



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

**REGIONAL COUNCIL 9  
JUNE 19, 2020  
ANNUAL MEETING  
9:30 AM to 11:30 AM  
Zoom Link or Call-In**

Due to the COVID crisis this meeting was held via electronic means details included with this agenda.

\*Public Comments are welcome. To submit a public comment form, enclosed, complete the attached form and email to [sholland@centralvirginia.org](mailto:sholland@centralvirginia.org)

**AGENDA**

- |  |   |
|--|---|
| <b>1. Welcome</b>  | <b>Jim Cheng, Chair</b>   |
| <b>2. Public Comment</b>   | <b>Jim Cheng</b>  |
| <b>3. Roll Call</b>  | <b>Shannon Holland, Director</b>  |
| <b>4. Approve Meeting Minutes</b>  | <b>Jim Cheng</b>  |
| <b>5. Approve Financials</b>   | <b>Andy Wade, Treasurer</b>   |
| <b>6. Council Calendar</b>   | <b>Jim Cheng</b>  |
| <b>7. Vote to Accept Public Sector Appointments</b>  | <b>Jim Cheng</b>  |
| <b>8. Vote on Private Sector Slate<br/>Members, Officers &amp; Executive Committee</b>                                     | <b>Jim Cheng</b>  |
| <b>9. Strike Force Update</b>  | <b>Ed Scott</b>   |
| <b>10. Vote on Strike Force Status</b>   | <b>Jim Cheng</b>  |
| <b>11. Letter of Support for Competitive Project:<br/><i>Retooling Virginia Manufacturers for Strategic Industries</i></b> | <b>Shannon Blevins,<br/>UVA Wise, Region 1;<br/>Bill Donohue, GENEDGE</b> |
| <b>12. Vote on Letter of Support</b>   | <b>Jim Cheng</b>  |
| <b>13. Chair Update</b>  | <b>Jim Cheng</b>  |
| <b>14. Director Update</b>   | <b>Shannon Holland</b>  |
| <b>15. Other Business</b>  | <b>Jim Cheng</b>  |
| <b>16. Adjourn</b>   | <b>Jim Cheng</b>  |

**Shannon Holland is inviting you to a scheduled Zoom meeting.**

**Topic: Region 9 Council Annual Meeting**

**Time: Jun 19, 2020 09:30 AM – 11:30 AM**

**Join Zoom Meeting**

**<https://zoom.us/j/97924617452?pwd=RDBYSHg2ZFZQdXZnYk14bzN5N3k3dz09>**

**Meeting ID: 979 2461 7452**

**Password: 410304**

**One tap mobile**

**+13126266799,,97924617452#,,1#,410304# US (Chicago)**

**+19292056099,,97924617452#,,1#,410304# US (New York)**

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**+1 312 626 6799 US (Chicago)**

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**+1 669 900 6833 US (San Jose)**

**+1 253 215 8782 US (Tacoma)**

**Meeting ID: 979 2461 7452**

**Password: 410304**

**Find your local number: <https://zoom.us/u/adCDDgypK>**

# Region 9 Council Meeting PUBLIC COMMENT FORM



Provide your public comments below. These comments will be read during the June 19 Region 9 Council Annual Meeting. Please send as an email attachment to [sholland@centralvirginia.org](mailto:sholland@centralvirginia.org) with the subject line "GO Virginia Comments April 2020." Submissions will be accepted until June 19 at 7 am.

Name: \_\_\_\_\_

Organization: \_\_\_\_\_

Email: \_\_\_\_\_

Comments in the area below: \_\_\_\_\_

**REGIONAL COUNCIL 9**

**APRIL 30, 2020**

**9:30 AM to 11:30 AM**

**Due to the COVID-19 State of Emergency this meeting was held via Zoom link and conference line. Details enclosed.**

**MINUTES**

**Attending Council Members:** Jim Cheng, Cav Angels (Chair); Ed Scott, EcoSeptix Alliance (Vice Chair); Andy Wade, Louisa County (Treasurer); Brian Cole, LexisNexis; Chip Boyles, Thomas Jefferson Planning District Commission; Christian Goodwin, Louisa County; David Pettit, Flora Pettit; Ed Dalrymple, Cedar Mountain Stone; Hon. Jim Crozier, Orange County; Felix Sarfo-Kantanka, Dominion Energy; Jan Gullickson, Germanna Community College; Kurt Krueger, McGuireWoods; Liz Walters, Bingham & Taylor; Mansour Azimipour, A & K Development; Miles Friedman, Fauquier County; Pace Lochte, University of Virginia Economic Development; Patrick Mauney, Rappahannock-Rapidan Regional Commission; Paul McCulla, Fauquier County; Ray Knott, Union Bank & Trust; Shelby Bruguere, Dickie Brothers Orchard; Tom Click, Patriot Aluminum

**Special Guest:** Kim Blosser, Lord Fairfax Community College as Special Guest of the Council;

**Absent Council Members:** Frank Friedman, Piedmont Virginia Community College; Hon. Tony O'Brien, Fluvanna County

**Staff:** Helen Cauthen, Kristy Dancy, Shannon Holland

**Guests:** Candace Spence, Central Virginia Partnership; Catherine Renault, Innovation Policyworks; Erik Pages, Entrenworks; Phil Sheridan, Culpeper County; Greg Rosko, PVCC; Rachel Hobbs, UVA Economic Development; Roger Johnson, Albemarle County; Rose Deal, Culpeper; Tracey Gardner, Madison County; Valeria Palamountain, PVCC

**Welcome**

Jim Cheng called the meeting to order at 9:32 am.

- COVID 19 State of Emergency Statement:  
Jim Cheng stated that this meeting is being held electronically via Zoom, instead of in person due to the State of Emergency declared by the Governor and that agenda items and discussions would be limited to those directly related to addressing urgent matters that, if delayed, could result in irrevocable public harm from GO Virginia not advancing pipeline projects to respond to the economic crisis.
- Roll Call  
Jim Cheng asked Shannon Holland to perform a roll call and confirm that a quorum was present. A quorum was present.

**Public Comment**

Jim Cheng noted that public comment forms had been included in the packet and posted with meeting notices to be submitted to staff by 7 am. Shannon Holland stated that no public comment forms had been submitted.

**Meeting Minute January 30, 2020**

Jim Cheng stated that he Meeting Minutes provided were for informational purposes only and that approval will be deferred.

**Financials through February 29, 2020**

Jim Cheng stated that he Financial Report provided were for informational purposes only and that approval will be deferred.

**Appoint Nominating Committee**

Jim Cheng stated that the Council Bylaws require the appointment of a Nominating Committee at the meeting immediately prior to the Annual Meeting and in the new Nominating Committee will meet between the May 15 and mid-June to select a Slate from the Nominations received by May 15. Also, he stated that Nominating forms are available on the Council website. Jim Cheng announced the new committee would include Jan Gullickson, Tom Click, Brian Cole, Patrick Mauney, and Jim Cheng and that terms would begin after the meeting.

#### **Approve FY2021 Capacity Building Budget**

Jim Cheng stated that the FY21 Capacity Building must be approved and submitted to DHCD by May 29 ahead of a June Board Meeting review. Jim Cheng added that the Executive Committee reviewed at its April 23 rd meeting and recommends it to the Council for approval.

***David Pettit made a motion to approve the budget as presented. Ray Knott seconded the motion. The motion carried.***

#### **Present Rural E-ship Action Plan, Camoin 310**

Jim Cheng introduced Erik Pages, Entnetworks, and Catherine Renault, Innovation Policyworks, to present the final Rural Entrepreneurship Action Plan Report. The slide show as included in the meeting materials.

Several Council Members commented on the report including:

- The E squared youth e-ship program in Culpeper has been successful because the hundreds of businesses and volunteers committed to supporting it.
- The availability of free secondary education curricula for youth e-ship and the existence of a resource called the Consortium for E-Ship Education including wasy to align with SOLs.
- The PATH Foundation is funding Youth E-ship Councils in high schools throughout Fauquier County that will support continued growth of youth e-ship.
- The importance of having local / county based locations for convening entrepreneurs
- Appreciation that this report was customized and reflective of Region 9.

#### **Vote to Accept Rural E-ship Report**

***Ed Scott made a motion to accept the final report as presented. Shelby Bruguire seconded the motion. The motion carried.***

#### **Chair Update**

- Review GO Virginia Economic Resilience and Recovery Grants
- Review Per Capita Grants – Temporary Match Easing

Jim Cheng asked Shannon Holland to lead the presentation included in the meeting packet regarding the new GO Virginia Economic Resiliency and Recovery (ERR) Grant Program and the temporarily relaxed Per Capita grant match requirements.

- Appoint Task Force

Jim Cheng stated that the Executive Committee met on April 23 and had two recommendations for responding to the COVID crisis and the opportunity offered by the new ERR grant program. The Executive Committee recommends that Strike Force be named to lead the development of grants and even to possibly review and approve those grants. Jim Cheng stated that he, Ed Dalrymple, Ray Knott, Pace Lochte, Tom Click, and Ed Scott were willing to serve on such a Strike Force if the Council would vote to create it.

***David Pettit made a motion to create the strike force. Mansour Azimipour seconded the motion.***

Discussion ensued on whether this strike force could be assigned authority to review ERR grants less than \$100,000 and ECB grants less than \$100,000 in order to be responsive to the crisis. David Pettit shared that the Bylaws precluded the Executive Committee from approving grants and that the Bylaws could not be changed without public notice. However, when those Bylaws were written the circumstances were far more extreme than anyone could have projected. Other options could include the Chair calling Special Council Meetings to review and approve projects. Additional discussion ensued around how long such a Strike Force should exist and be empowered to approve projects. Based on the discussion David Pettit asked Mansour Azimipour if he could revise the motion. Mansour Azimipour consented.

***David Pettit revised the motion to create a strike force to solicit, identify and approve projects for ERR of less than***

**100k and ECB less than 100k pursuant to newly simplified DHCD grant review procedures and that authority should expire when such procedures are not in effect and the existence and authority of the Strike Force should be reviewed at the next Council Meeting. Jim Crozier seconded the motion. The motion carried.**

Jim Cheng stated that at the April 23<sup>rd</sup> Executive Committee priorities for ERR grants were suggested including:

- Drive e-commerce, support ability to work remotely, and grow digital marketing capacity
- Drive exponential growth in testing, PPE availability, sanitizing, etc., that will help industry get back to work safely/quickly.
- Explore opportunities to support locally traded sectors as suggested by DHCD

Liz Walters recommended an additional priority:

- Helping connect the large number of displaced workers with available positions and/or help connect to retraining opportunities in in-demand career fields

Jim Cheng said that staff was seeking approval from the Council for suggestions to accelerate review and approval of ERR Fast Track (<100k) and ECB grants (<100k) for which they were asking approval. The suggestions were:

1. Staff can simplify application
2. Accept these applications on a rolling basis instead of previously stated deadlines
3. Accelerate Council review to 1 to 5 business days

**Ed Dalrymple made a motion to approve the staff recommendations as submitted. Mansour Azimipour seconded the motion. The motion carried.**

#### **Crafting Higher Paying Jobs Project Update**

Jim Cheng introduced Dean Valerie Palamountain to present the “Crafting” project updated requested by Council at the January meeting. The Crafting project has met or exceeded metrics but due to the extenuating circumstances of COVID-19 has determined that establishing on-site training facilities is no longer feasible. Dean Palamountain stated that the project expects to complete reporting and remittances by June 30, the contract end date, however, there will be approximately \$180,000 to \$190,000 of funds that will not have been spent. Shannon Holland explained that DHCD has advised in the past that those funds would go back in the Region 9 Per Capita funds for future grants.

#### **Other Business- Limited to Emergency Issues**

Jim Cheng asked Shannon to discuss a time sensitive issue that had just come up on the GWC PTEC project. Shannon Holland shared that due to COVID related issues the GWC PTEC project is expected to request a contract extension from 4/23/2020 to 12/31/2020 in order to reallocate remaining unspent budget - around 80k for renovation of welding school to more appropriately leverage new partnership with Germanna in taking over the welding school and to ensure contract project metrics are met, i.e. students trained and certified.

**Mansour Azimipour made a motion to approve the extension as presented. Paul McCulla seconded the motion. The motion carried.**

#### **Upcoming Date**

- Region 9 Council Meeting, June 19, Annual Meeting
- Region 9 Application Deadlines - May 26 / September 8
- GO Virginia Board Meeting, Richmond, VA – June 23

#### **Adjourn**

**Felix Sarfo-Kantanka made a motion to adjourn the meeting at 11:13 am. Tom Click seconded the motion. The motion carried.**

Region 9 Council Meeting via ZOOM or Call-in: Information below

Topic: Region 9 Council Meeting

Time: Apr 30, 2020 09:30 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/93820894179?pwd=RytOUFhkSTdOUk4rTk9RUmRaY0hGQT09>

Meeting ID: 938 2089 4179

Password: 123099

One tap mobile

+19292056099,,93820894179#,,#,123099# US (New York)

+13126266799,,93820894179#,,#,123099# US (Chicago)

Dial by your location

+1 929 205 6099 US (New York)

+1 312 626 6799 US (Chicago)

+1 301 715 8592 US

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US

Meeting ID: 938 2089 4179

Password: 123099

Find your local number: <https://zoom.us/u/abTCWqlmQN>



**REGIONAL COUNCIL 9  
JANUARY 30, 2020  
9:30 AM to 11:30 AM  
Daniel Technology Center, Germanna Community College  
18121 Technology Drive, Culpeper, VA**

**DRAFT MINUTES**

**Attending Council Members:** Jim Cheng, Cav Angels (Chair); Ed Scott, EcoSeptix Alliance (Vice Chair); Andy Wade, Louisa County (Treasurer); Brian Cole, LexisNexis; Chip Boyles, Thomas Jefferson Planning District Commission; Christian Goodwin, Louisa County; Ed Dalrymple, Cedar Mountain Stone; Frank Friedman, Piedmont Virginia Community College; Hon. Jim Crozier, Orange County; Jan Gullickson, Germanna Community College; Kurt Krueger, McGuireWoods; Liz Walters, Bingham & Taylor; Mansour Azimipour, A & K Development; Miles Friedman, Fauquier County; Pace Lochte, University of Virginia Economic Development; Patrick Mauney, Rappahannock-Rapidan Regional Commission; Paul McCulla, Fauquier County; Ray Knott, Union Bank & Trust; Hon. Tony O'Brien, Fluvanna County

**Absent Council Members:** David Pettit, Flora Pettit; Felix Sarfo-Kantanka, Dominion Energy; Shelby Bruguiera, Dickie Brothers Orchard; Tom Click, Patriot Aluminum; Kim Blosser, Lord Fairfax Community College as Special Guest of the Council;

**Guests:** Laura Loveday, Culpeper County; Phil Sheridan, Culpeper County; Greg Rosko, PVCC

**Staff:** Shannon Holland, Helen Cauthen; Rahul Maitra

**1. Welcome**

Jim Cheng, Chair, opened the meeting at 9:33 AM.

**2. Public Comment**

Jim Cheng asked if there were public comments. No public comments were offered.

**3. Meeting Minutes**

***Ed Scott made a motion to approve the October 10, 2019 Minutes as presented. Jim Crozier seconded the motion. The motion carried.***

**4. Financial Report**

Jim Cheng asked Andy Wade, Treasurer to present the Financials. Andy Wade asked Rahul Maitra, the new Finance Director at the Central Virginia Partnership, to present the financials.

Rahul referred to the Statement of Financial Position in the packet. He noted that as of November, Region 9 had \$27,674.48 in checking. He added that he had reviewed the current balance and with checks processed that number is currently around \$75. He noted that in this statement GO Virginia owes the Partnership a little over \$155,000. He explained that this balance is the result of pending remittances



from DHCD that were thought to have been appropriately submitted. However, it turned out some of the attachments were too large and did not go through. Now that is corrected, about \$75,000 from those remittances will be released. He plans on getting remittances caught up by the next Council meeting.

He then referred to the Project Budgets on page 27 in the packet. He noted that the Adult Beverage project had spent about 8% of its budget and that Greg Rosko would be updating the Council in his presentation later in the meeting. He added that CvilleBioHub would be closing out their ECB project soon and that the Cybersecurity had spent 25% of their budget. Also, he added that the Site Readiness project was now ready for close out. He noted that the Regional Business Park project would be receiving a \$98,000 reimbursement soon that was not reflected in the November statement. Similarly, he added that the Young Entrepreneurs project had a check in process for about \$3,000 in expenditures.

***Ray Knott made a motion to approve the Financials as presented. Christian Goodwin seconded the motion. The motion carried.***

#### **5. Executive Committee Meeting Update**

Jim Cheng gave an update from the Executive Committee meeting held on December 12, 2019. He noted that the main topics discussed were related to budgets and project updates. The Executive Committee approved the budget revision required to close out the FY2019 Capacity Building funds so that the Council can access FY2020 Capacity Building dollars from DHCD. The committee also discussed project activities and milestones for the GWC PTEC and the Crafting Higher Paying jobs projects. Shannon wanted input on issues each project is addressing as the projects near contract end dates. The welding school at GWC PTEC was facing a change in leadership and the applicant was in the process of developing an MOU with Germanna Community College. There was a question of an incomplete inventory of equipment. The Executive Committee asked Shannon to set up a meeting with the applicant. The Crafting project was facing a challenge in accomplishing milestones and expending funds although the metrics reported were very good. HE noted that project would be doing a presentation at this meeting and a discussion would follow.

#### **6. Rural E-ship Planning Grant Update**

Jim Cheng shared that Erik Pages was leading the Camoin 310 team working with the volunteers of the Rural E-ship Task Force to complete the Rural E-ship planning grant action plan. All regional economic development offices and the Central Virginia Partnership have been involved. So far A Rural E-Ship Asset Inventory has been created, eight case studies have been completed, and nine stakeholder sessions have been hosted. Jim Cheng asked for any feedback on the very preliminary recommendations included in the packet as well as feedback from Council Members who attended. The need to address broadband gaps and connectivity of existing or planned co-working type spaces, were both mentioned as important for the report. The session feedback was positive and it was noted that each session was distinctly different depending on the types of businesses represented and the location.

Jim Cheng asked Pace Lochte if she had an update on the “Venture Hub”, now “Venture Central” project. Pace Lochte indicated that her team, along with economic developers from Charlottesville and Albemarle had been socializing the report and were looking for resources to advance the opportunity.

#### **7. Project Update: Crafting Higher Paying Jobs and Adult Beverage Exports by Greg Rosko, Program Manager, Viticulture & Enology, PVCC**

Jim Cheng introduced Greg Rosko, PVCC to present an update on the Crafting project. Greg Rosko

presented a PowerPoint (attached). A question and answer session followed the presentation.

## 8. Chair Update

Referring to page 37 in the packet, Jim Cheng reminded the members that DHCD was holding stakeholder workgroup sessions to discuss key Board policy areas. He encouraged Council Members to volunteer to attend, if possible. Jim Cheng asked Liz Walters, who attended the Friday, January 24 Talent Development session to provide an update. Liz Walters noted that 71% of funded GO Virginia projects statewide were in the area of Talent Development. She said she thought the meeting was good and that there was good representation from the regions. She shared that there was a lot of discussion around a statewide strategy for talent development and possible clarification around what GO Virginia might support in talent recruitment.

Jim Cheng shared that the Biotech Innovation Cluster Growth project contract was in review for signatures right now. He added that the Partnership would be reviewing for their signature at their late February Board meeting. Also, Jim Cheng noted that there were two contract related issues that would require a vote. First, DHCD has identified some wording in their contract template that restricts reimbursement only to those incurred and paid for before contract end dates. Some projects may need that wording amended and DHCD is developing the wording now.

***Jan Gullickson made a motion to allow the Chair and legal counsel to review the wording and approve for project contracts, as needed. Tony O'Brien seconded the motion. The motion carried.***

Secondly, Jim Cheng said, as some projects near contract end dates, they may require contract extensions for various reasons. DHCD seems to be fine with granting 1-3 month extensions but are not committing to anything longer. A discussion ensued that because the Council meets only four times a year, this could be important to keep some projects on track.

***Miles Friedman made a motion to allow the Chair and legal counsel to review and approve for signature project contract extensions, if justified, and report them at next Council meeting. Tony O'Brien seconded the motion. The motion carried.***

Jim Cheng asked Ed Scott to provide a Legislative session update. Ed Scott noted that the Council had been getting General Assembly email updates from Chris Lloyd. He updated the Council that the legislation allowing tobacco funds to be used as GO Virginia matching funds was approved in the Finance Committee and the legislation that required some GO Virginia funds to be directed in Opportunity Zones was defeated in committee. Frank Friedman added that the Governor has introduced legislation that if approved would provide free education or training in specific in-demand fields. The program, called G3 which stands for Get a Skill, Get a Job, Give Back, would help attract students into career and technical education.

***Jan Gullickson made a motion that the Region 9 Council should vote to support the G3 Legislation. Liz Walters seconded the motion. The motion carried with one vote against.***

Jim Cheng referred to the Dashboard in the packet and summarized that there is \$460,000 in Per Capital grant funding still available for Region 9 and that, as long as there are no changes in the General Assembly, Region 9 should receive another 1 million for project funding on July 1. He added that project funds leftover after project close outs should also roll back into the Per Capita pot of money.

Jim Cheng also reminded the Council that the nomination cycle would be starting soon.

9. **Director Update**

Shannon Holland said she wanted Council feedback on activities related to two projects. First, the GWC PTEC project encountered a leadership change at the welding school and that Germanna Community College was in discussion with Culpeper County to sign an MOU to take over the program. During the leadership transition there was an equipment inventory question that she has been working with Culpeper County to address. As the inventory issue and the leadership issues are addressed, she will pay remittances so that the project can be best positioned for success when Germanna takes over. In regards to the Crafting project, Shannon Holland noted that though the metrics reporting on this project were on track and showing success, she was concerned that the project would not meet all milestones by contract end date and thus would not be able to spend their awarded budget before contract expiration. A discussion ensued as to how the Crafting project might be able to resolve the issues related to identifying sites so that equipment funds could be expended appropriately. It was agreed that because the contract expired on June 30, Frank Friedman would present different solutions or options at the next Council meeting for further discussion.

Shannon Holland added that there were six potential projects in development, including:

- Region wide talent development project
- Broadband assessment project
- Follow-on grant for the Young Entrepreneurs ECB grant
- Possible inter-regional project to develop wet lab space
- Regional Entrepreneurship Investment (REI) opportunity
- Project opportunities identified in the upcoming Rural E-shop Report

Shannon Holland also updated the Council on activities related to a Region 4 Inter-Regional grant that was active. Originally, the grant included a significant ask on behalf of a Region 9 stakeholder and a statewide accelerator network. The grant was not submitted through the Region 9 Council process. Shannon Holland said that Region 4 was moving forward with this grant in a different format and that there were lessons learned. She added that it would be important for the Council to know that 1) when an inter-regional project develops from another region, the Council would have to review from the lead region's application format; and 2) that there could be Region 9 stakeholders included in inter-regional projects that would not necessarily require an approval from the Council. Going forward, Regional staff members are discussing ways to improve and optimize success of the inter-regional grant proposal process.

Tony O'Brien asked how the Council would be involved with the upcoming Tom Tom Festival. Shannon Holland said she is exploring the opportunity of partnering with DHCD again this year, however, at a minimum expects to support ticket availability for regional stakeholders.

Shannon Holland also shared that now Virginia Department of Economic Development (VEDP) has completed their statewide site readiness assessment, they are working with GO Virginia support organizations to roll out the information. Shannon Holland is working with the Central Virginia Partnership to do this. The plan currently is to do a meeting in each of the regional planning districts on March 20 and March 27, depending on availability of facilities.

#### **10. Other Business**

Miles Friedman shared that Fauquier County has joined the Northern Virginia Economic Development Alliance (NOVA EDA). The organization was developed from the momentum created from collaborative efforts to attract Amazon's HQ2 project.

#### **11. Upcoming Dates**

Jim Cheng reminded the Council of these upcoming dates:

- Region 9 Council Meeting, UVA Research Park, Charlottesville - April 30
- Region 9 Application Deadlines - March 3 / May 26 / September 8
- GO Virginia Board Meeting, Richmond, VA - March 17.

#### **12. Adjourn**

*Jim Cheng adjourned the meeting at 11:33 a.m.*

DRAFT

**GO Virginia**  
**Statement of Financial Position**  
As of April 30, 2020

	<b>June 8, 2020</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
11200 · GO VA Operating Account - Union	75.41
<b>Total Checking/Savings</b>	75.41
<b>Accounts Receivable</b>	
11000 · Accounts Receivable	93,163.79
<b>Total Accounts Receivable</b>	93,163.79
<b>Other Current Assets</b>	
11100 · Accrued Receivable	4,243.49
<b>Total Other Current Assets</b>	4,243.49
<b>Total Current Assets</b>	97,482.69
<b>TOTAL ASSETS</b>	<b>97,482.69</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
20002 · Accounts Payable	23,642.51
20004 · Due to CVPED	71,519.45
<b>Total Accounts Payable</b>	95,161.96
<b>Other Current Liabilities</b>	
25060 · Accrued Expenses - Other	4,243.49
<b>Total Other Current Liabilities</b>	4,243.49
<b>Total Current Liabilities</b>	99,405.45
<b>Total Liabilities</b>	99,405.45
<b>Equity</b>	
32000 · Unrestricted Net Assets	-2,183.44
<b>Net Income</b>	260.68
<b>Total Equity</b>	-1,922.76
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>97,482.69</b>

**GO Virginia**  
**Capacity Building - Statement of Income and Expense**  
July 2019 through April 2020

	<b>Capacity Building</b>		
	<b>Jul '19 - Apr 20</b>	<b>Budget</b>	<b>% of Budget</b>
<b>Income</b>			
41520 · State Grants	141,235.98	250,000.00	56.49%
<b>Total Income</b>	<b>141,235.98</b>	<b>250,000.00</b>	<b>56.49%</b>
<b>Gross Profit</b>	<b>141,235.98</b>	<b>250,000.00</b>	<b>56.49%</b>
<b>Expense</b>			
01250 · General Administration	1,336.09	15,000.00	8.91%
51000 · Employee Expenses			
51100 · Salaries and Wages	46,697.54		
51300 · Fringe benefits	28,366.95		
51500 · Employee Recruitment Exp	13.00		
52160 · Temporary Employees	1,370.55		
51000 · Employee Expenses - Other	0.00	150,000.00	0.0%
<b>Total 51000 · Employee Expenses</b>	<b>76,448.04</b>	<b>150,000.00</b>	<b>50.97%</b>
52100 · Contract services			
52120 · Auditing Services	4,509.09	6,000.00	75.15%
52130 · Legal services	0.00	1,500.00	0.0%
52140 · Benefits administration	94.35		
52150 · Technical support services (IT)	466.89		
52100 · Contract services - Other	0.00	500.00	0.0%
<b>Total 52100 · Contract services</b>	<b>5,070.33</b>	<b>8,000.00</b>	<b>63.38%</b>
53000 · Non-personnel Exp	6.07		
53100 · Supplies & Equipment	1,174.48	1,500.00	78.3%
53211 · Rent	4,000.51	10,000.00	40.01%
53300 · Travel	1,203.56	2,500.00	48.14%
53700 · Meetings & Workshops	3,011.10	6,000.00	50.19%
53800 · Marketing, Outreach, & Website	384.31	7,000.00	5.49%
54000 · Program expenses	48,601.49	50,000.00	97.2%
<b>Total Expense</b>	<b>141,235.98</b>	<b>250,000.00</b>	<b>56.49%</b>
<b>Net Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>

**GO Virginia**  
**Projects - Statement of Income and Expense**  
**From Beginning of All Projects through April 2020**

	Biotech Innovation Cluster			Adult Beverage		
	(Projects)			(Projects)		
	Jan '16 - Apr 20	Budget	% of Budget	Jan '16 - Apr 20	Budget	% of Budget
<b>Income</b>						
<b>41520 · State Grants</b>	41,258.36	548,000.00	7.53%	21,680.12	249,472.00	8.69%
<b>Total Income</b>	41,258.36	548,000.00	7.53%	21,680.12	249,472.00	8.69%
<b>Gross Profit</b>	41,258.36	548,000.00	7.53%	21,680.12	249,472.00	8.69%
<b>Expense</b>						
<b>01250 · General Administration</b>	0.00	36,000.00	0.0%	2,021.10	11,779.00	17.16%
<b>51000 · Employee Expenses</b>	1,000.43			12,772.03	26,913.00	47.46%
<b>52100 · Contract services</b>	13.04			16.19		
<b>53000 · Non-personnel Exp</b>	0.08			0.23		
<b>53100 · Supplies &amp; Equipment</b>	30.93			33.90	60,450.00	0.06%
<b>53211 · Rent</b>	82.74			121.01		
<b>53300 · Travel</b>	0.00			0.00	375.00	0.0%
<b>53700 · Meetings &amp; Workshops</b>	0.00			0.00		
<b>53800 · Marketing, Outreach, &amp; Website</b>	0.17			0.00		
<b>54000 · Program expenses</b>	40,130.97	512,000.00	7.84%	6,715.66	149,955.00	4.48%
<b>Total Expense</b>	41,258.36	548,000.00	7.53%	21,680.12	249,472.00	8.69%
<b>Net Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>

**GO Virginia**  
**Projects - Statement of Income and Expense**  
**From Beginning of All Projects through April 2020**

	CvilleBioHub (Projects)			Cybersecurity (Projects)		
	Jan '16 - Apr 20	Budget	% of Budget	Jan '16 - Apr 20	Budget	% of Budget
<b>Income</b>						
<b>41520 · State Grants</b>	83,214.66	83,540.00	99.61%	36,604.10	100,000.00	36.6%
<b>Total Income</b>	<u>83,214.66</u>	<u>83,540.00</u>	<u>99.61%</u>	<u>36,604.10</u>	<u>100,000.00</u>	<u>36.6%</u>
<b>Gross Profit</b>	83,214.66	83,540.00	99.61%	36,604.10	100,000.00	36.6%
<b>Expense</b>						
<b>01250 · General Administration</b>	2,425.34	6,000.00	40.42%	1,308.25	8,000.00	16.35%
<b>51000 · Employee Expenses</b>	40,460.40	48,715.00	83.06%	31,511.76	64,350.00	48.97%
<b>52100 · Contract services</b>	10.03	0.00	100.0%	2.18		
<b>53000 · Non-personnel Exp</b>	0.03			0.03		
<b>53100 · Supplies &amp; Equipment</b>	34.00			6.18	6,325.00	0.1%
<b>53211 · Rent</b>	16,934.27	4,400.00	384.87%	20.66		
<b>53300 · Travel</b>	1,357.73	8,000.00	16.97%	0.00		
<b>53700 · Meetings &amp; Workshops</b>	0.00			0.00		
<b>53800 · Marketing, Outreach, &amp; Website</b>	0.78	5,000.00	0.02%	0.00		
<b>54000 · Program expenses</b>	21,992.08	11,425.00	192.49%	3,755.04	21,325.00	17.61%
<b>Total Expense</b>	<u>83,214.66</u>	<u>83,540.00</u>	<u>99.61%</u>	<u>36,604.10</u>	<u>100,000.00</u>	<u>36.6%</u>
<b>Net Income</b>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.0%</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.0%</u></u>



**GO Virginia**  
**Projects - Statement of Income and Expense**  
**From Beginning of All Projects through April 2020**

	Site Readiness (Projects)			GWC PTEC (Projects)		
	Jan '16 - Apr 20	Budget	% of Budget	Jan '16 - Apr 20	Budget	% of Budget
<b>Income</b>						
<b>41520 · State Grants</b>	55,775.52	58,675.00	95.06%	174,884.65	244,300.00	71.59%
<b>Total Income</b>	<u>55,775.52</u>	<u>58,675.00</u>	<u>95.06%</u>	<u>174,884.65</u>	<u>244,300.00</u>	<u>71.59%</u>
<b>Gross Profit</b>	55,775.52	58,675.00	95.06%	174,884.65	244,300.00	71.59%
<b>Expense</b>						
<b>01250 · General Administration</b>	448.81	800.00	56.1%	1,301.84	9,559.59	13.62%
<b>51000 · Employee Expenses</b>	259.94			2,109.87		
<b>52100 · Contract services</b>	0.68	0.00	100.0%	22.44	0.00	100.0%
<b>53000 · Non-personnel Exp</b>	0.00			0.36		
<b>53100 · Supplies &amp; Equipment</b>	3.49			44.09		
<b>53211 · Rent</b>	11.15			377.15		
<b>53300 · Travel</b>	0.00			24.15		
<b>53700 · Meetings &amp; Workshops</b>	0.00			0.00		
<b>53800 · Marketing, Outreach, &amp; Website</b>	0.00			0.00	5,000.00	0.0%
<b>54000 · Program expenses</b>	56,975.00	57,875.00	98.45%	171,004.75	229,740.41	74.43%
<b>Total Expense</b>	<u>57,699.07</u>	<u>58,675.00</u>	<u>98.34%</u>	<u>174,884.65</u>	<u>244,300.00</u>	<u>71.59%</u>
<b>Net Income</b>	<u><u>-1,923.55</u></u>	<u><u>0.00</u></u>	<u><u>100.0%</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.0%</u></u>

**GO Virginia**  
**Projects - Statement of Income and Expense**  
**From Beginning of All Projects through April 2020**

	Catalyst (Projects)			Regional Business Park (Projects)		
	Jan '16 - Apr 20	Budget	% of Budget	Jan '16 - Apr 20	Budget	% of Budget
<b>Income</b>						
<b>41520 · State Grants</b>	1,924.41	475,200.00	0.41%	99,719.43	600,850.00	16.6%
<b>Total Income</b>	1,924.41	475,200.00	0.41%	99,719.43	600,850.00	16.6%
<b>Gross Profit</b>	1,924.41	475,200.00	0.41%	99,719.43	600,850.00	16.6%
<b>Expense</b>						
<b>01250 · General Administration</b>	1,145.49	35,200.00	3.25%	569.40	2,500.00	22.78%
<b>51000 · Employee Expenses</b>	685.98	250,000.00	0.27%	715.44		
<b>52100 · Contract services</b>	4.47			6.61		
<b>53000 · Non-personnel Exp</b>	0.09			0.19		
<b>53100 · Supplies &amp; Equipment</b>	16.84			14.30		
<b>53211 · Rent</b>	47.69			51.63		
<b>53300 · Travel</b>	23.85	20,000.00	0.12%	36.73		
<b>53700 · Meetings &amp; Workshops</b>	0.00			0.00		
<b>53800 · Marketing, Outreach, &amp; Website</b>	0.00			0.13		
<b>54000 · Program expenses</b>	0.00	170,000.00	0.0%	98,325.00	598,350.00	16.43%
<b>Total Expense</b>	1,924.41	475,200.00	0.41%	99,719.43	600,850.00	16.6%
<b>Net Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>

**GO Virginia**  
**Projects - Statement of Income and Expense**  
**From Beginning of All Projects through April 2020**

	Young Entrepreneurs			Total Projects		
	(Projects)					
	Jan '16 - Apr 20	Budget	% of Budget	Jan '16 - Apr 20	Budget	% of Budget
<b>Income</b>						
<b>41520 · State Grants</b>	36,001.26	83,500.00	43.12%	551,062.51	2,443,537.00	22.55%
<b>Total Income</b>	36,001.26	83,500.00	43.12%	551,062.51	2,443,537.00	22.55%
<b>Gross Profit</b>	36,001.26	83,500.00	43.12%	551,062.51	2,443,537.00	22.55%
<b>Expense</b>						
<b>01250 · General Administration</b>	906.23	5,000.00	18.13%	10,126.46	114,838.59	8.82%
<b>51000 · Employee Expenses</b>	924.34			90,440.19	389,978.00	23.19%
<b>52100 · Contract services</b>	11.05			86.69	0.00	100.0%
<b>53000 · Non-personnel Exp</b>	0.05			1.06		
<b>53100 · Supplies &amp; Equipment</b>	26.61	15,000.00	0.18%	210.34	81,775.00	0.26%
<b>53211 · Rent</b>	76.53			17,722.83	4,400.00	402.79%
<b>53300 · Travel</b>	182.67	1,000.00	18.27%	1,625.13	29,375.00	5.53%
<b>53700 · Meetings &amp; Workshops</b>	0.00	12,500.00	0.0%	0.00	12,500.00	0.0%
<b>53800 · Marketing, Outreach, &amp; Website</b>	0.04			1.12	10,000.00	0.01%
<b>54000 · Program expenses</b>	33,872.93	50,000.00	67.75%	432,771.43	1,800,670.41	24.03%
<b>Total Expense</b>	36,000.45	83,500.00	43.11%	552,985.25	2,443,537.00	22.63%
<b>Net Income</b>	<b>0.81</b>	<b>0.00</b>	<b>100.0%</b>	<b>-1,922.74</b>	<b>0.00</b>	<b>100.0%</b>

**SLATE of NOMINEES  
GO VIRGINIA REGIONAL COUNCIL 9  
JUNE 19, 2020**

**VOTE FOR ACCEPTANCE**

**PUBLIC SECTOR APPOINTMENTS**

<b>Seat</b>	<b>Name</b>	<b>Term</b>
Educational Institutions – University of Virginia	Pace Lochte	3 Years
Educational Institutions – Community Colleges	<i>Pending</i>	3 Years

**PRIVATE SECTOR NOMINATIONS**

<b>Nomination</b>	<b>Name</b>	<b>Term</b>
Central Virginia Partnership	<i>Pending</i>	3 Years

**NOMINATING COMMITTEE**

<b>Name</b>
Jim Cheng
Brian Cole
Tom Click
Jan Gullickson
Patrick Mauney, TJPDC

**SLATE of NOMINEES  
GO VIRGINIA REGIONAL COUNCIL 9  
JUNE 19, 2020**

**VOTE FOR APPROVAL**

**PRIVATE SECTOR MEMBER SLATE  
Chamber of Commerce & At-Large**

<b>Nominations</b>	<b>Name</b>	<b>Term</b>
Chamber of Commerce	Ed Dalrymple	3 Years
Chamber of Commerce	Ray Knott	3 Years
At-Large	Ed Scott	3 Years
At-Large	Yolunda Harrell	3 Years

**OFFICERS AND EXECUTIVE COMMITTEE SLATE**

<b>Role*</b>	<b>Name</b>
Chair	Ed Scott
Vice Chair	Ed Dalrymple
Treasurer/Secretary	Chip Boyles
At-Large	Felix Sarfo-Kantanka
At-Large	Jim Cheng
At-Large	Tom Click
At-Large	Jan Gullickson

**\*Service:** Chair and Vice-Chair serve from immediately after the Annual Meeting until immediately after the following Annual Meeting or until their successors are subsequently elected. Annual Meetings are held yearly in June. All other Executive Committee Members serve annually.

## GO Virginia Region 9 Strike Force Update for ANNUAL MEETING, June 19, 2020

### ERR FAST ACCESS + ECB <100k - Project Activity as of June 12, 2020

Project Title	Applicant Org.	Frame	Industry	Type	Request \$	Award \$	Status/Note
Business Gateway	Fauquier County	GE	All	ERR	98,280	0	Not awarded
Crafting a New Normal	TJPDC	G/E	Food/Bev	ERR	100,000	44,000	Approved
CV Workforce Recovery Initiative	Central Virginia Partnership	TD	All	ECB	99,500	99,500	Approved
Project Rebound	Charlottesville Regional Chamber of Commerce	G/E	All	ERR	80,000	80,000	Approved
Project Reconnect	VCW-Piedmont (CVPED admin)	TD	all	ERR	99,500	99,500	Approved
Total					\$477,280	\$323,000	

### ERR FAST ACCESS + ECB <100k – Funding Balances as of June 12, 2020

	Total \$ Available	Total \$ Awarded	Funding Still Available
ECB	250,000	99,500	150,500
ERR-FA	300,000	223,500	76,500

### 1) Current situation

The current shortages of critical Personal Protective Equipment (PPE) and other medical supplies such as ventilators should not be unexpected given the current state of the supply chain for these items. Prior to the outbreak of the novel corona virus, a large percentage of these items were manufactured overseas, particularly in China. For example, it is reported that over 50% of masks were manufactured in China prior to the outbreak in Wuhan. As the outbreak became more serious, the Chinese government closed export for masks and other PPE products to capture that supply for their own domestic needs. China also began procurements from overseas vendors and stockpiles to build their own bank. Given this supply chain is extended, global, and focused on cost for these commodities, the introduction of a sudden reduction in Chinese capacity had a devastating effect on the ability to supply these products in the US.

This risk has been highlighted in previous planning exercises with the potential shortage of PPE showing up as a recurring problem in similar types of pandemic scenarios. A sudden surge in requirements based on increased usage would normally stress a supply chain enough. The over-reliance on imported supply in this scenario only increases the level up disruption and increases the difficulty of responding quickly to the need. According to IBIS World, 37-38% of the total medical device, medical instrument and medical supply markets in the US are served by imported product. The effects of this disruption on the nation and the economy are now well known but not unexpected given the structural imbalances present in the current supply chain.

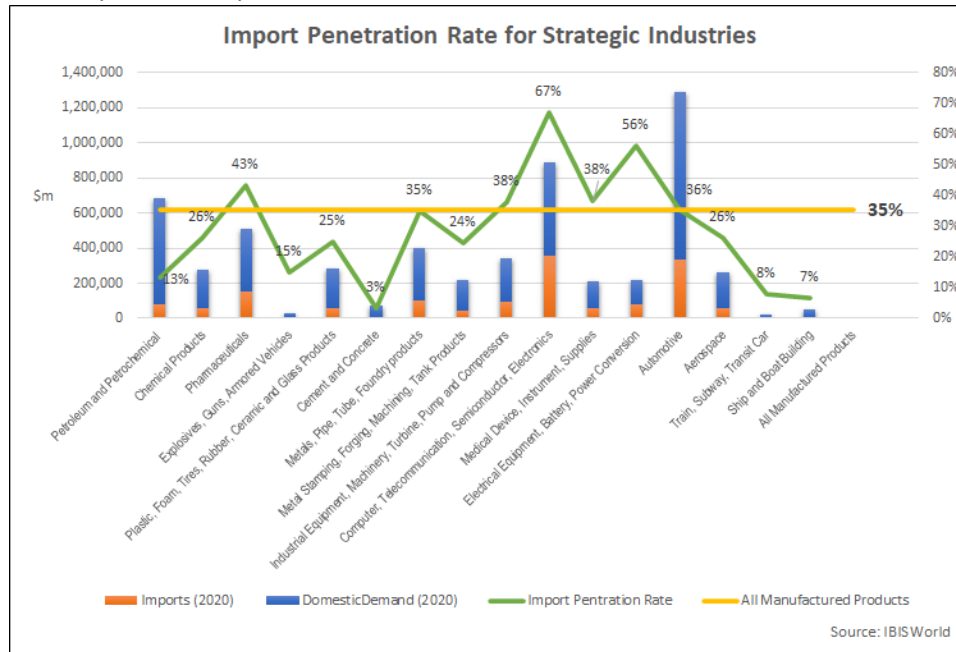
This latest crisis serves as an object lesson in the importance of not only planning for cost and delivery, but for having robust supply chain risk planning in place to minimize the impact of and respond to disruptions for key infrastructure sectors of the economy. Medical supply chain is only one of many critical strategic supply chains that have the same issues and share this risk profile. The increase in global trade has created imbalances that have provided for lower cost products but has at the same time increased strategic risks for the nation.

U.S. DEPARTMENT OF COMMERCE • NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY • MANUFACTURING EXTENSION PARTNERSHIP

### A Negative Trade Balance Among the Most Advanced Technology Products



The over-reliance on foreign supply driven by primarily commercial goals, including advanced technology products has reduced the capacity of American suppliers to easily produce critical materials in a time of need. As critical industries have increasingly moved overseas for production, the ability to scale up domestic production has become more difficult.



As we can see from the level of imports in critical product categories, there are several that have at least the same, and in some cases far greater, exposure to the potential disruption of foreign supply. To use a phrase popular in some areas of Virginia, ***“the current challenges in procuring PPE and medical supplies are only the canary in the coalmine signaling a greater risk that will require a dedicated national planning effort to address”***. The issues are systemic and will require focus and investment in order to manage the risk to our nation appropriately. Without structural changes to these critical industries, we remain vulnerable to similar disruption in the future.

## 2) Challenges

The challenges we are experiencing in Virginia in response to the current crisis as a result of the disrupted supply chain are similar but different in the near term vs. the mid-to-long term. In both cases, they require an understanding of demand, identification of gaps in supply to meet that demand and focused procurement and allocation of available inventory to balance supply to demand. Near term acute needs for products create stresses that must be responded to in a reactive manner due to the lack of preparation at all levels. While we are focusing in the short term on the medical PPE response, the other strategically critical supply chains would experience similar challenges if there was the same kind of significant disruption as happened with regards to medical PPE. The Coronavirus outbreak in China resulted in supply chains for automotive and other transportation products to also be disrupted. As of May 3, 2020, no domestic automotive facilities are operating, including tier 1 and most tier 2 suppliers. Tesla, with the largest domestic supply chain is the only major that was not significantly affected. It remains closed due to California’s stay at home executive order. The challenges and approaches identified for the current crisis illustrate the kinds of issues and solutions that would apply to other vulnerable industries and we propose using



the medical PPE response as the first phase of work that can serve as a model for reshoring other critical supply chains in response to the current level of risk.

**a) Near Term Demand and Supply Issues**

At the state level, there was an initial reliance on the Federal Strategic Stockpile to provide the needed surge capacity. It has been estimated that prior to the outbreak in the US, the inventories in the stockpile were a very small percentage of the overall need for a pandemic response, possibly as little as 1% of the total need. Complicating this problem is the difficulty in predicting the usage and need for the response. Models employed are providing a constantly moving target (driven by “the peak”) for the understanding and projecting demand. These short-term demand increases are driving spot and contract market pricing up for what are essentially commodities, further straining traditional procurement mechanisms.

The lack of understanding of demand requirements over time has an impact on identifying existing supply that can be procured to fill these gaps. The Commonwealth is competing with other states, the federal government and other entities to procure existing supplies. The initial focus has been on identifying distribution partners that can access larger quantities of product and competing for procurement. In addition, the state has many companies that have expressed interest in providing products. Due to lack of understanding requirements, the procurement criteria, and access to purchasers, many of these opportunities are not being utilized. Most suppliers require some re-tooling of existing capacity to shift production to needed products. They also require raw materials, from tier 2, 3 and 4 suppliers, which in many cases are “sold out”. The lack of clear procurement and supply channels creates additional risk and limits willingness for new suppliers to engage.

Given the projected shortfalls in supply, end users have in some cases worked to figure out how to reduce the demand by changing clinical protocols or making process changes. These changes, largely out of necessity, have helped mitigate some of the short-term demand but are largely implemented ad hoc. The adoption of these seems to be largely at an individual facility level. There is a lot of information available about the potential for either different strategies (i.e. reuse of PPE using decontamination) or using product alternatives or substitutes that help address the same needs but the impact of these changes on the demand is unknown.

The use of Emergency Use Authorizations (EUAs) by the FDA has allowed for introduction of new sources of supply on a temporary basis. These policies reduce near term barriers to utilize materials and facilities that in normal times would be considered inferior for the applications. This results in additional confusion for companies that are considering re-tooling to address Commonwealth shortfalls, both in the short and longer term.

By necessity, these challenges will continue to drive most of the state’s effort in the near term to address the needs for Virginia’s providers and first responders.

**b) Mid-to-Long Term- Demand and Supply Challenges**

The primary challenge in the longer term is to understand, characterize and fulfill demand with the expectation of similar disruptions to foreign supply chains without accepting the risk of a repeat by default. The danger is that once things return to “normal” in terms of usage, supply is managed

primarily by large distributors, and their access to cheaper imported products will result in a return to the same practices of prioritizing lower costs over mitigating risks for the next disruption. In Virginia, we must step up to the challenge to understand the vulnerabilities and develop strategies to mitigate them by developing supply that is at least domestic, and preferably Virginia based.

While there may be suppliers currently producing products that can help fill some of the needs, the effort will surely require re-tooling suppliers from other industries to produce PPE or medical equipment. There are several types of costs that provide an obstacle to bringing these suppliers online to fill needs.

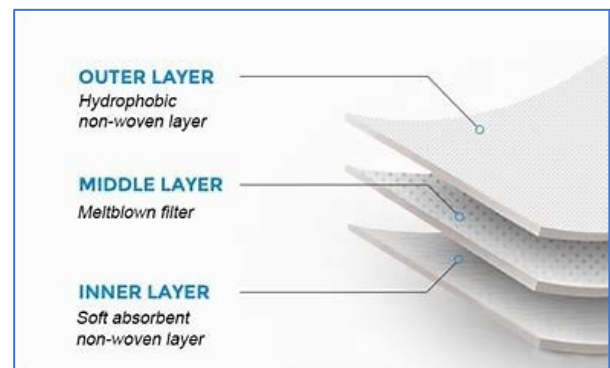
First, there are costs associated with becoming a registered supplier of FDA PPE or other medical devices. In the near term, some of these facilities are operating under Emergency Use Authorizations. As we build capacity in VA to meet both ongoing supply needs and surge, companies will need to establish themselves as an FDA registered supplier. The total hard cost to establish business as an FDA Supplier may range from as low as \$70,000 to \$100,000. Some of the typical costs associated with accomplishing this may be:

- Site assessment: \$4 K
- 510 K preparation: Not needed for class I devices, for Class II approximately \$20 K with testing and support
- Certification Testing: Varies from \$10 K to \$20 K depending on whether a predicate device has been produced.
- General training and other requirements specific to the PPE: \$6 K
- Supplier Scouting: To assist in building the companies supply chain for raw materials: \$10 K to \$20 K depending on complexity
- ISO 13485 preparation and registration: If converting from ISO 9001: \$20,000. Developing a new Quality Management System: \$30,000.

While this will get them qualified as a supplier, establishing efficient and competitive production processes will require some additional capital investment. For example, some Virginia companies are producing N95 masks using their current cut and sew processes. However, to make an ongoing and sustainable business would require implementing a modern manufacturing line that can cost from \$100 K to \$250 K

(<https://www.eworldtrade.com/pd/ew55001026/n-automatic-cup-mask/264566/>).

Building a vertically integrated supply chain within Virginia will also require that we address the materials required to produce products. To follow the above example, the primary material used for making N95, surgical type 2 masks and gowns is a three-layer composite called polypropylene SMS. Spun-bond polypropylene makes up the inner and outer layers, and the core is a non-woven, melt blown material that captures the virus.



In Virginia, we have one supplier plant in Floyd, VA owned by Hollingsworth and Vose making PP SMS (<https://www.hollingsworth-vose.com/Company/COVID-19-Response/>). As an existing supplier for this market they are sold out globally. Replicating their capacity with an additional laminating line

would cost on the order of \$2 to \$4 million installed. A polypropylene melt blown line costs about the same.

There are suppliers who are looking at providing functionally comparable products that can be certified for medical PPE use. For example, we are working with another Virginia polypropylene supplier that can produce staple fiber to produce carded non-woven fabrics that can potentially replace the SMS layer. Developing these capacities will require product development, testing and regulatory compliance work to make the transition from current markets to the production of PPE. It is important to note that these lines must operate in GMP environments, with positive pressure, HEPA filtered and conditioned air so developing a vertically integrated capacity in Virginia is a significant undertaking.

These businesses will need assistance to understand:

- *the market potential,*
- *where they need to be positioned competitively and*
- *how they can realize an adequate return on investment*

in order to make a good business case to enter or expand the business. Facilitating this will most likely require a focused effort at the state level to not only lead the development of a Virginia supply chain, but to potentially help fund some of these out of pocket costs.

The goal is to ensure that available capacity meets future needs, both in a steady state and in a crisis response mode. The lack of a planned capacity response to sudden needs will continue to have significant impacts on the state unless we can shift business to domestic, and ideally Virginia, suppliers, pre-position products or materials to respond to surge demands, and develop plans for rapid deployment of production capacity to support crisis response.

These challenges are specifically related to the need for medical supplies and PPE. As noted in the situation analysis above, there are also other industries that have similar needs. They may have different regulatory requirements or need different equipment for efficient production, but they have similar needs in understanding the competitive space and developing a business case to pursue those markets. The approach proposed to address the PPE shortages can serve as a pilot and should be directly transferable to other strategic industries as well.

### 3) Proposed approach

As noted in the challenges above, the medical PPE supply chain serves to illustrate the risks inherent in critical supply chains with a significant reliance on imports. As we have experienced, a significant disruption in the supply of imported products exposes the lack of capacity and the ability to respond to critical needs. The following approach is designed to address short term critical needs in medical PPE supply, but more importantly to focus on developing resources to provide capacity to meet demand if there are further disruptions to supply. The approach is illustrated using medical PPE, but the same actions would be taken to develop domestic, and ideally Virginia-based, capacity in any strategic industry. The approach can also accommodate addressing industries in Virginia that have been inordinately affected by the COVID-19 crisis. The proposed approach would be to initially focus on medical PPE as the first phase of work with the expectation that in follow on phases additional strategic industries will be targeted for reshoring or to provide for diversification of those businesses with permanent impacts from the economic downturn expected as we move forward.

### a) Near Term Phase 1

In the near term, the focus should be on identifying and acquiring products needed to address critical shortages. The general steps are the same as the mid-to-long term approach but must be done very responsively with the emphasis on speed to supply rather than building sustainability and resilience into the supply chain.

- i) This starts with the effort to consolidate demand and understand the current supply gaps and we must continue to make progress in developing near term procurement targets based upon anticipated short-term need.
- ii) If possible, the state should create the ability to provide the potential suppliers with their demand profiles at the product level, including information such as the quantity needed over time, the desired and maximum price points, and the detailed requirements so that companies can match their current capabilities to the opportunity to provide product.
- iii) There should be a focused effort to identify suppliers who can currently meet procurement criteria. The GENEDGE team currently is working to identify suppliers who express interest in providing PPE and helping them evaluate their level of readiness to provide products. We will provide a portal that allows companies to express their capabilities and capacities and provides potential buyers or partners the ability to search the data to make connections.
- iv) As suppliers are identified, the state should track the available capacity for production by categories to understand the actual capacity to produce and buy products today, the potential capacity from re-tooling companies to provide products, and additional capacity for either donation or long-term development.
- v) As the capacities are understood, the state should then track utilization of this capacity through comparing purchasing activity to the available capacity with the goal of ensuring that there is enough supply for expected demand.
- vi) Where there are near term shortfalls or where the ability to provide supply will require time to develop, there should be dedicated efforts to provide alternatives to the existing supply. A good example of this would be developing decontamination capacity to allow for safe reuse of items in short supply such as N95 masks. Utilizing processes like those developed by Battelle, which uses concentrated hydrogen peroxide vapor to decontaminate N95 masks, could provide significant capacity for reuse of the masks to extend the potential life to mitigate the shortfalls in supply.

GENEDGE will continue to support these efforts. This includes developing the ability to identify and capture the population of Virginia company prospects, help them provide products where possible and pursue re-tooling to address future needs as well. There is no funding requested to provide this support as we will address that as part of our core MEP mission, assuming continuing support from the General Assembly to match our cooperative agreement MEP Federal investment.

From the outreach activities that have been conducted over the first few months of the crisis, there is significant interest by Virginia companies both in providing PPE in the short term and re-tooling to produce PPE for the longer term. GENEDGE has created a web-based supply chain portal where we are able to capture interested companies from Virginia and beyond. We are currently combining our data with that from a similar survey conducted by VDEM to identify potential suppliers interested in moving into PPE production. This data shows strong interest in each region of the Commonwealth and is shown in **Appendix 1**.

## b) Mid-to-Long Term, Phase 1

While the near term plays out, now is the time to also focus on developing a Virginia-based supply network that can provide sustainable impact to the Commonwealth, and potentially the nation, by building a planned capacity and response to the expected recurrence of the corona virus. While there will be a sense of relief when the current “peak” passes, there is a significant probability that there will be another round of demand as the current social distancing and isolation policies are relaxed and we re-enter the fall season. While there is great hope in finding an effective immunization, recall that no such immunization was every developed for the last large viral outbreak, HIV. We should be preparing now so that we are better equipped to handle the expected second and perhaps additional wave(s) of infection.

### i) Identify strategic critical products and their materials

- (1) Apply learnings from the near-term response to engage end users, develop and update a list of products and the materials that are needed to produce them.
- (2) This analysis should include identification of items most at risk of supply interruption due to disruptions in imported supply, as well as understanding current supply chain capacity.
- (3) Work with end users to understand the requirements for these products to develop a competitive profile that would describe both technical and commercial requirements by product and material.

### ii) Identify and prioritize capacity needs at the product and/or material level

- (1) Understand demand requirements over time and under stress (steady state, seasonal, surge, etc.)
- (2) Evaluate existing vs. potential capacity relative to demand
- (3) Understand current utilization of existing capacity (purchases/capacity at a product level)
- (4) Explore potential process improvement to reduce capacity gaps (i.e. decontamination)

### iii) Complete an analysis of workforce requirements to support new capacity development and inform training needs within each region to support business expansion.

### iv) Identify and engage suppliers to develop capacity (see full service offering in **Appendix 2**)

- (1) Capability analysis relative to opportunity
- (2) Re-tooling/commercialization planning
- (3) Business case validation
  - (a) Where current competitive situation makes the business unprofitable, look for innovation to make supply viable
    - (i) Product innovation
    - (ii) Process improvement
    - (iii) Technology application
- (4) Support prototyping development to qualify products for supply
- (5) Assist with regulatory compliance needs to ensure product is ready for medical market
- (6) Achieve production readiness so that re-tooled suppliers can be utilized

### v) Match suppliers to demand to utilize capacity created

- (1) Support suppliers positioned for ongoing supply to replace higher risk imports
- (2) Support strategic stockpile procurement of products and/or raw materials
- (3) Implement supply agreements for surge capacity where applicable

**c) Phase 2 and beyond**

The Commonwealth, given the Port of Virginia, an excellent interstate highway system which traverses all compass points well, and an educated, flexible and diverse workforce is well positioned to take advantage of opportunities to expand industrial capability for other strategic and critical industries.

**Long Term View Required**

To do so requires playing for the long term. Use of advanced manufacturing technologies allows for higher value-added output per employee in greenfield or re-tooled operations. Much of our industrial capacity has not taken advantage of hard and soft automation and suffers from under capitalization. This has placed our industrial base at disadvantage versus emerging economies that have emphasized greenfield facilities.

**Market Demand Profiles**

Demand for these opportunities will come from Federal initiatives that support re-shoring, critical and strategic sectors intentionally reducing sourcing risks, and initiatives to bolster our Department of Defense supply chains, which are increasingly vulnerable to offshore supply disruption. GENEDGE will support initiatives that are driven by Commonwealth and regional priorities where a shared vision supports expansion and re-tooling efforts.

**Adaptation of Phase 1 Methodology**

GENEDGE will adapt its approach as demonstrated in the medical PPE and equipment markets to assist willing and capable manufacturers to pivot their resources to start up and / or diversify their market and product offerings. Similar requirements exist for critical and strategic industrial segments to PPE. GENEDGE has demonstrated its capability to adjust our services to meet those demands in a rapid and effective manner.

**Agility to Drive Results**

GENEDGE, as a part of the NIST Manufacturing Extension Program National Network™, can reach across borders without competitive economic development barriers to create sustainable supply chain and technology solutions. This is an inherent advantage that GENEDGE will leverage for the good of the Commonwealth and the Nation.

GENEDGE proposes to manage a program over two years to implement the mid-to-long term approach. The focus for the first year would be on addressing the needs for medical supplies and PPE with the expectation that additional opportunities will be identified at the state or federal level. The processes and tools developed in the first year can easily be redirected to additional critical strategic supply chains as they are identified. Given the expected focus on additional re-shoring efforts for strategic supply chains, we can follow the guidance to prioritize activities in the second year of the program. **Appendix 3** provides some initial detail on potential target industry sectors for consideration.



## 4) Milestones and Deliverables

Milestones	Deliverables	Anticipated Completion Date
1) Develop and publish guidance for companies as they re-open	<ul style="list-style-type: none"> <li>• Playbook addressing concerns for re-opening</li> <li>• Webinar series to prepare businesses to reopen</li> <li>• On-site or remotely delivered client support services</li> </ul>	June 2020  As required.
<b>Phase 1, Medical PPE - July 1, 2020 – June 30, 2021</b>		
1) Identify strategic critical products and raw material and technology requirements	<ul style="list-style-type: none"> <li>• List of products and the materials that are needed to produce them</li> <li>• Identification of items most at risk of supply interruption in imported supply,</li> <li>• Documented understanding of current supply chain capacity.</li> <li>• Competitive profile describing both technical and commercial requirements by product and material.</li> </ul>	Initial completion: October 2020  Updates: Ongoing
2) Identify and prioritize capacity needs at the product and/or material level	<ul style="list-style-type: none"> <li>• Demand requirements over time and under stress (steady state, seasonal, surge, etc.)</li> <li>• Evaluation of existing vs. potential capacity relative to demand</li> <li>• System in place to measure current utilization of existing capacity (purchases/capacity at a product level).</li> <li>• Identified process improvements to reduce capacity gaps (i.e. decontamination)</li> </ul>	Initial completion: October 2020  Updates: Ongoing
3) Complete an analysis of workforce requirements	<ul style="list-style-type: none"> <li>• Documented training needs within each region to support business expansion.</li> <li>• Integration with Regional workforce development efforts through CC partners</li> </ul>	October 2020
4) Identify and engage suppliers to develop capacity	For each supplier engaged: <ul style="list-style-type: none"> <li>• Capability analysis relative to opportunity</li> <li>• Re-tooling/commercialization plan</li> <li>• Business case validation</li> <li>• Support prototyping development to qualify products for supply</li> <li>• Complete regulatory compliance certification to ensure product is ready for medical market</li> <li>• Achieve production readiness so that re-tooled suppliers can be utilized</li> </ul>	Ongoing: July 2020 to June 2021
5) Match suppliers to demand to utilize capacity created	<ul style="list-style-type: none"> <li>• Documented supplier capacity developed to replace higher risk imports</li> <li>• Strategic stockpile procurement of products and/or raw materials</li> <li>• Implement supply agreements for surge capacity where applicable</li> </ul>	Ongoing: August 2020 – July 2021

Milestones	Deliverables	Anticipated Completion Date
6) Identify target(s) for Phase 2 effort	<ul style="list-style-type: none"> <li>Target industry agreed upon by Region and State Go Virginia boards</li> </ul>	March 2021
7) Interim Report	<ul style="list-style-type: none"> <li>Report detailing progress and metrics</li> </ul>	June 2021
<b>Phase 2, Target TBD - April, 2021 – June 30, 2022</b>		
8) Identify strategic critical products and respective raw material and technology requirements	<ul style="list-style-type: none"> <li>List of products and the materials that are needed to produce them</li> <li>Identification of items most at risk of supply interruption in imported supply,</li> <li>Documented understanding of current supply chain capacity.</li> <li>Competitive profile describing both technical and commercial requirements by product and material.</li> </ul>	<p>Initial completion: June 2021</p> <p>Updates: Ongoing</p>
9) Identify and prioritize capacity needs at the product and/or material level	<ul style="list-style-type: none"> <li>Demand requirements over time and under stress (steady state, seasonal, surge, etc.)</li> <li>Evaluation of existing vs. potential capacity relative to demand</li> <li>System in place to measure current utilization of existing capacity (purchases/capacity at a product level).</li> <li>Identified process improvements to reduce capacity gaps (i.e. decontamination)</li> </ul>	<p>Initial completion: June 2021</p> <p>Updates: Ongoing</p>
10) Complete an analysis of workforce requirements	<ul style="list-style-type: none"> <li>Documented training needs within each region to support business expansion.</li> <li>Integration with Regional workforce development efforts through CC partners</li> </ul>	June 2021
11) Identify and engage suppliers to develop capacity	<p>For each supplier engaged:</p> <ul style="list-style-type: none"> <li>Capability analysis relative to opportunity</li> <li>Re-tooling/commercialization plan</li> <li>Business case validation</li> <li>Support prototyping development to qualify products for supply</li> <li>Complete regulatory compliance certification to ensure product is ready for medical market</li> <li>Achieve production readiness so that re-tooled suppliers can be utilized</li> </ul>	Ongoing: April 2021 to June 2022
12) Match suppliers to demand to utilize capacity created	<ul style="list-style-type: none"> <li>Documented supplier capacity developed to replace higher risk imports</li> <li>Engagement with strategic distributors to buy “Made in VA” production</li> <li>Strategic stockpile procurement of products and/or raw materials</li> <li>Implement supply agreements for surge capacity where applicable</li> </ul>	Ongoing: May 2021 – July 2022
13) Final Report	Report detailing progress and metrics	June 2022

Additional Phases may be added as needed.



## 5) Partnerships

- VHASS/VHEMP/VDEM/VDH for understanding demand, needs and opportunities for process improvement at the clinical level for medical PPE and select equipment, and supplier prospect referrals for technical assistance.
- UVA-Wise, VA Tech, VCU, ODU, Longwood (participating GoVA region examples) and VCCS as regionally deployed - For workforce needs & innovation support.
- Manufacturing Technology Center (MTC) to provide delivery and project management
- Third Party integrators (for example CART) to drive innovative solutions where needed
- NIST-MEP for technology transfer and national sourcing support
- Local & Regional Economic Development to provide local engagement, referrals, and focus through our network of Regional Growth Managers
- VEDP for outreach, candidate referrals to GENEDGE and business expansion support
- VMA for awareness, support for Federal policy initiatives

## 6) Potential funding request

Source	Amount	Share
GENEDGE/NIST-MEP Cares Federal Funds	\$ 1,075,000	24%
GoVA – Regions 1,2,3,4,5	\$ 2,950,000	67%
Client fees – Private Funds	\$ 400,000	9%
<b>Total</b>	<b>\$ 4,425,000</b>	<b>100%</b>

	Total Cost	GENEDGE Share		Client Share		GO Virginia Share	
<b>Program Management</b>	\$200,000	15%	\$30,000	0%	0	85%	\$170,000
<b>Supply Chain Tools*</b>	\$75,000	100%	\$75,000	0%	0	0%	0
<b>Research</b>	\$100,000	33%	\$33,000	0%	0	77%	\$77,000
<b>Market Research</b>	\$75,000	47%	\$35,000	0%	0	53%	\$40,000
<b>Company Services</b>	\$3,975,000	23%	\$902,000	10%	\$400,000	67%	\$2,663,000
<b>Total</b>	<b>\$4,425,000</b>	<b>24%</b>	<b>\$1,075,000</b>	<b>9%</b>	<b>\$400,000</b>	<b>67%</b>	<b>\$2,950,000</b>

\*provided as In-Kind Match

## 7) Expected Outcomes

- Visibility of supply chain for critical products
- Understanding of capacity required
- Potential savings in product usage/demand from process improvement
- Capacity expansion through re-tooled Virginia suppliers
- Increased utilization of capacity
- Increased/retained revenue and jobs for re-tooled suppliers
  - Target: 25 suppliers per year with first year focused on PPE supply chain development and second year focused on strategic industry to be determined.

	Year 1	Year 2	Total
Suppliers Served	25	25	50
New/Retained Revenue	\$40,625,000	\$40,625,000	\$81,250,000
Other Investments	\$5,000,000	\$5,000,000	\$10,000,000
New/Retained Jobs	250	250	500

g) Reduced Risk of shortages to End Users

## 8) Performance Metrics

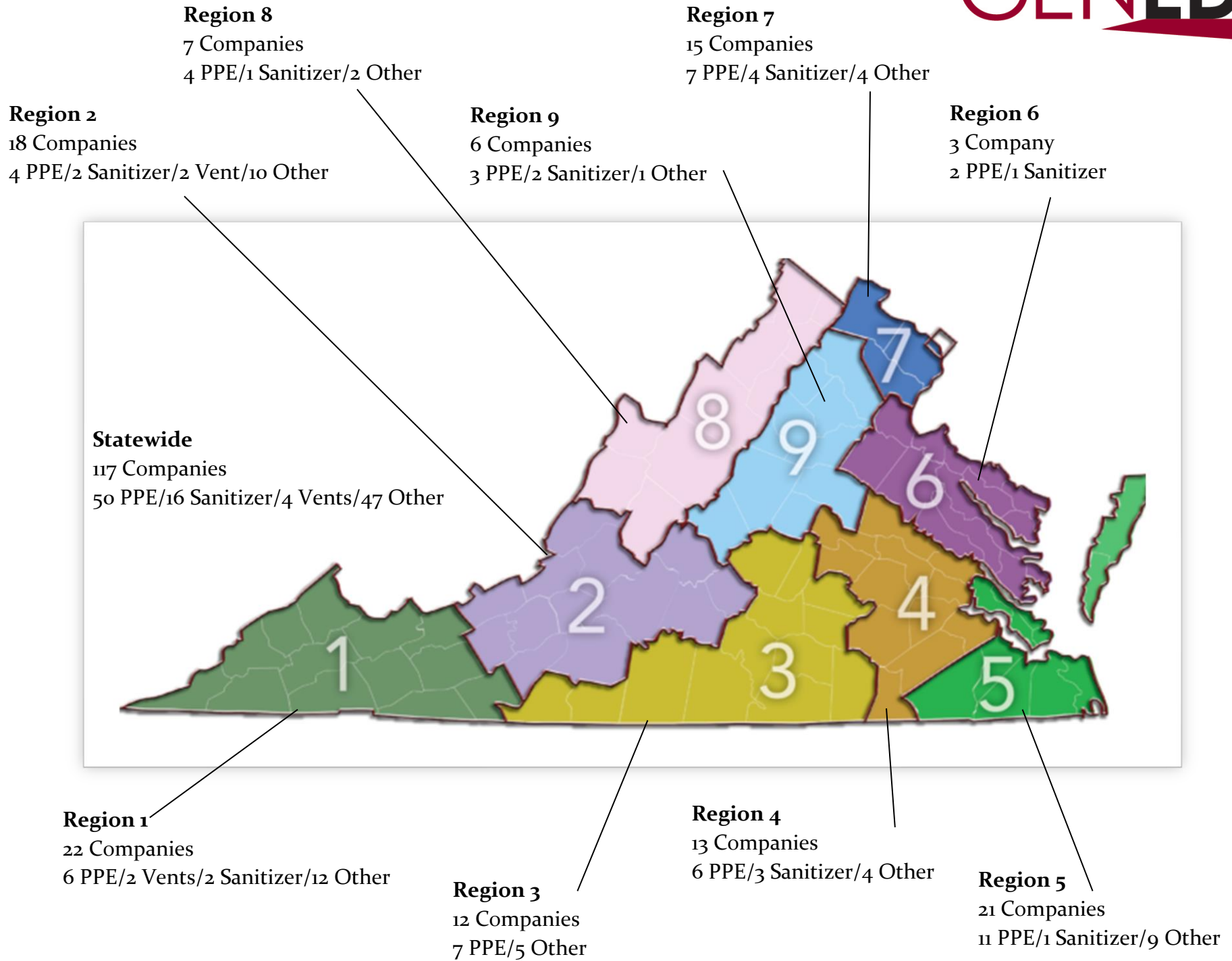
Metric	Goal	Anticipated Completion Date
# of businesses served	50 companies	25 by June 2021, 25 by June 2022
# of jobs created or retained	500 jobs	250 by June 2022, 250 by June 2023
New or retained revenues from new product capacity	\$81,250,000	\$40.625,000 – June 2022 \$40.625,000 – June 2023
Other Investments in machinery, tooling, workforce and working capital	\$10,000,000	\$5,000,000 – June 2022 \$5,000,000 – June 2023
Amount of PPE production capacity developed	TBD	June 2021 June 2022
Reduction in supply chain risk for PPE	TBD	June 2021 June, 2022
New/innovative products completed/released to production	TBD	June 2021 June 2022
PPE Supply Chain Capacity Utilization	TBD	June 2022 June 2023

Additional rows may be added as needed.

For further information:

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GENEDGE ALLIANCE will focus our efforts with companies on the following program offerings:

- Business Growth Acceleration
- Innovation Services
- New Product Development
- Competitive Analysis
- Technology Driven Market Intelligence
- Adjacent Market Development
- Marketing Collateral Development
- Total Cost of Ownership for focused DOD markets
- Value Chain Optimization
- Lean and Six Sigma Services
- Supplier Scouting Services
- Risk Management
- ISO Management System Implementation
- ISO System Certification
- Prototype Development
- Third Party Proof of Concept
- Capital Access for Growth

### PROGRAM OFFERINGS:

Below summarizes how and what we will offer organizations.

#### Service Delivery Offerings: A la Carte Menu Company Services may include:

##### **Business Growth Acceleration**

**Deliverables:** This focused effort will validate the business case to include reviewing the targeted customer attributes, the offer definition and financial business case. It also includes completion of a deliverables roadmap and market brief to fully describe the opportunity and develop the funding plan for execution.

##### **Innovation and New Product Development**

###### **> Innovation Services:**

**Deliverables:** Provide leading edge services to help the company develop new, meaningfully unique product and service ideas that are dramatically different from existing offerings. We help focusing the enterprise to create, develop and commercialize new ideas rapidly to profitably build a substantial share of target DOD markets, and to achieve a sustainable business model for growth, today and tomorrow.

###### **> New Product Development Services:**

**Deliverables:** This service introduces concepts, process and tools to help make informed decisions about features and benefits within new product design. Various decision points in the process with specific deliverables accelerate the product development. Tailored approaches using tools from Lean Product Development and Design for Lean Six Sigma are introduced depending upon the needs of the company.

##### **Market Research and Execution:**

###### **> Competitive Analysis:**

**Deliverables:** A custom market research program to assist companies in evaluating their competitive position relative to new target DOD markets for commercial potential utilizing existing or parallel competencies.

###### **> Technology Driven Market Intelligence <sup>SM</sup> (via RTI):**

**Deliverables:** This service allows companies to evaluate existing technologies and there probability of success in diverse markets, resulting in a narrowing of probable opportunities for deep dive analysis and exploration.

###### **> Adjacent Market Analysis:**

**Deliverables:** A custom market research program to assist companies in evaluating new or adjacent DOD markets for commercial potential utilizing existing or parallel competencies.

### > Collateral Creation:

**Deliverables:** This service includes development of media and marketing collateral to communicate the value proposition effectively to target DOD customers. Services may include video, social media, web design and search engine optimization, development of marketing materials, etc. as required.

### Supply and Value Chain Optimization Services:

#### > Total Cost of Ownership:

**Deliverables:** Companies today lack systematic methods to determine true cost of ownership, beyond just piece prices. Using a NIST – MEP developed EXCEL based model that will be given to the company, the business is taught to evaluate true costs, allowing for better sourcing decisions given multiple choices. Freight, cost of quality, expediting, among other factors are included in the model and rely on public domain sources for updates to factors.

#### > Value Chain Optimization:

**Deliverables:** This service allows a company to optimize the value chain in conjunction with the order to delivery cycle. It provides the platform to work with top tier and lower suppliers to address system constraints and eliminate bottlenecks that hinder on time, on quality delivery of finished products.

#### > Lean and Six Sigma Services:

**Deliverables:** These services provide a very comprehensive and structured approach for continuous process improvement, creating quality, cost, delivery and cycle time benefits that will differentiate your company from your competition. We will tailor and deploy improvements to assure the company has the flexibility, tools and skills required to achieve and sustain continuous process improvement to provide a competitive edge in the targeted DOD market(s).

#### > Supplier Scouting Services (via RTI),

**Deliverables:** As companies ramp up new technologies, gaps in supply chains will occur for critical technologies. This service develops a group of pre-qualified suppliers that can be brought on stream quickly to allow the company to ramp up development work and production for commercial launch.

#### > Risk Management:

**Deliverables:** The customer will be assisted in developing a risk management plan for the supply chain that is used to support product / service creation and delivery.

Mitigation plans will be developed where issues are determined to minimize exposure.

### ISO Management System Implementation:

**Deliverables:** Most DOD companies rely on MIL specs and standards to guide their quality system. This service assists a company to develop an enhanced quality management system that can be certified to the international standards organization systems such as ISO9001, TS 16949, and AS 9100.

### Product Commercialization Services:

> **Product Commercialization:** Services will be acquired and managed on behalf of participating companies to achieve product and company certifications, as well as prototype services for the development of new offerings.

> **Product and/or Management Certification:** High growth technology markets such as Modeling and Simulation, Cyber Security, Unmanned Aerial Systems and Advanced Manufacturing may require companies to obtain product and / or management certifications they do not have, from organizations such as ISO, ASTM, NSF, FCC, FDA, etc.

> **Prototype Services:** Prototypes may need to be sourced where a rapid entry into the market requires the use of service shops that specialize in rapid tool and / or product development.

> **Capital Access for Growth:** Services to support growth and restructuring, including the use of strategic partnerships, joint ventures, and public - private partnerships (P3's) to achieve market entry and market expansion.

### Industrial Demand Signals – Re-shoring – other than PPE

The United States is quickly realizing that security requires developing and managing supply chains which reduce risk of business interruption. The Department of Defense has led Federal advocacy to expand domestic supply. GENEDGE operates a current project – Rural DoD Supply Chain Development, which is serving the following companies that are either entering the DoD space or are expanding services.

The COVID-19 pandemic has exacerbated problems for a broad set of manufacturing businesses. In latter March 2020, Thomas.Net, the world’s leading industrial sourcing and marketing platform surveyed executives and decision makers from 1073 small and mid-sized companies regarding their interest / need in re-shoring supply. Following are excerpts from that study, titled **Corona Virus Impacts on North American Manufacturing**.

- **1 in 2 U.S. Manufacturers Now Seeking Domestic Sources of Supply:** We saw a reduced desire in sourcing internationally (from 43% to 34%), and an increased number of respondents (47% from 43%) are now looking to source in North America.
- **Creative Coping Strategies Starting to Emerge:** From increasing capacity to support customers impacted by degraded supply chains to using live feed cameras to deliver machinery acceptance tests, we see American ingenuity at its best.

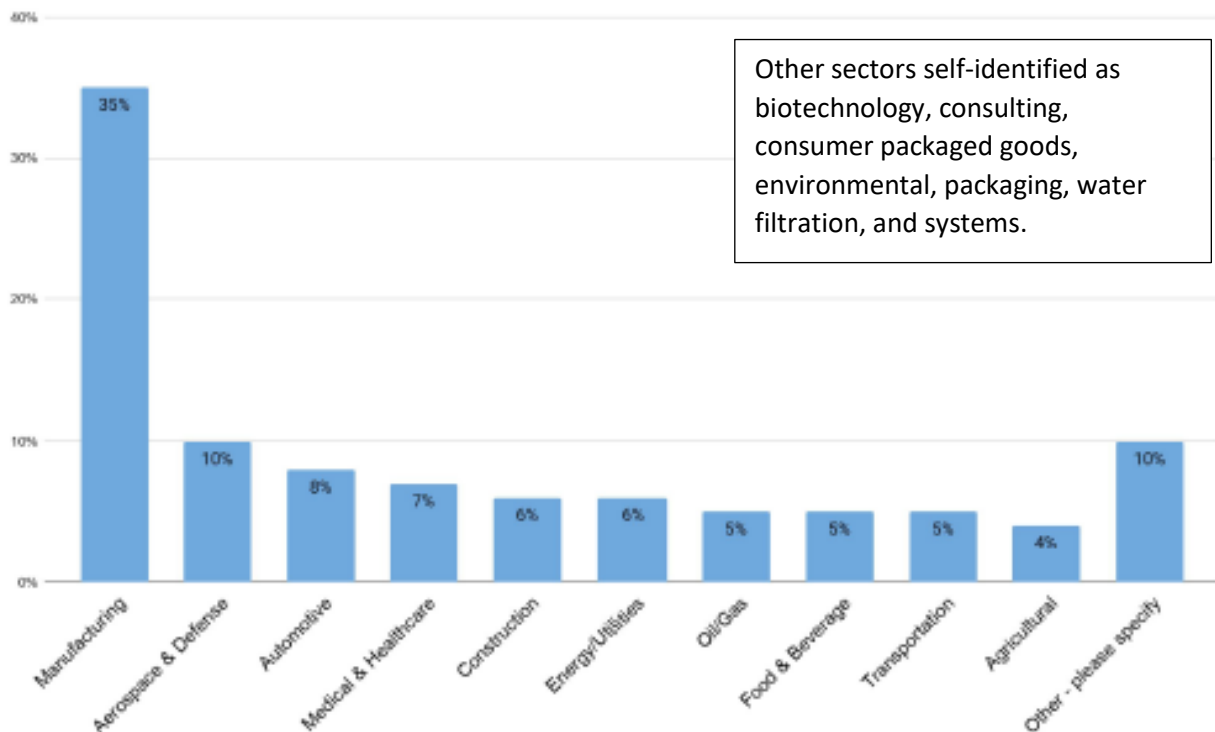
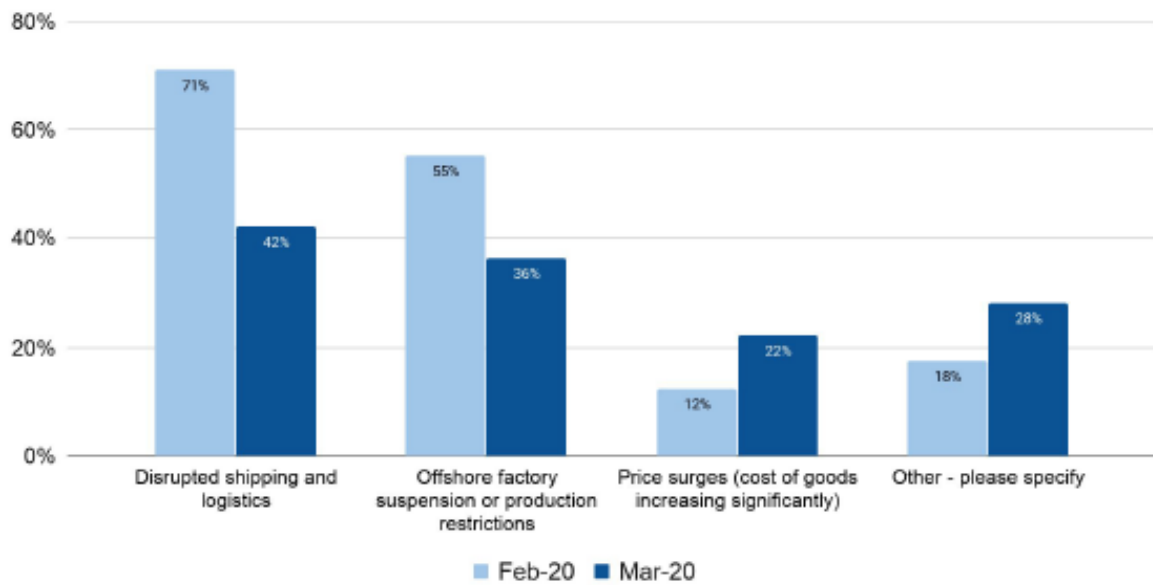


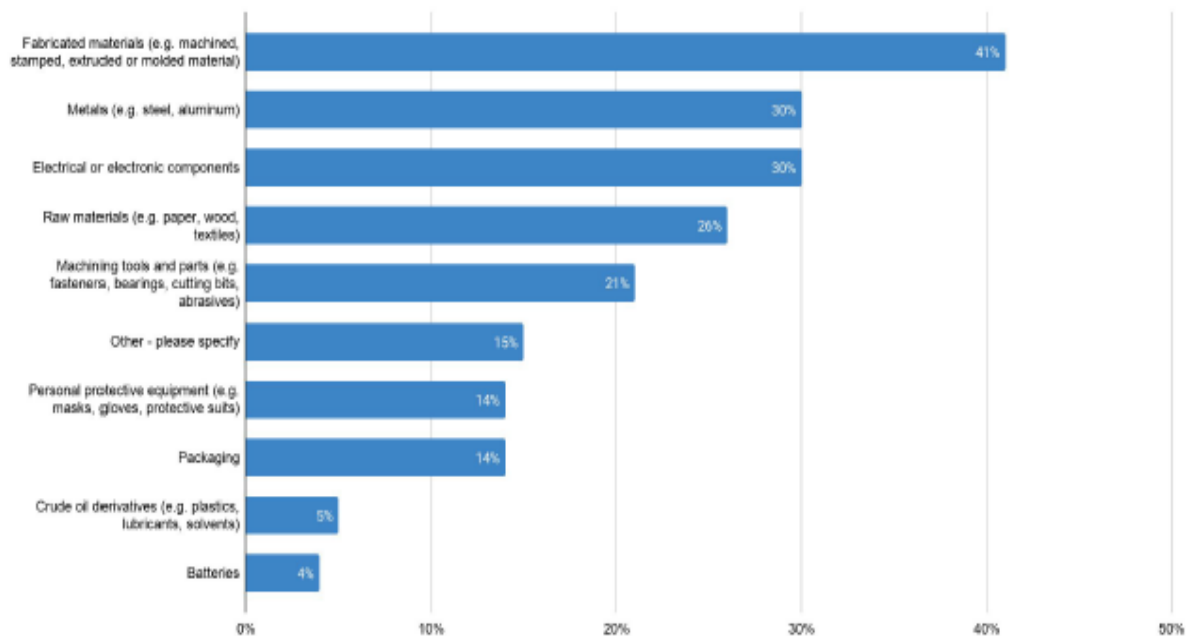
Figure 1 - Sectors Surveyed

The sectors are a very representative sample of demand sources for manufactured goods. The pain encountered can be characterized as follows.



**Figure 2 - Supply Chain Disruptions**

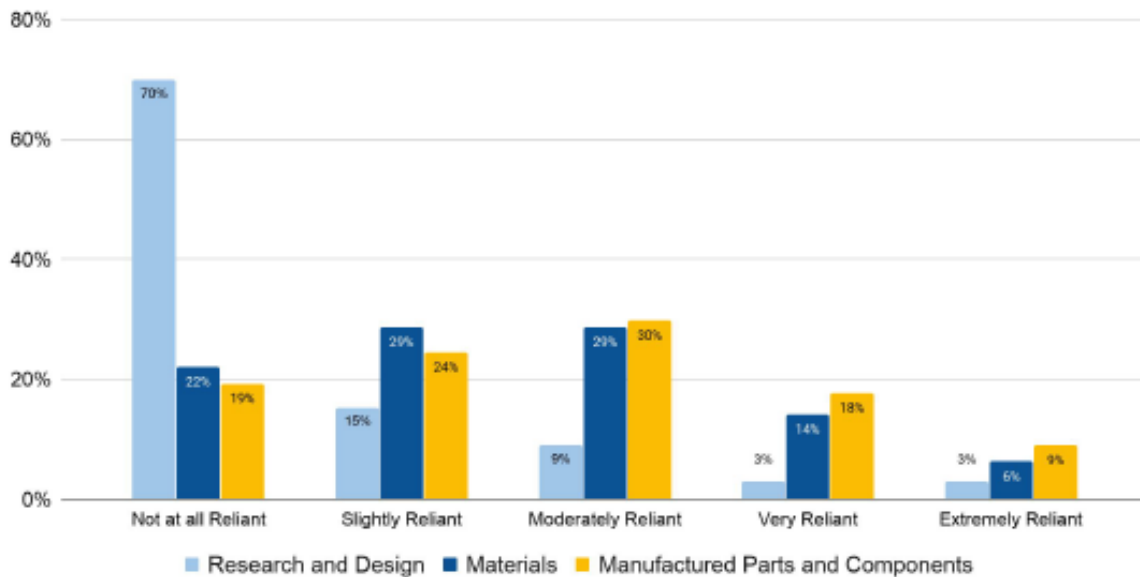
The types of manufactured goods and raw materials causing disruptions is as follows:



**Figure 3 – Supply Chain Re-shoring Opportunities**

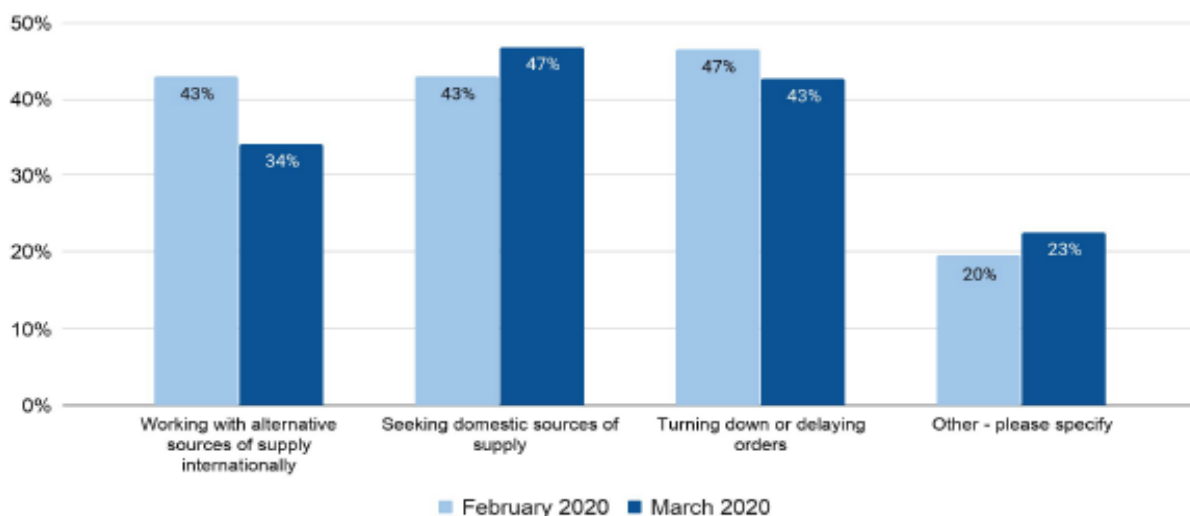
The areas of supply chain gaps, except for PPE are representative of a very significant portion of manufacturing establishments in Virginia.

For technology businesses, sourcing from China is a large vulnerability which is portrayed in the following graphic.



**Figure 4 - Tech business Reliance on China for Product Development**

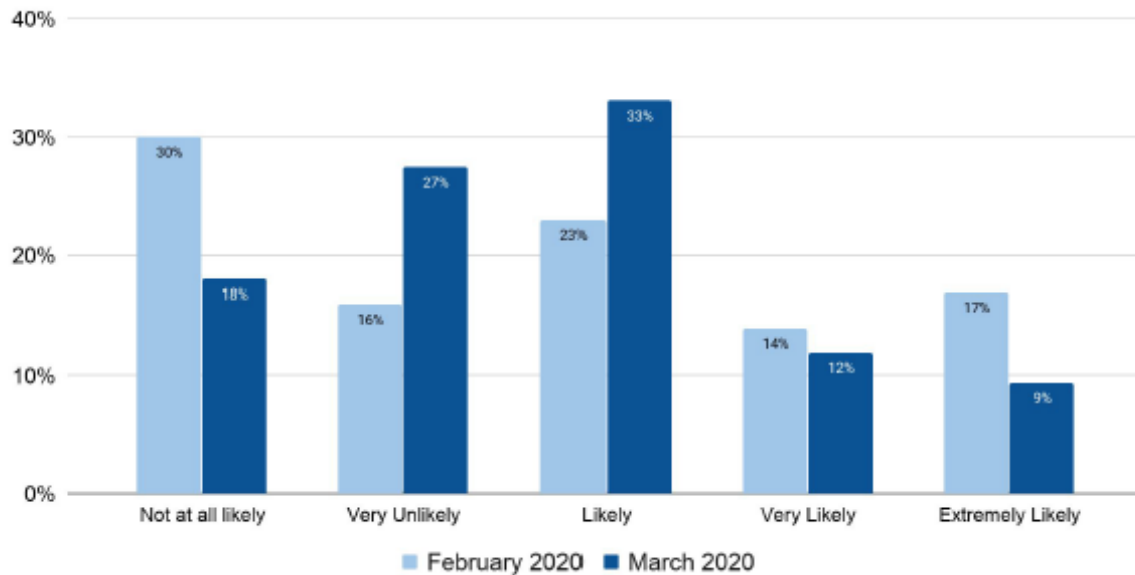
The rate of re-shoring activity is growing significantly. Nearly 1 out of 2 companies is now re-shoring as a risk reduction strategy. Sadly, the other leading strategy is turning down orders.



**Figure 5 - Re-shoring Activities, Now**



The likelihood of re-shoring continues to grow



**Figure 6 - Likelihood of Reshoring due to Covid-19**

The concentration of companies in manufacturing, engineering and technology businesses in Virginia is as follows:

NAICS	Description	Virginia Totals		Under 15 empl.		15 to 49 empl		over 50 empl	
		Est.	Empl.	Est.	Empl.	Est.	Empl.	Est.	Empl.
311	Food Manufacturing	558	31,440	380	1,546	99	2,568	79	27,326
312	Beverage and Tobacco Product Manufacturing	382	10,077	257	1,315	92	2,331	33	6,431
313	Textile Mills	50	3,528	22	56	10	329	18	3,143
314	Textile Product Mills	159	2,977	128	397	18	466	13	2,114
315	Apparel Manufacturing	85	1,276	70	254	8	232	7	790
316	Leather and Allied Product Manufacturing	16	192	14	50	1	32	1	110
321	Wood Product Manufacturing	458	13,907	260	1,208	132	3,742	66	8,957
322	Paper Manufacturing	122	8,464	59	214	23	656	40	7,594
323	Printing and Related Support Activities	579	9,692	476	1,988	66	1,750	37	5,954
324	Petroleum and Coal Products Manufacturing	32	902	20	57	4	135	8	710
325	Chemical Manufacturing	362	15,122	264	851	52	1,417	46	12,854
326	Plastics and Rubber Products Manufacturing	220	15,687	128	316	35	949	57	14,422
327	Nonmetallic Mineral Product Manufacturing	397	8,611	260	1,253	92	2,546	45	4,812
331	Primary Metal Manufacturing	72	3,896	39	113	15	426	18	3,357
332	Fabricated Metal Product Manufacturing	806	17,778	566	2,488	166	4,449	74	10,841
333	Machinery Manufacturing	437	14,046	315	958	63	1,864	59	11,224
334	Computer and Electronic Product Manufacturing	488	12,542	397	970	52	1,443	39	10,129
335	Electrical Equipment, Appliance, and Componen	170	7,867	109	295	28	755	33	6,817
336	Transportation Equipment Manufacturing	266	56,942	163	498	33	900	70	55,544
337	Furniture and Related Product Manufacturing	402	9,408	296	1,240	68	1,848	38	6,320
339	Miscellaneous Manufacturing	724	8,355	628	1,823	60	1,582	36	4,950
	Metal Service Centers and Other Metal Merchant								
423510	Wholesalers	77	972	56	216	17	483	4	273
488991	Packing and Crating	29	281	23	93	5	118	1	70
541330	Engineering Services	2,770	52,284	2,115	6,863	427	11,117	228	34,304
541380	Testing Laboratories	192	2,633	140	535	43	1,247	9	851
541715	Research and Development	451	17,789	335	1,018	63	1,833	53	14,938
561910	Packaging and Labeling Services	37	626	30	118	4	111	3	397
	Commercial and Industrial Machinery and Equipment								
811310		640	3,735	572	1,851	61	1,451	7	433
		<b>10,981</b>	<b>331,029</b>	<b>8,122</b>	<b>28,584</b>	<b>1,737</b>	<b>46,780</b>	<b>1,122</b>	<b>255,665</b>

\*Source: Virginia Employment Commission, Labor Market Information, Q1 2019

In conclusion, there is a 50% probability of opportunities to re-shore being considered seriously across the major industrial sectors in the United States. Virginia companies that can create a strong value proposition, goods of high quality that are competitively priced, with strong response and turn around capabilities can win new business for the long term. Projected demand sectors are portrayed in Figure 1, and supply sectors are provided in Figure 2.

This projection is based on very limited secondary sources of market information. GENEDGE proposes to address this comprehensively in the first phase of the proposed project, while we address the medium and long term critical needs for alternate sources of PPE production in Virginia.

**Thomas Survey Details:**

**Respondent's Firmographics:**

- **Revenue:** Business revenues span from less than \$4.9 million to over \$500 million
- **Employees:** Company size spans from less than 100 to over 1,500 employees
- **Business Descriptor:** 74% of the respondents identify as OEMs and custom manufacturers
- **Headquarters Location:** Identified by state/province

Questions? Contact

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**FY 2020**

**YEAR END REPORT ON GROWTH PLAN IMPLEMENTATION**

**Region 9 Council Annual Meeting**

**June 19, 2020**

**Contents:**

- **Funding Dashboard**
- **Project List**
- **Narrative**



## FUNDING DASHBOARD –REGION 9

### PER CAPITA FUNDING

FY	Per Capita/ECB Allocation*	Added from Capacity Building	Rollover from prior year	Total Available for Projects	YTD Total Awarded	Funds Remaining (if not used carried forward at FY end)
FY2018	546,301	250,000		796,301	727,447	68,854
FY2019	1,000,000	0	68,854	1,168,204	1,159,550	8,654
FY2020	1,000,000	0	8,654	1,008,654	647,500**	361,154***

\* Up to 250k total may be awarded each year from Per Capita Allocations

\*\* Biotech Innovation Cluster for \$548,000/CV Workforce Recovery Initiative for \$99,500 (ECB)

\*\*\* \$150,500 remaining in FY20 for ECB

### ECONOMIC RESILIENCY AND RECOVERY (ERR) FUNDING

FY	ERR Allocation*	Rollover from prior year	Total Available for Projects	YTD Total Awarded**	Funds Remaining***
FY2020	1,000,000,	0	1,000,000	223,500	776,500

\* Up to \$300,000 total may be awarded for FAST ACCESS <100k proposals

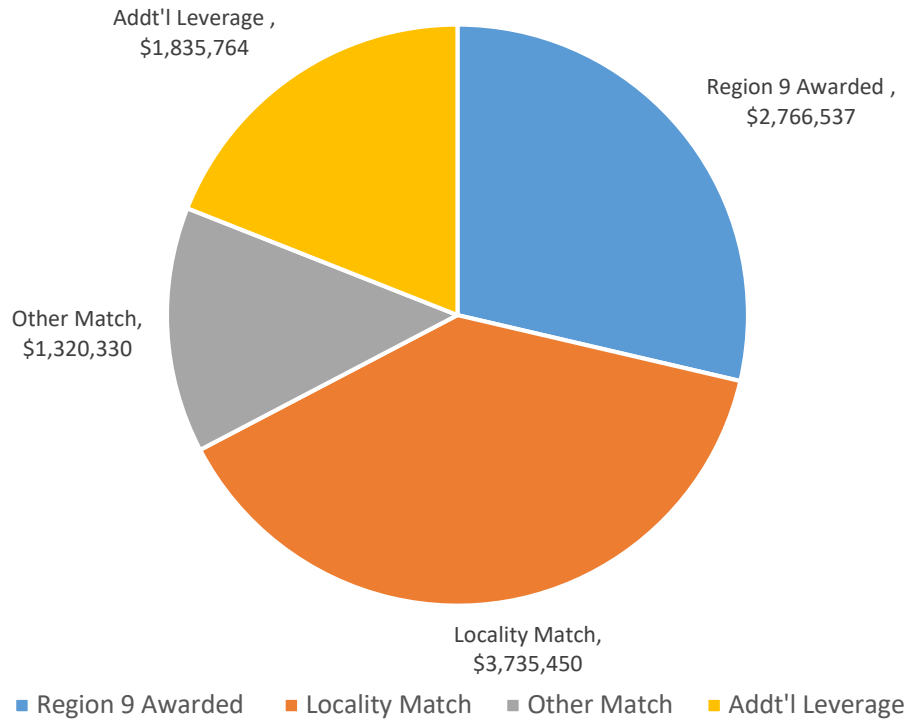
\*\* FAST ACCESS: Project Rebound, \$80,000; Project Reconnect, \$99,500; Crafting a New Normal \$44,000

\*\*\* \$76,500 remaining available for FAST ACCESS

PROJECT LIST - REGION 9		
Project	Award	Description
<b>Biotech Innovation Cluster Growth</b> CvilleBioHub with the City of Charlottesville, Albemarle County, UVA, and Quantitative Foundation	548,000	<b>Growing Existing Business</b> project targeting <b>Biotech</b>
<b>Catalyst Accelerator Project</b> City of Charlottesville, Albemarle County, UVA Economic Development, UVA Darden School of Business Batten Institute for Entrepreneurship and Innovation	475,200	<b>Entrepreneurship &amp; Innovation</b> project targeting <b>traded sector</b>
<b>Crafting a New Normal (ERR FA)</b> PD-10 with the Counties of Nelson and Madison	44,000	Support regional Craft Industry sector of Food & Bev. Mfg. to address COVID 19 challenges
<b>Crafting Higher Paying Jobs and Adult Beverage Exports</b> PVCC with Germanna CC and the Counties of Madison and Nelson	249,472	<b>Talent Development</b> project targeting <b>Food &amp; Beverage Manufacturing</b>
<b>CV Cybersecurity Partnership (ECB)</b> PVCC with Germanna CC and LFCC	100,000	<b>Talent Development</b> project targeting <b>IT/Communications +</b>
<b>CV Site Readiness (ECB)</b> Central Virginia Partnership with the Counties of Albemarle, Culpeper, Fluvanna, Greene, Louisa, Madison, Nelson, and Orange	58,675	<b>Site Development</b> project targeting <b>Light Manufacturing+</b>
<b>CV Workforce Recovery Initiative (ECB)</b> Central Virginia Partnership with the Counties of Albemarle, Culpeper, Fluvanna, Greene, Louisa, Madison, Nelson, and Orange	99,500	<b>Talent Development</b> project targeting <b>IT, Financial &amp; Business Services, Light Mfg., and Food &amp; Beverage Mfg.</b>
<b>CvilleBioHub (ECB)</b> CvilleBioHub with City of Charlottesville, Albemarle County and UVA	83,540	<b>Grow Existing Businesses</b> project targeting <b>Biotech</b>
<b>George Washington Carver Piedmont Technical Education Center (GWC PTEC)</b> Culpeper County with Counties of Fauquier, Madison, Orange, and Rappahannock; and Germanna CC	244,300	<b>Talent Development</b> project targeting <b>Light Manufacturing</b>
<b>Project Rebound (ERR FA)</b> Charlottesville Regional Chamber with the Albemarle, County, the City of Charlottesville, and UVA	80,000	To synthesize and publish strategies for regional business recovery from COVID economic crisis
<b>Project Reconnect (ERR FA)</b> Virginia Career Works - Piedmont Region with Counties of Albemarle, Culpeper, Fauquier, Fluvanna, Greene, Louisa, Madison, Nelson, Orange, Rappahannock, and the City of Charlottesville	99,500	Talent Development connecting COVID 19 displaced workers with hiring target sector companies
<b>Regional Business Park</b> Louisa County with Central Virginia Partnership	600,850	<b>Sites</b> targeting all <b>target industries</b>
<b>Young Entrepreneurs Program (ECB)</b> Fauquier County with Counties of Orange, Culpeper and Louisa	83,500	<b>Entrepreneurship &amp; Innovation</b> project targeting <b>Entrepreneurship Ecosystem</b>

## PROJECT AWARDS & LEVERAGE – REGION 9

GO Virginia Region 9 - Project Awards and Leverage



Project	Region 9 Awarded	Locality Match	Other Match	Addt'l Leverage
GWC PTEC	\$ 244,300	431,625		1,296,811
Crafting Higher Paying Jobs	\$ 249,472	50,000	209,050	
CV CyberSecurity	\$ 100,000	-	136,400	133,553
CV Site Readiness	\$ 58,675	58,675	-	
CvilleBioHub	\$ 83,540	10,000	83,540	9,000
Catalyst	\$ 475,200	110,000	366,000	250,000
Regional Business Park	\$ 600,850	2,802,150		
Young Entrepreneurs	\$ 83,500	77,500	6,000	4,000
Biotech Innovation Cluster	\$ 548,000	130,000	422,840	51,900
Rebound	\$ 80,000	7,500	32,500	90,500
Reconnect	\$ 99,500	25,000	25,000	
CV Workforce	\$ 99,500	22,500	27,500	
Crafting New Normal	\$ 44,000	10,500	11,500	
Totals	\$ 2,766,537	\$ 3,735,450	\$ 1,320,330	\$ 1,835,764



## PLANNING GRANTS

During the past three years, the Region 9 Council has identified priorities to explore through Planning Projects funded through the Region Capacity Building budget.

Planning Report	Council Approved	Cost	Description
"Venture Hub"	October 2019	\$49,893	To explore the concept of an iconic center for entrepreneurship in partnership with the City of Charlottesville, Albemarle County and UVA Economic Development.
Rural E-ship Action Plan	April 2020	\$48,133	To evaluate the region's rural entrepreneurship opportunities in collaboration with the Central Virginia Partnership and Economic Development Leaders in the Counties of Culpeper, Fauquier, Fluvanna, Greene, Louisa, Madison, Nelson, Orange, Rappahannock

## TARGET FRAMEWORKS AND INDUSTRIES

### ENGAGEMENT – BUSINESS, EDUCATION AND LOCALITIES

Incentivizing regional collaboration between business, education and localities is one of the goals of GO Virginia. Region 9 continues to make significant strides toward achieving this goal.

**Business:** The Council continues to ensure business is helping to lead the initiatives funded. For example, the Biotech Innovation Cluster Growth project was awarded to a business lead organization, CvilleBioHub.

**Education:** There are four institutions of higher education in Region 9. (UVA, PVCC, GCC, LFCC) Each of these institutions has been engaged in one or more of the approved projects over the past three years. Leaders from the four institutions serve the region as Council Members or as a Special Guest of the Council.

**Localities:** To date, all eleven localities within the Region 9 footprint have been involved with approved projects by supporting financially, engaging in project development or writing Letters of Support.



## **ECONOMIC RESILIENCY AND RECOVERY (ERR) GRANTS**

After the GO Virginia Board created the ERR grant program on April 17, 2020, the Region 9 Council established a COVID Strike Force to be responsive to regional needs caused by the economic and health crisis. The Strike Force was empowered to review and approve ERR FAST ACCESS and Per Capita ECB grant proposals less than \$100,000. To date, the Strike Force has met five times and approved \$323,000 in grant awards.

### **FY2020 PROJECT INQUIRIES**

There were **33 project inquiries** or discussions with potential applicants this year compared to 38 reported for FY2019.

#### **FRAMEWORKS**

- 7 Talent Development
- 14 Innovation/Entrepreneurship
- 10 Growing Existing Businesses
- 1 Unknown
- 1 Sites

#### **TARGET INDUSTRIES**

- 24 All
- 3 IT/Communications
- 2 Food & Beverage Manufacturing
- 1 Unknown
- 1 Financial & Business Services
- 1 Biotech
- 1 Light Manufacturing

### **FY2021 PROJECT PIPELINE**

There are **9 projects in the pipeline for FY2021**. There were 8 projects in the pipeline at the beginning of FY 2020.

#### **FRAMEWORKS**

- 1 Talent Development
- 4 Innovation/Entrepreneurship
- 1 Sites
- 2 Growing Existing Businesses
- 1 Unknown

#### **TARGET INDUSTRIES**

- 6 All
- 1 Unknown
- 1 Light Manufacturing (broadly applied)
- 1 Biotech
- 0 IT/Communications
- 0 Financial/Business Services

### **OUTREACH**

Staff and the Region 9 Council Members consistently plan outreach to engage regional stakeholders to identify potential projects that would support the advancement of priorities in the Region 9 Growth Plan Update (8/19). Outreach includes regular updates with regional economic development leaders, county/city administrators, regional economic development organizations, Boards of Supervisors, and Planning Districts. Additional promotion is attained via press releases, publication of Region 9 project "Birthstones", and social media via LinkedIn platform. The Region also regularly seeks to engage with peer regions to identify opportunities and share best practices. An example is promoting the Entrepreneurship Festival at the Tom Tom Founders Festival. The event is typically in early spring but was postponed until Fall 2020, this year due to COVID-19.





**DIRECTOR UPDATE  
REGIONAL COUNCIL 9 MEETING  
JANUARY 30, 2020  
REVISED**

**Quarterly Project Activity Reporting:**

- 2020 Q2 project activity reports due to CVPED by 7/20/2020

**Project Budget Changes/Updates:**

- Regional Business Park – Moved \$10,850 of Match from Site Work to Other-Contract Services Match to support RIFA /MOU outreach

**Contracts:**

- GWC PTEC - extension from April 23, 2020 to December 30, 2020
- Crafting Higher Paying Jobs - expires on June 30, 2020; DHCD has requested Letter Outlining the issues the project has faced and the expectation that money will be returned to the Region 9 fund
- Cybersecurity - expires on June 30, 2020
- CV Site Readiness - expires on July 2, 2020
- 3 contracts pending from DHCD: Project Rebound, Project Reconnect, Crafting a New Normal
- Central Virginia Workforce Recovery Contract – in review with counsel

**Key Activity:**

- Convened 5 Strike Force meetings review ECB and ERR FAST ACCESS projects < \$100,000
- Convened Nominating Committee to develop Slate on June 3, 2020
- Convened Executive Committee on June 9, 2020
- Chair/Vice Chair and staff has been meeting with Weldon Cooper Center to discuss future Growth Plan Update services

**Media:**

- Press Release: GO Virginia Regional 9 Council is Seeking Business Leader Nominations, May 12
- Press Release: GO Virginia Region 9 Releases Grant Opportunity for Regional Economic Resiliency and Recovery, May 7
- 151 LinkedIn followers

**Upcoming Dates**

- GO Virginia Board Meeting, June 23
- NEW Region 9 Council Meeting July 23 – if approved
- NEW Region 9 Application deadline July 7 (if July Meeting approved)



**DIRECTOR UPDATE  
REGIONAL COUNCIL 9 MEETING  
APRIL 30, 2020  
REVISED**

**Required Quarterly Project Reporting:**

- 2020 Q2 project activity reports due to CVPED by 7/20/2020

**Project Budget Changes/Updates:**

- CvilleBioHub - Moved \$1,500 from remaining expense budget balances to Contract Services category to pay final invoice and close out project budget
- Cybersecurity - Moved \$9,000 from fringe benefits to salaries in order to accommodate varying fringe rates associated with project roles. Lower rates apply to stipend work.

**Contracts:**

- Crafting project has provided updated Milestones

**Key Activity:**

- Biotech Innovation Cluster Growth approved by GO Virginia Board on December 9

**Earned Media/Published Articles:**

- Charlottesville BioHub Awarded \$548,000 GO Virginia Grant To Grow and Develop Biotechnology Innovation in the Region, December 16, [www.cvillebiohub.org](http://www.cvillebiohub.org)

**Upcoming Dates**

- GO Virginia Board Meeting, June 23
- Region 9 application deadline May 26
- Tom Tom Founders Festival Postponed until Fall 2020

**COMMONWEALTH OF VIRGINIA**  
**GO VIRGINIA ECONOMIC RESILIENCE AND RECOVERY GRANT**  
**CONTRACT**  
**NUMBER 20-GOVA-ERR-09A**<sub>[BG1]</sub>

THIS AGREEMENT by and between the COMMONWEALTH OF VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (hereinafter called "DHCD"), REGIONAL COUNCIL NINE and CENTRAL VIRGINIA PARTNERSHIP FOR ECONOMIC DEVELOPMENT (herein called "GRANTEE"), and **XXXXXXXX** (hereinafter called "SUBGRANTEE"), WITNESSETH THAT:

WHEREAS, DHCD has been authorized by the Governor of the Commonwealth of Virginia to distribute and administer grants of the Virginia Growth and Opportunity Act (hereinafter called "GO VIRGINIA") and the Appropriation Act of the Commonwealth of Virginia for the 2018-2020 Biennium, as amended; and

WHEREAS, the Growth and Opportunity Board (hereinafter referred to as the "BOARD") has been authorized by the Governor of the Commonwealth of Virginia to establish guidelines for grants under the terms of the Virginia Growth and Opportunity Act; and

WHEREAS, the GRANTEE has been authorized to secure financial support from DHCD on behalf of REGIONAL COUNCIL NINE and the SUBGRANTEE under the terms of the Virginia Growth and Opportunity Act; and

WHEREAS, "**XXXXXXXX**" as described in the **GO VIRGINIA Economic Resilience and Recovery APPLICATION**<sub>[BG2]</sub> submitted by GRANTEE on behalf of SUBGRANTEE has qualified for funding on the basis of the GO VIRGINIA Grant Scoring Guidelines as established by DHCD and the Growth and Opportunity Board (hereinafter referred to as the "PROJECT"); and

**NOW, THEREFORE**, the parties hereto mutually agree as follows:

## COMPENSATION

1. DHCD agrees to award the GRANTEE a **GO VIRGINIA Economic Resilience and Recovery Grant** for the amount of allowable, eligible costs associated with the completion of the scope of the work described in this AGREEMENT, but not to exceed a total of **\$XX,XXX (XXXXXXXXXXXXXX)**.
2. **Non-State sources of matching funds of at least \$1 dollar for every 2 dollars awarded are required** for the use of **GO VIRGINIA Economic Resilience and Recovery Grant** funds, unless otherwise waived by the Board. A total match of **\$XXX,XXX (XXXXXXXXXXXXXX)** in matching funds over XX months is committed to this project by SUBGRANTEE on behalf of the following organizations.....
3. The GRANTEE and SUBGRANTEE shall not obligate, encumber, spend or otherwise utilize **GO VIRGINIA Economic Resilience and Recovery Grant** funding for any activity or purpose not included or not in conformance with the budget as apportioned and as described in this AGREEMENT unless the GRANTEE has received explicit approval by WRITTEN NOTICE from DHCD to undertake such actions.
4. No costs incurred prior to the execution of this AGREEMENT shall be eligible for reimbursement with **GO VIRGINIA Economic Resilience and Recovery Grant** funds.
5. The GRANTEE will use the lesser of (1) the amount specified in this AGREEMENT, or (2) the amount actually expended in completion of the scope of work described in this Agreement. If, at project completion, there are cost under-runs or project savings, these costs shall revert to DHCD.

## METHOD OF PAYMENT

6. Requests for payment shall be completed through the “Remittance” function in DHCD’s CAMS (Centralized Application and Management System). Along with the request for payment, GRANTEE shall furnish documentation of reimbursable expenditures (such as invoices, cancelled checks, source documents, etc.). GRANTEE shall also provide documentation of match expenditure with the reimbursement request. DHCD shall process requests for payment within fifteen (15) days. Where invoices are not paid by the GRANTEE in advance of the remittance, funds shall then be immediately disbursed upon receipt of funds.
7. Matching funds shall be expended prior to or in proportion to **GO VIRGINIA Economic Resilience and Recovery Grant** funds within the PROJECT budget. The final disbursement may not be processed if GRANTEE’s matching funds obligation has not been fulfilled.

8. To expedite receipt of payment, it is recommended that GRANTEE contact the Virginia Department of Accounts (DOA) to arrange for electronic transfer of GO VIRGINIA funds. The forms to establish electronic payment with DOA are available at [www.doa.virginia.gov](http://www.doa.virginia.gov).

9. The project shall commence on the Project Start Date, and shall terminate no later than the Project End Date. Funds not expended by those dates may be subject to re-appropriation, unless the GRANTEE has received explicit approval by WRITTEN NOTICE from DHCD to extend this AGREEMENT. Final requests for the funds must be made **no later than 90 DAYS** from the Project End Date outlined in the AGREEMENT.

## SCOPE OF WORK

10. GRANTEE and SUBGRANTEE will commence, carry out and complete this scope of work, beginning on **XXXXXXX X, XXXX** as described in the GRANTEE's **GO VIRGINIA Economic Resilience and Recovery Grant** APPLICATION submitted to DHCD in CAMS, and any subsequent, approved, written amendments to the APPLICATION, which are made a part of this AGREEMENT. GRANTEE and SUBGRANTEE shall complete the scope of work as described in the CONTRACT DOCUMENTS, on or before **XXXXXXX X, XXXX**.

**PROJECT TITLE:** XXXXXXXXXXXXXXXX

## ACTIVITIES:

1. **As provided in approved proposal.** Add details here.
2. **As provided in approved proposal.** Add details here.
3. **As provided in approved proposal:** Add details here.
4. **Additional activities as needed.** Add details here.

## MILESTONES:

### ADD TARGET MILESTONE DATE FROM GRANT PROPOSAL:

- Add milestone from grant proposal
- Add milestone from grant proposal
- Add milestone from grant proposal

**ADD TARGET MILESTONE DATE FROM GRANT PROPOSAL** Add milestone from grant proposal

- Add milestone from grant proposal

**ADD TARGET MILESTONE DATE FROM GRANT PROPOSAL** Add milestone from grant proposal

Add milestone from grant proposal

**ADD MORE TARGET MILESTONE DATES FROM GRANT PROPOSAL,  
AS NEEDED**

**PRODUCTS:**

- Add metrics, products or outcomes from proposal
- Add metrics, products or outcomes from proposal
- Add metrics, products or outcomes from proposal
- Add metrics, products or outcomes from proposal
- Add more metrics, products or outcomes from proposal, as needed

**BUDGET:** Sources & Uses Document Attached.

11. The GRANTEE and SUBGRANTEE shall remain fully obligated under the provisions of this AGREEMENT notwithstanding its designation of any subsequent or third party CONTRACTORS identified for the undertaking of all or part of the scope of work for which the **GO VIRGINIA Economic Resilience and Recovery Grant** funds are being provided to the GRANTEE. Any SUBGRANTEE or CONTRACTOR which is not the GRANTEE shall comply with all the lawful requirements of the GRANTEE necessary to ensure that the PROJECT for which this assistance is being provided under this AGREEMENT is carried out in accordance with this AGREEMENT.
12. Should SPECIAL CONDITIONS to this AGREEMENT require additional action before proceeding with the ACTIVITY(S), the GRANTEE will initiate action relative to removal of those SPECIAL CONDITIONS beginning with the execution of this AGREEMENT.
13. DHCD agrees to provide the GRANTEE and SUBGRANTEE with technical assistance in setting up and carrying out the administration of the PROJECT and tracking PERFORMANCE METRICS as outlined in the APPLICATION as submitted and outlined in this AGREEMENT.
14. DHCD and the BOARD reserve the right to end funding for this PROJECT at any point by written Notice to GRANTEE and SUBGRANTEE should the PROJECT prove nonviable. This includes, but may not be limited to, lack of progress in conformance with this AGREEMENT. In such event, commitments made by GRANTEE and any SUBGRANTEE in accordance with the terms of this AGREEMENT prior to receipt of written notice of termination of funding will be funded.
15. If required under applicable law, GRANTEE and any SUBGRANTEE shall comply with the following as they relate to this AGREEMENT:

- A. Virginia Freedom of Information Act (FOIA);
- B. Virginia Conflict of Interest Act (COIA);
- C. Virginia Fair Employment Contracting Act;
- D. Virginia Public Procurement Act (VPPA);
- E. Americans with Disabilities Act (ADA); and
- F. Title VI of the Civil Rights Act of 1964 (24 CFR Part 1).

## **FINANCIAL REQUIREMENTS**

16. GRANTEE agrees to submit a quarterly progress report to DHCD in CAMS. The GRANTEE shall use the “GO Virginia Project Quarterly Progress Report” template to submit the report in the “Reports & Communications” tab for the PROJECT. DHCD may share copies of the report with interested parties identified by the State.
17. GRANTEE agrees to submit a final financial report and final project performance closeout report to DHCD in CAMS. The GRANTEE shall use the appropriate templates and closeout procedures, as provided by DHCD, to submit the final financial and project performance closeout reports in the “Reports & Communications” tab for the project. DHCD may share copies of the report with interested parties identified by the State.
18. DHCD, at its discretion, may require additional reports. If reports are not submitted in a timely manner, DHCD reserves the right to withhold payment requests until such reports are submitted.
19. DHCD shall monitor the GRANTEE as least once during the period covered by this AGREEMENT. DHCD may schedule additional monitoring visits with reasonable notice to Grantee as considered necessary. At any time during this AGREEMENT period, DHCD may request and shall be provided copies of any documents pertaining to the use of Program funds.
20. If required under applicable law, any governmental procurement from nongovernmental sources for construction or professional services shall be procured in accordance with the Code of Virginia § 2.2-4300 Virginia Public Procurement Act (VPPA). Per VPPA, “construction” means building, altering, repairing, improving or demolishing any structure, building or highway, and any draining, dredging, excavation, grading or similar work upon real property. “Professional services” means work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering. The GRANTEE and/or SUBGRANTEE(S) shall submit any contracts obligating GO VIRGINIA funds and if applicable, documentation to detail that applicable procurement requirements have been met, prior to the execution of those contracts.

21. DHCD reserves the right to request and receive additional documentation pertaining to non-professional service or other contracts obligating GO VIRGINIA funds prior to approving drawdown requests.

## **AUDIT REQUIREMENTS**

22. Per the DHCD Audit Policy, the GRANTEE is required to submit financial statements to DHCD. Required statements are as followed: Financial Statement(s)\*\*, Reviewed Financial Statement(s) prepared by an Independent Certified Public Accountant (CPA), Financial Statement(s) that have been audited by an Independent CPA or an audit required by the Code of Federal Regulations (CFR), (2 CFR 200 Subpart F), audited by an independent CPA. The table below outlines the minimum requirements.

<b>Threshold Requirement</b>	<b>Document</b>
Total annual expenditures > \$100,000 (Regardless of source)	Financial Statement(s) prepared by organization**
Total annual expenditures between \$100,001 and \$299,000 (Regardless of source)	Reviewed Financial Statement(s) prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures > \$300,000 (Regardless of source)	Financial Statement(s) that have been audited by an Independent CPA
Federal expenditures $\geq$ \$750,000	2 CFR 200 Subpart F Audit that has been audited by an Independent CPA

23. Required financial statements must be submitted by the GRANTEE yearly, within nine (9) months after the end of your fiscal year or 30 (thirty) days after it has been accepted (reviewed financial statement(s), audited financial statements, and 2 CFR 200 Subpart F audit only) - whichever comes first. Entities must electronically submit their financial statement(s) in DHCD's Centralized Application and Management System (CAMS). Entities are required to have a DHCD reviewed and approved current audit or reviewed financial statement(s) in order to submit a remittance request.

## **TERMINATION, SUSPENSION, CONDITIONS**

24. **FOR CAUSE** - If through any cause, the GRANTEE or DHCD fails to comply with the terms, conditions or requirements of the CONTRACT DOCUMENTS, and fails to correct the non-compliance within ten (10) business days after WRITTEN NOTICE thereof, the other party may terminate or suspend this AGREEMENT by giving WRITTEN NOTICE of the same and specifying the effective date of termination or suspension at least five (5) days prior to such action.

If, after the effective date of any suspension of this AGREEMENT, it is mutually agreeable to DHCD and the GRANTEE upon remedy of any contract violation by



the GRANTEE or DHCD, the suspension may be lifted and this AGREEMENT shall be in full force and effect at a specified date after the parties have exchanged WRITTEN NOTICES stating a mutual understanding that the cause for suspension has been identified, agreed to and remedied.

In the case of contract violations by the GRANTEE, DHCD may impose conditions other than termination or suspension which are appropriate to ensure proper grant and project administration and adherence to the terms of the CONTRACT DOCUMENTS. Such conditions must be imposed through WRITTEN NOTICE.

**25. FOR CONVENIENCE** - DHCD may terminate this AGREEMENT, FOR CONVENIENCE, in the event that DHCD is no longer authorized as an agency to administer GO VIRGINIA or if the funds allocated are no longer available.

The GRANTEE may terminate this AGREEMENT for convenience at any time provided that all of the following conditions are met:

- i. The GRANTEE gives DHCD ten (10) days WRITTEN NOTICE; and
- ii. The ACTIVITY(S) which have been initiated either have been completed and may be utilized in their stage of completion in a manner consistent with the objectives in the GRANTEE'S PROJECT APPLICATION, or will be completed by the GRANTEE through its own or other resources; and
- iii. The GRANTEE had honored or will honor all contractual obligations to third parties affected by **GO VIRGINIA Economic Resilience and Recovery Grant** funding; and
- iv. DHCD agrees to the termination.

A GRANTEE'S valid termination for convenience in accordance with these CONTRACT DOCUMENTS shall not affect nor prejudice the GRANTEE'S future relationship with DHCD nor its future consideration as a GO VIRGINIA recipient.

## **REQUEST FOR INFORMATION**

26. The GRANTEE shall furnish, regularly and in such form as DHCD may require, reports concerning the status of the PROJECT activities and grant funds. Such reports shall be submitted in the form and manner as prescribed herein and in WRITTEN NOTICES from DHCD.

27. The GRANTEE shall maintain all records related to GO VIRGINIA grant funds. Records shall be readily accessible to DHCD, appropriate State agencies, and the

general public during the course of the Project and shall remain intact and accessible for three years from final closeout. Except if any litigation claims or audit is started before the expiration of the three year period the records shall be retained until such action is resolved. Notwithstanding, records of any nonexpendable property must be retained for a three year period following final disposition.

28. WRITTEN NOTICES shall constitute the only means of binding statements of fact or condition between the parties of this Agreement. All required reports and requests to be issued by the GRANTEE or SUBGRANTEE must be made by way of a WRITTEN NOTICE unless other means are specified in the CONTRACT DOCUMENTS. The GRANTEE shall act upon and respond to WRITTEN NOTICES promptly as directed.
29. The term CONTRACT DOCUMENTS means the following documents which are a part of this AGREEMENT and are incorporated by reference herein as if set out in full:
  - A. AGREEMENT;
  - B. PROJECT BUDGET AS APPROVED;
  - C. GO VIRGINIA ECONOMIC RESILIENCE AND RECOVERY GRANT APPLICATION;

In witness whereof, the parties hereto have executed or caused to be executed by their duly authorized official this AGREEMENT.

**SUBGRANTEE**

XXXXXXXXXXXX

BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
XXXXXXXXXXXX, XXXXXXXXXX

**GRANTEE**

CENTRAL VIRGINIA PARTNERSHIP FOR ECONOMIC DEVELOPMENT

BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
Helen Cauthen, President

**REGIONAL COUNCIL 9**

BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
Jim Cheng, Chair

**COMMONWEALTH OF VIRGINIA**

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
Erik Johnston, Director