



Virginia Growth and Opportunity Fund (GO Virginia) Growth and Diversification Plan Amendment Guidelines

Section I: Program Intent

GO Virginia is intended to facilitate regional collaboration to grow and diversify the economy through supporting projects leading to the creation of more higher paying jobs (primarily based on revenue derived from out-of-state sources) and addressing gaps in workforce and other factors that impact the success of growth and diversification programs at the regional level. Programs and projects recommended by the regional councils and approved by the Board shall be consistent with the regional economic growth and diversification plan established by each region, and detailed in this document.

Section II: Background

In 2017, each of the nine regional councils throughout the Commonwealth developed an economic growth and diversification plan to identify economic opportunities, needs, and challenges, establish priorities among those opportunities, and outline needed enhancements where GO Virginia grant funds can (a) support collaborative programs between at least two or more localities that will (b) lead to the creation of more higher paying jobs. These plans guide the regional councils in supporting efforts to:

- 1) develop, recruit and/or retain the talent needed in the region;
- 2) grow existing businesses, develop existing clusters, scale up small and mid-size companies;
- 3) establish start-ups from commercializing research and supporting entrepreneurs; and
- 4) advance joint site and infrastructure development needs towards business-readiness.

The Growth and Diversification plan analyzed and identified how the region was positioned in context with numerous regional planning efforts and should be used to outline the economic development needs that should be addressed through GO Virginia funding, and the types of innovative potential projects that could achieve this within the region, as well as across regions. The implementation of these plans should focus on higher paying jobs (above the average annual wage) in sectors and clusters that ultimately generate new revenues from out-of-state sources and diversify the region's economy.

Additionally, the plan should serve as the guide for evaluating which potential projects best address the identified needs and opportunities, and should be flexible to incorporate new ideas and opportunities that are identified by the regional council over time. Finally, the plans, and ultimately, the projects, should focus on activities that are sustainable and have the ability for long-term economic growth.

Section III: Development

As required by the Virginia Growth and Opportunity Act, each regional council shall review and amend the economic growth and diversification plan not less than biennially. The remainder of this document outlines the expectations for that amendment process.



Growth and diversification plans should be based on a realistic and empirically derived understanding of the regional economy and its potential. Updates to the plan should establish priorities for future use of GO Virginia project grants and take into consideration other studies and analyses related to development and validation of an economic diversification strategy as it relates to the creation of higher paying jobs. This is not a regional strategic economic development plan, nor is the plan envisioned to be comprehensive in addressing all challenges that face a particular region or all solutions. Instead, updates to the plan should focus on identifying priority areas that accomplish GO Virginia’s goals, while maintaining flexibility as circumstances change and new opportunities arise. Since this is an update to the existing plan, other regional plans that have been updated since the original G&D plan should be analyzed to see how other efforts in the four priority areas listed below are changing or adapting in the region.

Regional Councils should solicit feedback for the updated plan from the public and stakeholders, but this initial update to the plan will not require the same intensity of outreach as the first plan.

To develop the amended growth and diversification plan, regional leadership shall:

- 1) Promote private sector growth and objectively derived priority areas of opportunity in the region leading to higher paying jobs by strengthening and diversifying the region’s economy based primarily upon revenues derived from out-of-state sources.
- 2) Consider if an update is needed to the focused gap analysis that identified sector gaps and possible growth areas and assess workforce availability/gaps related to the opportunities identified in the plan. Any updates to the analysis should focus on priority areas identified as part of the diversification plan and not needs across all regional economy sectors.
- 3) Identify the types of projects that collaborating business, education, government, and other stakeholders in the region could pursue to expand economic opportunity, grow and diversify the economy, and align worker training programs with the education and skills needed by employers and potential employers in the region that lead to the creation of higher paying jobs.
- 4) Analyze the potential impact of projects funded to date including any next steps anticipated as a result of enhanced capacity building projects funded by GO Virginia. The updated plan should highlight where projects have resulted in new ideas or concepts that are reflected in the amended plan and document plans to track results at the regional level.

Section IV: Amendment Requirements

Each regional council shall submit an amended growth and diversification plan to DHCD for consideration by no later than **August 1, 2019** for consideration at the September 2019 GO Virginia Board meeting. At a minimum, the amended plan should include the following elements:

1. Update the data provided as baseline metrics in the original growth and diversification plan. Such data should include but is not limited to:
 - a. Annual change in average annual wages
 - b. Growth of key employment sectors



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- c. Job growth year by year and cumulative
 - d. How changes in employment and wage patterns have impacted regional growth
 - e. Change in the number of jobs supported through revenues derived from out-of-state sources
 - f. Forward looking data tied to Go Virginia's four priority areas including
 1. Talent Development – # of credentials offered, # of program/degree completions in areas tied to regional clusters, # of internships/apprenticeships offered,
 2. Start Ups – # of patents awarded, new business formation, # of licenses generated through commercialized research increase in investments/funders.
 3. Scale Ups – # of companies in existence 5 years after formation, growth of jobs from small and mid-sized companies, increase in cluster, new clusters.
 4. Site Development – # of sites characterized, # of Tier 4 or higher sites, Total acreage of sites characterized, localities participating in a RIFA/revenue sharing agreement, increase in prospect inquiries.
2. Identify any new, non-GO Virginia efforts to diversify and grow and/or retain higher paying jobs and to enhance access to such jobs. The amended plan should identify opportunities for collaboration or complementary efforts as appropriate.
 3. Explain if the previously identified targeted business sectors or clusters have changed since the original growth and diversification plan, and why those changes occurred. The identification of targeted sectors or clusters must be based on empirical data and be based on results that are realistic given the drivers of the region's economy. The amended plan should specifically address how each sector has changed since the implementation of GO Virginia, and outline any needs or opportunities for growth in these sectors that could be supported through GO Virginia funding.
 4. Update the previously identified workforce gaps in the availability of immediately employable talent in the targeted sectors or clusters. The prioritization of workforce gaps to be addressed will serve as guidance to the regional council and board in the evaluation of future funding decisions. If a gap exists in a newly identified target sector, identify current efforts to address this gap, being specific as to the skills/credentialing/experience/education required, and whether these efforts are adequate to address the shortage and to support long-term growth.
 5. **Project Pipeline: Considering items 1-4 above, the key component of the amended plan should focus on the development of a project pipeline by outlining opportunities for the region to grow existing business, fill gaps in existing sector presence, scale up existing companies (particularly around existing or emerging supply chains and clusters), support entrepreneurs, identify opportunities for the commercialization of research, and examine potential joint economic development activities. This focus on project pipeline development shall also consider an evaluation of the current project development process of the region and best practices for improving the process.**
 - a. The amended plan is intended to outline opportunities that will produce measurable results over a two-year period. Additionally, coordination of how these efforts can be sustained over a 5-10 year horizon with the broad steps to be taken in key categories such as site development, entrepreneurship, commercialization, or workforce should be provided.



- b. The amended plan shall also evaluate the current project development process of the Regional Council and consider best practices for incubating project partners and ideas with the capacity to deliver the priority projects of the region that best meet the goals of Growth and Diversification plan. **A key best practice is moving away from a project development process that waits for projects to apply and towards a council and staff driven process that incubates and seeds project pipeline development.**
- c. The regional council should utilize the final report provided by TEconomy Partners, to identify a regional approach for startup ecosystem development including a pipeline of projects that would be consistent with those recommendations.
- d. The regional council should also outline a regional approach to addressing the region's site readiness needs by advancing sites through the Virginia Business Ready Sites Program (VBRSP). The regional council should consider the region's best opportunities for joint site and infrastructure development when establishing their approach.

Section V: Additional Information

1. The regional council may hire a consultant to assist in the development of the plan or direct the hiring of the consultant through the support organization. Regional councils shall abide by the Virginia Public Procurement Act (VPPA) for the solicitation of professional services.
2. The plan should address the elements outlined in the Growth and Opportunity Act and how strategies are aligned with other related programs including, as appropriate, the Virginia Research Investment Committee (VRIC), the Collaborative Economic Development Act, and the State Council for Higher Education Virginia (SCHEV) credentialing program.
3. The role of the regional council itself and other relevant entities should be considered in the development of the amended plan, particularly where the entity may be identified as a partner for implementation. The regional council shall provide for public participation and input from affected stakeholders to help identify regional needs and opportunities for cooperation. The method of receiving input and the information gained must be documented in the amended plan.
4. Potential sources of matching funds should also be identified, though specific commitments and amounts are not required until applications are sought to support regional projects. In particular, the amended plan should identify potential sources of local match where potential project development would align with a local priority. Regional Councils should consider outreach to local governments within their area during the local budget making processes to secure contingency reserves that may be available for local match of GO Virginia project opportunities identified during the coming year.



Section VI: Useful Resources

The following resources may be useful in providing additional direction or data to regional councils in developing their plans:

- Virginia Growth and Opportunity Act - <https://lis.virginia.gov/cgi-bin/legp604.exe?161+ful+CHAP0779+pdf>
- GO Virginia Projects Funded to date - <https://arcg.is/SHrK5>
- GO Virginia Board Guidance for Future Project Development - <http://www.dhcd.virginia.gov/images/GoVA/GO%20Virginia%20Future%20Projects%20Guidance%20-%20Concept%20Paper%20DRAFT%2011%2029%2018.pdf>
- GO Virginia Project Development Guidance and Metrics - <http://www.dhcd.virginia.gov/images/GoVA/DHCD%20GOVA%20Guidance%20120418.pdf>
- Virginia Economic Development Strategic Plan - <https://www.vedp.org/strategicplan>
- Virginia Chamber Blueprint Virginia Plan- <https://www.vachamber.com/blueprint-virginia/>
- Bureau of Labor Statistics- <https://www.bls.gov/cew/cewlq.htm>
- Virginia Research Investment Fund - <http://www.schev.edu/index/institutional/grants/va-research-investment-fund>
- Virginia Business Ready Sites Program - <https://www.vedp.org/vbrsp>
- Virginia Career Works - <https://virginiacareerworks.com/>