
President and CEO
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BREAK / Return 2:45





VIRGINIA INITIATIVE FOR
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Virginia's Emergent Talent Development Strategies – A Panel Discussion



**The Honorable
Bryan Slater**
Secretary of Labor



Kirk Cox
Executive Director
Virginia Business
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David Doré
President
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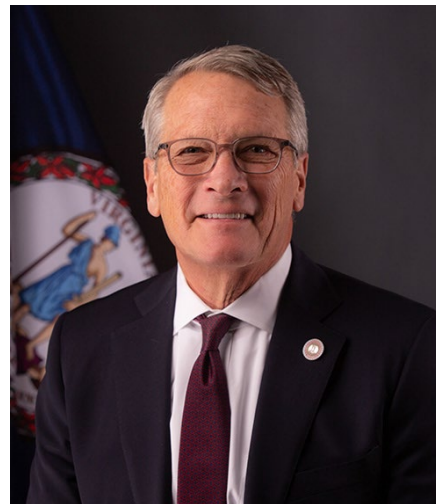


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Virginia State Budget Update

The Honorable Stephen Cummings

Secretary of Finance





RECEPTION





DAY 2



VIRGINIA INITIATIVE FOR
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Welcome

Todd Stottlemeyer

CEO of CNSI

GO Virginia Board Vice Chair





Schedule – Retreat Day 2

9:00-9:15 Welcome

Todd Stottlemeyer, GO Virginia Board Vice Chair

9:15-9:45 GO Virginia Impact and Outcomes

Sara Dunnigan, Deputy Director

9:45-10:45 GO Virginia Project Panel

Talent Development - Virginia Alliance for Semiconductor Technology (Region 7)

Masoud Agah, Founding Director, Virginia Alliance for Semiconductor Technology

Cluster Scale Up - Advanced Pharmaceutical Manufacturing (Region 4)

Joy Polefrone, Executive Director, Alliance for Building Better Medicine

Innovation/Entrepreneurship – Regional Entrepreneurship Strategy (Region 2)

Erin Burcham, President, Verge

Sites/Infrastructure – Regional Site Development (Region 3)

Cassidy Pruitt, Research & Communications Analyst, Southern Virginia Regional Alliance

10:45 Close of Meeting



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GO Virginia Impact and Outcomes

Sara Dunnigan

Deputy Director





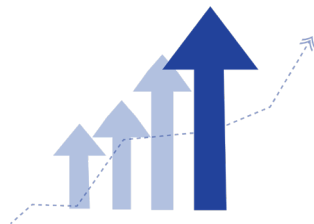
VIRGINIA INITIATIVE FOR
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GO Virginia Project Panel



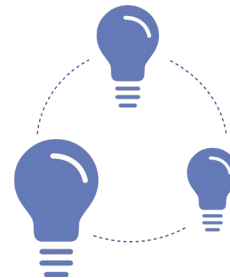
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Close of Meeting