

VIRGINIA GROWTH AND OPPORTUNITY BOARD MEETING

June 12, 2018

1:00 PM

Richmond, Virginia

Members Present

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

Members Absent

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

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

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

Per Capita Grant
Application Review

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

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

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

Reports & Information

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

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

Legislative Update

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

Regional Budgets

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

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

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

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

Unfinished Business

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

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

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

New Business

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

Board Matters

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

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

Future Board Meetings

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

Adjournment

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