



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

**REGIONAL COUNCIL 9  
JANUARY 31, 2019  
9:30 AM to 11:30 AM  
UVA RESEARCH PARK  
1001 RESEARCH PARK BOULEVARD, 4<sup>TH</sup> FLOOR CONFERENCE ROOM  
CHARLOTTESVILLE, VA 22911**

1. **Welcome** **Tom Click, Chair**
2. **Public Comment** **Tom Click**
3. **Meeting Minutes – December 12, 2018** **Tom Click**
4. **Financial Report** **Andy Wade, Treasurer**
5. **Planning Grant Proposal** **Tom Click**
6. **Project Updates** **Tom Click**
  - Regional Business Park
  - Central Virginia Site Readiness
  - Catalyst Accelerator Project
7. **Chair Update** **Tom Click**
8. **Director Update** **Shannon Holland, Director**
9. **Other Business** **Tom Click**
  - Fauquier Enterprise Center Video
10. **Next Meeting** **Tom Click**

February 28, 2019; 9:30 am to 11:30 am; UVA Research Park, 1001 Research Park Boulevard, 4<sup>th</sup> Floor Conference Room, Charlottesville, VA 22901
11. **Adjourn** **Tom Click**





**REGIONAL COUNCIL 9  
DECEMBER 12, 2018  
9:30 AM to 11:30 AM  
Prince Michel Meeting Room  
154 Winery Way, Leon, VA**

**Attending Council Members:** Tom Click, Patriot Aluminum (Chair); Jim Cheng, Cav Angels (Vice Chair); Bryan David, Orange County; Pace Lochte, University of Virginia; Ray Knott, Union Bank & Trust; Chip Boyles, Thomas Jefferson Planning District Commission; David Pettit, Lenhart Pettit; Elizabeth Smith, Afton Mountain Vineyards; Felix Sarfo-Kantanka, Dominion Energy; Miles Friedman, Fauquier County; Ed Dalrymple, Cedar Mountain Stone; Ed Scott, EcoSeptix Alliance; and, the Hon. Tony O'Brien, Fluvanna County

**Absent Council Members:** Frank Friedman, Piedmont Virginia Community College; Christian Goodwin, Louisa County; Mansour Azimipour, A & K Development; Jeff Waite, Wal-Mart Stores, Inc.; Brian Cole, LexisNexis; Patrick Mauney, Rappahannock-Rapidan Regional Commission; Andy Wade, Louisa County (Treasurer); Leigh Middleditch, McGuireWoods; and, Jan Gullickson, Germanna Community College

**Guests:** Joshua Armentrout, Lumos; Betty Hoge, SBDC; Phil Sheridan, Culpeper County; Dillon Franks, SBDC; Bob Smith, ICAP; Liz Pyle, UVA; Beth Johnson, Blue Morning; David Touve, UVA iLab; and, Mitch Horowitz, TEconomy

**Staff:** Shannon Holland, Helen Cauthen

**1. Welcome**

Tom Click, Chair, opened the meeting at 9:37 AM.

**2. Public Comment**

There were no public comments.

**3. Meeting Minutes**

***Ray Knott made a motion to approve the October 26, 2018 Minutes as presented. Elizabeth Smith seconded the motion. The motion carried.***

**4. Financial Report**

Tom Click asked Shannon Holland to present the Financial Report because Andy Wade, Treasurer, was absent. She noted that the Statement of Financial Position showed \$74.60 in checking because expenses are paid after reimbursements are received from DHCD. Shannon Holland added that the Budget vs. Actual Report will include project activity going forward, in addition to the Capacity Building Budget. The Capacity Building Budget through October 2018, shows an annual budget of \$390,814.72 instead of \$361,111 because, as reported previously, there was \$29,703.72 carried forward from last year's budget. Most expenses incurred are in Direct Salaries. As project activity picks up a percentage of Salaries will be allocated to projects. The current statement provides reporting on two projects: GWC PTEC and Central Virginia Site Readiness.

***Chip Boyles made a motion to approve the Financial Report. David Pettit seconded the motion. The motion carried.***

## **5. Project Review**

Tom Click opened up discussion on the Catalyst Accelerator Program proposal submitted by Rector and Visitors of the University of Virginia is for \$486,000 for a two year project. The City of Charlottesville and the County of Albemarle are providing the locality match and the Scoring Rubric Summary was provided.

Pace Lochte began the discussion noting that this project came about because a prior ten week program was clearly not enough and this project will allow entrepreneurs for nine to twelve months. She added that the UVA iLab has several decades of experience with startups and the metrics are impressive. Also, she noted, that this was the first innovation project put before the Council. Ray Knott noted that in his professional experience such a program are needed to make sure companies can grow more quickly. Without such support he has seen new companies take up to five years to grow. Miles Friedman noted that he liked the holistic approach that UVA is taking. Bryan David added there are lots of direct and indirect benefits to the region for a program such as Catalyst. David Pettit led a brief discussion on the sustainability potential for the project. In general, the group agreed that the pieces were in place and that all such projects have inherent risk and this was a good risk. Jim Cheng recused himself from voting because his Charlottesville shared working space might be used as part of the project.

***Bryan David made a motion to approve the proposal as submitted. Miles Friedman seconded the motion. Jim Cheng abstained. The motion carried.***

## **6. Chair Update**

Tom Click noted that the Dashboard as of December 1st was provided in the packet. He added that Patrick Mauney will update the Council on Gary Deal's replacement after his Board Meeting later in the day. Since Andy Wade and Christian Goodwin were absent, Tom Click asked Helen Cauthen to give and update on the withdrawal of the Regional Business Park Proposal. Helen Cauthen explained that the Louisa County Board of Supervisors voted 6-0 to not move forward with purchasing the options on the land. Her understanding was it was a last minute set of circumstances that resulted in the vote. Much discussion ensued about the importance of Site Development in the region. It was suggested that perhaps the Council could play a role in promoting the importance of Site Development in the region to citizens, Boards of Supervisors, etc.

## **7. Region 9 Entrepreneurial Ecosystem Assessment**

Mitch Horowitz, TEconomy, Principal & Managing Director presented on the Regional Entrepreneurial Assessment Project: Presentation on Draft Briefing Report for Region 9. The slideshow presentation (attached) included possible actions or next steps. Mitch Horowitz first answered questions from the Council and Tom Click then allowed questions from the guests.

**8. Director Update**

Shannon Holland noted that she had provided her Director Update in the packet and thanked all of those who had hosted recent GO Virginia presentations. Also, she noted that for the first time copies Project Quarterly Reports were included in the packet. Pace Lochte asked if she would keep the Council up to date on any issues related to the project activity. Shannon Holland responded that she was engaging with all applicants and would be sharing issues with the Council as they arise. She noted that GWC PTEC had reported they didn't have the enrollment they expected at the moment, so that might be an issue to discuss at the next Council meeting.

**9. Other Business**

No other business was presented.

**10. Next Meeting**

The next meeting is January 31, 2019; 9:30 am to 11:30 am; UVA Research Park, 1001 Research Park Boulevard, 4<sup>th</sup> Floor Conference Room, Charlottesville, VA 22911

**11. Adjourn**

*Tony O'Brien made a motion to adjourn the meeting. Pace Lochte seconded the motion. The motion carried. The meeting adjourned at 11:28 AM.*



## Regional Entrepreneurial Assessment Project:

Presentation on Draft Briefing Report

***Region 9: Piedmont Opportunity Corridor***

December 2018



## Key Elements of Briefing Report

- I. Project Overview
- II. Project Key Steps
- III. Framework for Assessment
- IV. Situational Assessment
- V. Identification of Potential Priority Actions

Appendices:

- Appendix A: Listing of Working Group Members
- Appendix B: Data Trends on Entrepreneurial Development
- Appendix C: Regional Asset Inventory
- Appendix D: Competitive Benchmarking
- Appendix E: Benchmark Case Study Profiles

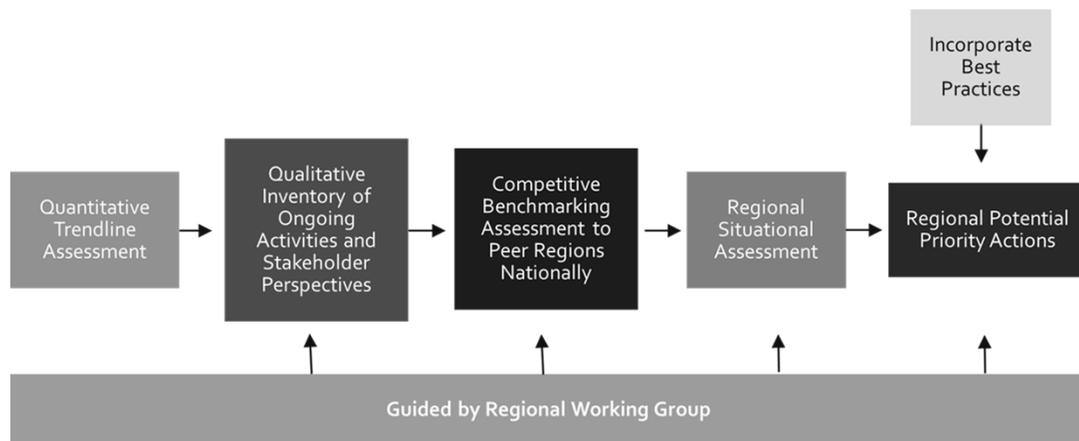
## Overview

The purpose of this briefing report is to provide a high-level baseline assessment of entrepreneurial development and identification of potential priority actions in GO Virginia Region 9 – the Piedmont Opportunity Corridor.

### *Setting the Context: Importance of Entrepreneurial Development for Regional Growth*

- In 2017, there were 1,317 surviving traded sector startups formed since 2007 in Region 9
- 7,856 jobs in 2017 were found in these 1,317 surviving startups
- By comparison, over the 2007-2017 period, total traded sector industry employment grew by a mere 769 jobs in Region 9.
- So without entrepreneurial growth, Region 9 would have had a decline in its traded sector industry employment

## Project Work Plan



## Strategic Framework: Focus on Traded Sector Industries

- **Of particular importance to GO Virginia is focusing on those new start-ups in traded sector industry activities that serve customers and markets beyond their local communities, and as a result, can drive regional economic growth.**
- It includes industries such as: manufacturing; professional, scientific and technical services; information technology; finance and insurance; transportation and warehousing; mining; and agriculture and food processing

*"[Traded industry clusters] are free to choose their location of operation (unless the location of natural resources drives where they can be) and are highly concentrated in a few regions, tending to only appear in regions that afford specific competitive advantages.*

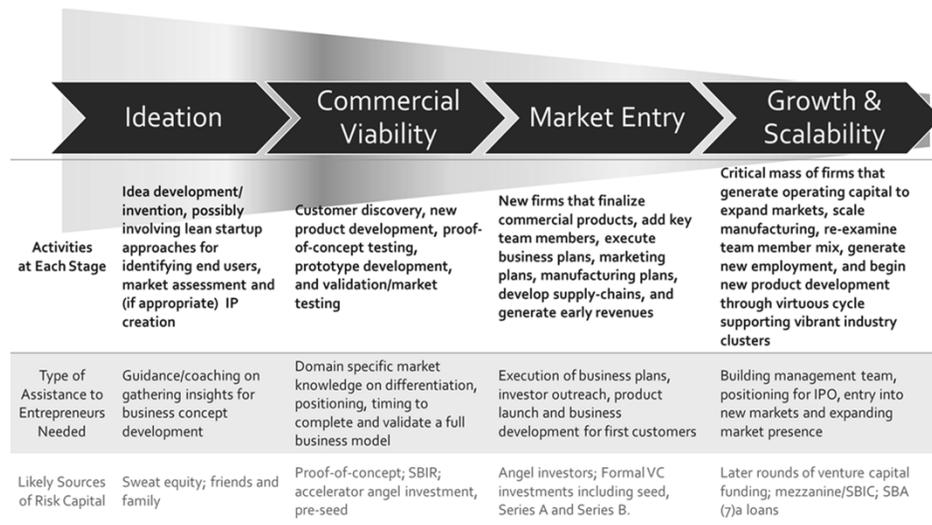
*Since traded clusters compete in cross-regional markets, they are exposed to competition from other regions...Traded clusters are the "engines" of regional economies; without strong traded clusters it is virtually impossible for a region to reach high levels of overall economic performance."*

Source: US Cluster Mapping Project, led by Harvard & MIT for U.S. EDA

## Strategic Framework: Focus on Entrepreneurial Development Stages

Entrepreneurship is a process involving an interconnected set of development stages supported by public and private resources and services that generates successful new startup businesses to drive regional economic growth.

If a region is underperforming in any stage of entrepreneurial development, then it will not realize its full potential in traded sector growth.



## Assessment of Ideation in Region 9

### Overall Assessment:

*Generally positive trends and significant asset base to build upon, but significant opportunities for advancing new program activities.*

### Strengths and Opportunities:

- **Competitive in overall levels of business formation**
- **Broad geographic footprint of traded sector startups across region**
- **Diversity in startup activities across traded sector industry clusters**
- **Significant annual generation of patents** – largely generated from private industry – with a focus on both IT and life sciences.
- **University research is sizable and growing strongly**
- **Talent base of highly educated workers**
- **A growing focus on creating entrepreneurial service hubs in region underway in Charlottesville and Fauquier County**

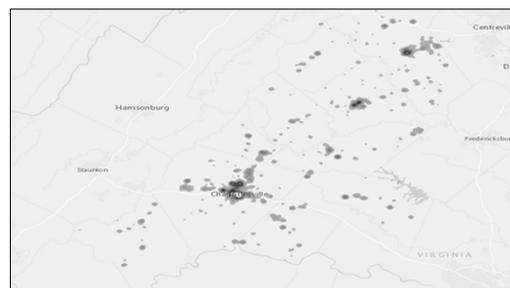
### Gaps and Weaknesses:

- **Significant volatility in business startups from year-to-year**, with a range from 148 startups (2017) to 301 startups (2013) in just the past five years
- **Limited programming targeted to traded sector entrepreneurs outside of University of Virginia's efforts** -- though these UVA efforts are seeking to reach out to broader community base of entrepreneurs

## Key Graphics from Assessment of Ideation in Region 9

Region 9 has diversity in base of startups across traded sector industry clusters as well as across areas of the region

| Major Industry Cluster***<br>(those relating to regional priority clusters bold faced) | Number of Start-ups Since 2007 Surviving by 2017 | Start-up Employment Levels, 2017 |
|--|--|----------------------------------|
| <b>Agriculture &amp; Food Processing</b>   | <b>195</b>                                       | <b>1,056</b>                     |
| <b>Business Services</b>   | <b>637</b>                                       | <b>2,653</b>                     |
| Energy, Natural Resources, & Finished Products   | 63   | 406                              |
| Engineering, R&D, Testing & Technical Services   | 97   | 654                              |
| <b>Financial &amp; Insurance Services</b>  | <b>170</b>                                       | <b>613</b>                       |
| <b>Health Care Services</b>  | <b>28</b>  | <b>710</b>                       |
| <b>Information Technology &amp; Communications Services</b>                            | <b>74</b>  | <b>577</b>                       |
| <b>Life Sciences</b>   | <b>42</b>  | <b>389</b>                       |
| <b>Manufacturing</b>   | <b>58</b>  | <b>608</b>                       |
| Ship Building, Aerospace, & Defense  | 4  | 78                               |
| Transportation, Distribution and Logistics   | 231  | 1,438                            |



| Subregions  | 2017 Number of Startups since 2007 in existence | 2017 Employment from Startups since 2007 | Number of High Growth Startups Since 2007 with 10+ Employees | Industry Clusters with Multiple High Growth Companies of 50+ Employees         |
|---|---|--|--|--|
| Charlottesville Metro Area (Charlottesville, Albemarle, Fluvanna, Greene, Nelson) | 1470 (57%)                                      | 4656 (59%)                               | 35   | Diversified across engineering/R&D; business services; TDL; ICT; life sciences |
| Culpeper  | 261   | 885                                      | 3  |  |
| Fauquier  | 435   | 1285                                     | 9  | ICT, TDL   |
| Loudoun   | 118   | 293                                      | 2  |  |
| Madison   | 55  | 142                                      | 1  |  |
| Orange  | 166   | 423                                      | 4  | ICT  |
| Rappahannock  | 66  | 172                                      | 0  |  |

## Assessment of Commercial Viability in Region 9

### Overall Assessment:

*Specific strength in university research commercialization for life sciences that can be expanded to other fields, plus opportunity to better position base of innovative companies found in region for success in commercializing products*

### Strengths and Opportunities:

- Sizable base of SBIR funding to small innovation-based companies
- University technology transfer performing above national average, but room for improved compared to top performing universities such as Purdue and University of Florida.
- University of Virginia's success in life sciences commercialization to validate technologies and business models

### Gaps and Weaknesses:

- Missing toolbox for supporting technology commercialization targeted to emerging companies across the region.
  - More informal network for accelerating companies, and not more systematic programming with quality and scale.
- University of Virginia research commercialization efforts outside of life sciences are lagging, including no proof-of-concept funding, mentor networks, access to entrepreneurs-in-residence to scout for technologies and pre-seed/seed funding.

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## Assessment of Market Entry in Region 9

### Overall Assessment:

*Key strength of region's entrepreneurial ecosystem, led by private-sector venture investment.*

### Strengths and Opportunities:

- High performing in share and growth of jobs in younger, traded sector firms
- Level and growth of venture capital significantly outpacing peers
- Angel investments by high-net worth investors in the region, led by Charlottesville Angel Network, has been a crucial resource
- Incubator and co-working spaces targeted to entrepreneurs found in both Charlottesville and Fauquier counties

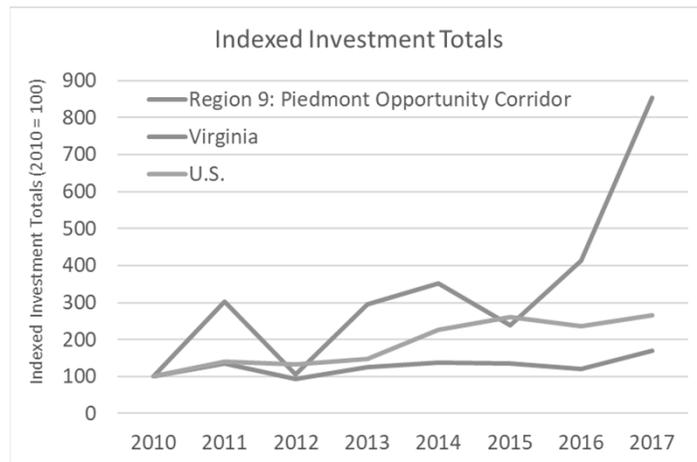
### Gaps and Weaknesses:

- Access to startup capital in Region 9 outside of Charlottesville -- No locally targeted angel investor or micro-loan funds for early stage startups found in northern counties of region
- Lack of lead early stage investors for high-potential startups needing formal venture capital investments beyond \$1-\$2 million from angel investor rounds
- Despite strength of life sciences commercialization, there is no specialized wet lab facilities for startup and emerging life science companies

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## Key Graphic from Assessment of Market Entry in Region 9

### Venture Capital Growth in Region 9 Stands Out Nationally



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## Assessment of Growth and Scalability in Region 9

### Overall Assessment:

*Uneven performance with significant opportunities to foster more retention and expansion of startups in the region.*

### Strengths and Opportunities:

- Right ingredients in region to grow startup companies
- Inc. 5000 fastest growing companies doubled in region and now stands at six
- Growth from startup companies important for many emerging industry clusters in the region as well as high-performing traditional industry of agriculture & food processing

### Gaps and Weaknesses:

- Surprisingly, low contribution of startups to growth of regional strength in Information and Communications Technology cluster
- Declines in SBA 7(a) loans supporting growth-oriented small businesses in more traditional-based traded sector industries.
- Concerns voiced by stakeholders of talent shortages to scale-up startups, despite in-migration, despite growth of highly educated workforce and positive in-migration
- Lack of networking for entrepreneurs and more formalized efforts to identify startup and emerging company needs outside of Charlottesville and, increasingly, Fauquier County
- Outside of life sciences in Charlottesville with Cville BioHub, there is no focused targeted sector programs to support entrepreneurial development.

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## Key Graphic from Assessment of Growth and Scalability in Region 9

### Contribution of Entrepreneurial Development to Traded Sector Industry Cluster Growth

| Industry Cluster                                 | Economic Development Position in Region | Contribution of Entrepreneurship | Data Analysis   |                        |  |                                      |  |                                     |  |
|--|---|----------------------------------|-----------------|------------------------|--|--------------------------------------|--|-------------------------------------|--|
|  |   |                                  | 2017 Employment | 2017 Location Quotient | Regional 2007-2017 Percentage Job Growth | U.S. 2007-2017 Percentage Job Growth | Net Job Growth, All Companies, 2007-2017 | Net Job Growth, Startups, 2007-2017 | Share Start-ups of All Net Job Growth, 2007-2017 |
| Agriculture & Food Processing                    | Current Strength                        | Significant                      | 3,827           | 1.19                   | 47.2%                                    | 10.7%                                | 1,227                                    | 1056                                | 86%  |
| Business Services                                | Sizable/Growing                         | Very Significant                 | 6,796           | 0.84                   | 4.8%                                     | 9.1%                                 | 313                                      | 2653                                | 847%   |
| Energy, Natural Resources, & Finished Products   | Specialized/Declining                   | Very Significant                 | 3,615           | 1.38                   | -18.7%                                   | -13.3%                               | -829                                     | 406                                 | >100%  |
| Engineering, R&D, Testing & Technical Services   | Emerging Strength                       | Very Significant                 | 1,940           | 1.08                   | 9.6%                                     | 6.5%                                 | 170                                      | 654                                 | 385%   |
| Financial & Insurance Services                   | Emerging Strength                       | Very Significant                 | 1,902           | 0.58                   | 38.6%                                    | -4.1%                                | 530                                      | 613                                 | 116%   |
| Information Technology & Communications Services | Current Strength                        | Modest                           | 3,432           | 1.14                   | 66.3%                                    | 50.8%                                | 1,369                                    | 577                                 | 42%  |
| Life Sciences                                    | Emerging Strength                       | Very Significant                 | 847             | 0.55                   | 23.3%                                    | 9.7%                                 | 160                                      | 389                                 | 243%   |
| Manufacturing                                    | Declining                               | Very Significant                 | 3,958           | 0.49                   | -32.3%                                   | -13.5%                               | -1,891                                   | 608                                 | >100%  |
| Ship Building, Aerospace, & Defense              | Current Strength                        | Modest                           | 942             | 1.24                   | 37.1%                                    | -7.7%                                | 255                                      | 78                                  | 31%  |
| Transportation, Distribution and Logistics       | Declining                               | Very Significant                 | 3,985           | 0.56                   | -9.8%                                    | 8.7%                                 | -435                                     | 1438                                | >100%  |

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## Potential Priority Actions Identified for Entrepreneurial Development in Region 9

- Develop stronger ideation programming targeting traded sector startups.
- Support advancement of integrated accelerators-incubators-coworking entrepreneurial hubs across the region
- Catalyze wider range of risk capital in the region
- Strengthen networking of traded sector industry clusters
- Concept of a “Regional Entrepreneurial Quarterback”

## Potential Priority Action: Develop stronger ideation programming targeting traded sector opportunities

### Rationale:

- Take better advantage of region's strong base of talent and innovation activities to raise and sustain new business formation
- Limited ideation outreach currently in the region to broader base of non-university high-growth potential traded sector entrepreneurs
- Opportunity to raise entrepreneurial development in Information and Communication Technology cluster
- Opportunity to support small innovation businesses that receive or seek SBIR awards
- Address gap in UVA research commercialization efforts in non-life science areas, especially ICT or "tech" based businesses to raise contribution to growth of that sector

### Possible Activities:

- **Create an ongoing regional capacity to offer ideation programs** for potential entrepreneurs similar to SBDC's Innovation Commercialization Assistance Program
- **Leverage expertise and resources of UVA through its iCorps site** to have trainers and counselors from within the region
- **Create a referral network** tapping existing economic development organizations, coworking and incubator facilities, angel investors, local bankers and professional service providers
- **Sponsor entrepreneurs-in-residence fellows in targeted sectors relevant to Region 9** to work with identified regional entrepreneurial startup teams that successfully complete initial phases of ideation program and demonstrate high-growth potential

### Illustrative Best Practice Examples:

- **Chattanooga, TN:** Co-Starters 9 week lean startup program followed by Co.Lab Accelerator mentoring program for high-growth potential startups
- **Charlotte:** Ventureprise at UNC, Charlotte leverages its NSF i-Corps site to bring a customer discovery/mentorship program to non-university related, early-stage, innovation-driven startups in the region. Successful teams then able to tap micro-grant (up to \$10k) or seed grant (up to \$50k) from statewide NC IDEA program.
- **Raleigh-Durham:** Blackstone Entrepreneurs Network North Carolina that provides expert venture coaching through a veteran group of EIRs

## Potential Priority Action: Support advancement of integrated accelerators-incubators-coworking entrepreneurial hubs across the region

### Rationale:

- While Charlottesville is the major hub of entrepreneurial activity in Region 9, **there are significant pockets of entrepreneurial activity found across the region.**
- **Even Charlottesville lacks accelerator programs to support entrepreneurial teams** to be mentored and provided initial pre-seed funding to advance their business concepts to the stage of company launch, including the identification of customers, new product development and business planning for startups
- **Address gap in UVA research commercialization efforts in non-life science areas**, especially ICT or "tech" based businesses to raise contribution to growth of that sector

### Possible Activities:

- **Leverage existing and encourage formation of new enterprise centers offering incubation and coworking spaces** involving support of local public/private partnerships across communities in Region 9
- **Create a collaboration across entrepreneurial hubs** to develop shared programs, mentor networks, outreach activities, pitch competitions, etc.
- **Offer acceleration services as a follow-on to proposed ideation services** for identified high-growth potential startups, especially targeting cohorts to specific industry clusters and market opportunities
- **Engage with existing angel networks and individual angel investors to develop a strong pipeline** of investment-ready new venture startups

### Illustrative Best Practice Examples:

- **Birmingham, AL:** Innovation Depot, a 140,000 incubator/coworking space, is home for a variety of entrepreneurial and talent initiatives in collaboration with community stakeholders and UAB, including a new technology accelerator, Velocity, that invests up to \$50k in seed funding for selected startup teams.
- **Charlotte, NC:** Within their entrepreneurial hub, known as Packard Place, offers a network of accelerator program services including in cleantech, fintech and more general tech-based businesses
- **Greenville, AL:** Led by the NEXT program of the Greenville Chamber, brings a strong focus on entrepreneurial and innovation-focused small businesses, with three different facilities, including one targeted for advanced manufacturing, mentoring programs, events and other ecosystem development efforts.
- **Gainesville, Florida:** Multiple types of entrepreneurial hubs including Sid Martin Biotech, Florida Innovation Hub, Innovation Square and smaller incubators located near smaller high education institutions.

## Potential Priority Action: Catalyze wider range of risk capital in the region

### Rationale:

Beyond the success of Charlottesville Angel Network, **there are significant range of risk capital needs**, including:

- **Lack of lead early stage formal VC investors for high-potential startups** needing formal venture capital investments beyond \$1-\$2 million from angel investor rounds.
- **Need for access to startup capital outside of Charlottesville.**

### Possible Activities:

- **Form a regional or multi-regional seed fund** able to bridge angel investors and more formal venture capital, with ability to lead syndication at seed stage and participate in follow-on early stage rounds
- **Create a region-wide micro-loan fund targeted to traded sector startups involved in more traditional traded sector activities**, such as agriculture and food processing, other manufacturing and business services. Learn from and perhaps build upon micro-loan efforts of Community Investment Collaborative in Charlottesville area to become region-wide and offer a targeted fund for traded-sector startups coming through ideation programs and identified as high-growth potential.
- **Organize angel investors across the region** to tap broader range of deal flow coming out of the network of entrepreneurial hubs in the region and their ideation/acceleration programs

### Illustrative Best Practice Examples:

- **Susquehanna, PA:** Rural Business Innovation organization provides business technical assistance for accessing financing, along with a micro-loan startup grants, as well as a network of incubators near local colleges and universities (including Bucknell).
- **Chattanooga, TN:** Two seed funds are active in the region, Chattanooga Renaissance Fund and Lamp Post Group.
- **Ohio Third Frontier:** 34 pre-seed or seed funds established across regions of Ohio, capitalized at approximately \$6-\$7 million on average.



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## Potential Priority Action: Strengthen networking of traded sector industry clusters

### Rationale:

- Build upon the unique needs found across the diversity of startup activities found in traded sector industry clusters.
- Engage startups more actively across the region based on their specific industry domain requirements involving customers, new product development and technology adoption, talent and workforce needs and financing requirements.
- Outside of life sciences, there is not industry-specific organizations in the region.

### Possible Activities:

- **Facilitate bringing together entrepreneurs from around the region in specific industry clusters** to learn of their interest in coming together to form an industry innovation network.
- **Allow entrepreneurs to define initial activities of industry innovation network** to support their growth and access to specific domain-focused resources, such as mentor and professional service networks, accelerator services, infrastructure development, risk capital needs, talent and workforce programs, etc.
- **Host ongoing networking activities, workshops and investor forums.**
- **With effort of Cville Biohub, need for wet lab space** is likely to be a major requirement. In Virginia, emulate Richmond's use of Virginia Biotechnology Research Authority to help finance wet lab space.

### Illustrative Best Practice Examples:

- **Chattanooga, TN:** Focused on targeted industry innovation networks through ongoing accelerator programming including ultra-high bandwidth business applications, consumer goods, outdoor recreation and food/beverage.
- **Greenville, AL:** Focused on regional opportunity with strong presence of foreign auto makers to establish International Center for Automotive Research that represents significant public/private partnership and involves a Center for Emerging Technologies. Plus, strong focus on entrepreneurial programs for advanced manufacturing through Chamber's entrepreneurial program efforts.
- **Gainesville, FL:** Sid Martin Biotech a 40,000 sf wet lab incubator with a strong track record of successful startups
- **Raleigh-Durham:** NCBioTech Center, a long-established resource supporting growth of life sciences with a historical focus on the Raleigh-Durham region. Has formed interest groups in specialized life sciences areas to pursue new opportunities and collaborative efforts, which has led to spin-off resources such as in forest biotechnology.



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**Proposed GO Virginia Action: *Establish Regional Quarterbacks for Entrepreneurial Development in Each GO Virginia Region***

**Specific Activities:**

- Identify opportunities and needs for regional entrepreneurial development within traded sector industries
- Ensure an implementation capacity on priority actions
- Provide a “front door” in each region for entrepreneurs to receive coordinated services among service providers

**Service Delivery Approach:**

- Performance-based grants developed in consultation with each region to address priorities
- In each region, an advisory committee will be created to oversee the efforts of the regional quarterbacks
- Potential for multi-regional applications
- VRIC proposal articulates additional entrepreneurial activities that need to be coordinated with the regional GO Virginia efforts

**Budget Rationale:**

- Award \$200k-\$300k per region to fund a full-time professional to serve as the regional quarterback. Funding could yet be made available in FY 2019.
- The regional quarterback would be tasked with advancing a regional strategic plan and prioritizing strategic investments, with the input from regional entrepreneurial ecosystem stakeholders, under the auspices of the GO VA Regional Boards.
- Once a regional prioritization investment plan is developed, further funding would be available in FY 2020 and thereafter to fill the gaps identified, including funding for efforts such as: EIRs, incubators, accelerators, mentor networks, etc.

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**Comparable Best Practice Model: *Launch Tennessee***

- Supports a network of Entrepreneur Centers, located in six cities across the state that provide entrepreneurs access to a mix of support services, including: wayfinding for entrepreneurs, boot camps, mentorship, co-working space, and initial pre-seed grants.
- In 2016, Launch Tennessee made grants to its Entrepreneur Centers of \$200,000 to \$375,000 for each center. These centers serve a much smaller area than GO Virginia regions.

## Entrepreneurial Ecosystem Concept Paper

“**Venture Hub**”\* is a regional community initiative intended to generate sustained economic growth by supporting high-potential, innovation-driven business ventures. Regional economic development partners, founders, funders and community organizations are committed to promoting more high-growth startups with significant job-creation potential. The “Venture Hub” will address this need by offering **programs, spaces** and **funding** for area entrepreneurs and innovators such as:

| Potential Programs   | Potential Spaces   | Funding  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Proof-of-Concept Center</li> <li>• Rapid Prototyping Lab</li> <li>• Venture Accelerator</li> <li>• Startup Incubator</li> <li>• Entrepreneurs-in-Residence</li> <li>• Mentor Network</li> <li>• Professional Services</li> <li>• Corporate, Industry and Venture Capital Residencies</li> </ul> | <ul style="list-style-type: none"> <li>• Central physical space to serve as a nexus of the region’s entrepreneurial ecosystem</li> <li>• Co-location of early-stage ventures, entrepreneurial support and industry partners</li> <li>• Maker spaces for prototyping and proof-of-concept</li> <li>• Wet lab space for biotech and ag-tech product development</li> <li>• Storage for supplies, products, etc.</li> </ul> | <ul style="list-style-type: none"> <li>• State and federal funding</li> <li>• Philanthropy</li> <li>• Corporate sponsorship</li> </ul> |

**Leadership:**

“Venture Hub” was co-developed by a consortium that includes leaders in economic development from Albemarle County, the City of Charlottesville, the Central Virginia Partnership for Economic Development, the University of Virginia, the UVA Foundation, and the UVA Licensing & Ventures Group, all of whom are committed to creating a more robust entrepreneurial ecosystem in the region.

**Governance:**

It is anticipated that the “Venture Hub” will be administered through an independent, non-profit entity, which will be governed by a multi-stakeholder board of trustees. Key constituents, including founders, funders, support organizations and corporate/industry partners will be involved through an advisory board.

**Why Now?**

Central Virginia’s entrepreneurial ecosystem is robust and growing but recent analysis has identified important gaps, including:

- fractured community resources that limit accessibility for emerging entrepreneurs;
- lack of affordable and desirable spaces for early-stage companies;
- limited access to seed-stage and growth-stage capital;
- dearth of experienced entrepreneurs and seasoned business developers, marketers, etc.;
- absence of a central location or nexus that aggregates regional entrepreneurial activities or offers a visible “front door” for founders, funders, and other partners.

**Opportunity:**

“Venture Hub” aims to fill these gaps in the current entrepreneurial ecosystem through a variety of programs, spaces, and funding as described above. Outcomes of the “Venture Hub” will be high-quality job growth, increased talent retention and attraction, and a more diversified regional economy.

**Next Steps:**

A business plan for the “Venture Hub” is needed. Resources to develop the plan are currently being identified.

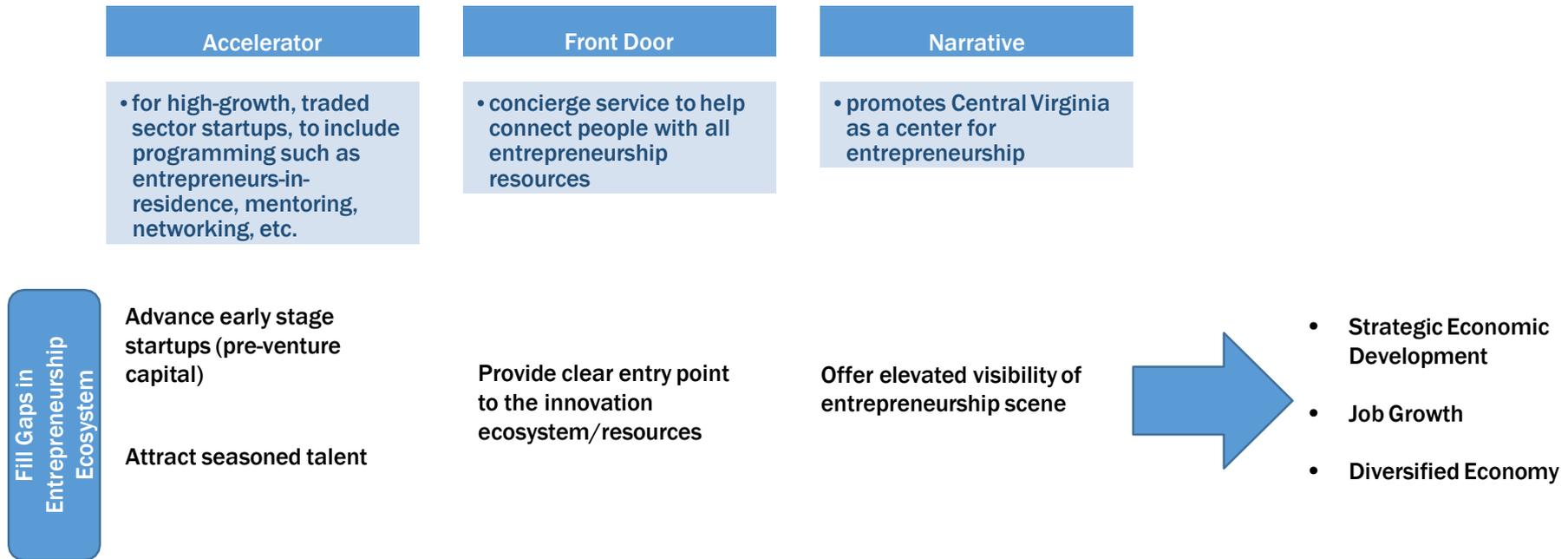
\*placeholder name



# Growing the Entrepreneurial Ecosystem: Recommendations from Consultants

| Report   | Recommendation   | Outcome   | Venture Hub |
|--|--|---|-------------|
| Growth and Diversification Plan (Camoin, Aug. 2017)            | • Develop narrative / vision for entrepreneurship  | • Raise profile of region's innovation brand                                    | ✓           |
|  | • Create more wet lab space  | • Region becomes a leading center for biotech startups                          | ✓           |
|  | • Support development & operations of strong entrepreneurial assistance program                              | • Increase success rate of entrepreneurs  | ✓           |
| Assessment of Virginia's Research Assets (TEconomy, Jan. 2018) | • Shore up Virginia's regionally based innovation capacities   | • Generate more startup activity and advance high growth companies              | ✓           |
|  |  |   | ✓           |
| Regional Entrepreneurial Assessment (TEconomy, Dec. 2018)      | • Support advancement of integrated accelerators- incubators-coworking entrepreneurial hubs across region    | • Increased success rate of entrepreneurs                                       | ✓           |
|  | • Provide a "front door" in region for entrepreneurs to receive coordinated services among service providers | • Improved access to resources for a broader & more inclusive startup community | ✓           |
|  | • Develop stronger ideation programming  | • Bolster startup pipeline  |             |

# Venture Hub: a regional economic development initiative that spurs job growth through scalable new ventures



# Concept Development Process:



## **Business Plan Scope:**

- Governance Model
- Financial /Sustainability Plan
- Site /Location Recommendation
- Implementation Plan /Phasing
- Metrics

## **Deliverable:**

- Report to include best practices research and recommendations

**Funds Requested: Up to \$50,000**

## **Venture Hub: Business Plan Development Timeline**





**FY 2019  
DASHBOARD  
Region 9 - Piedmont Opportunity Corridor  
As of 1/25/2019**

**PER CAPITA FUNDING**

| Per Capita Allocation | FY2018 Carryover | Transfer from Capacity Building | Total for Projects | YTD Awarded | Funds Remaining |
|-----------------------|------------------|---------------------------------|--------------------|-------------|-----------------|
| \$1,000,000           | \$60,314         | \$0                             | \$1,060,314        | \$0         | \$1,060,314     |

**PROJECT PIPELINE RECAP**

| Activity from 7/1/2018 to | 1/25 |
|---------------------------|------|
| Inquiries                 | 35   |
| Active                    | 3    |
| Applied                   | 3    |
| Closed/Merged/Not Active  | 24   |
| Staff Research            | 4    |
| Per Capita                | 22   |
| Competitive               | 7    |
| Pre-Applications Received | 7    |

| Frameworks from 7/1/2018 to | 1/25 |
|-----------------------------|------|
| Innovation/Entrepreneurship | 12   |
| Talent Development          | 7    |
| Growing Existing Businesses | 9    |
| Sites                       | 0    |
| Unknown or N/A              | 5    |

| Target Industries                     | 1/25 |
|---------------------------------------|------|
| Light Manufacturing (broadly applied) | 0    |
| IT/Communications                     | 11   |
| Food & Bev                            | 7    |
| Financial & Bus. Services             | 0    |
| Biotech                               | 1    |
| Unknown or N/A                        | 25   |





**DIRECTOR UPDATE  
REGIONAL COUNCIL 9 MEETING  
JANUARY 31, 2019**

**Project Reporting:**

- Project Quarterly Reports due to DHCD on 1/31/2019

**Project Budget Changes/Updates:**

- Other than GWC PTEC and the Site Readiness project reimbursement requests are slower than expected
- Central Virginia Site Readiness project activity is complete. After final remittance request, there will be some un-spent funds that will roll into the 2019 Capacity Building budget.

**Promotion/Outreach:**

- Council Member email update sent on January 9
- Louisa County Board of Supervisors Meeting to support Regional Park. Thanks to Tom Click, David Pettit and Jim Cheng for speaking, in addition, to Partnership Board members.
- Entrepreneurial Ecosystem Workgroup toured the Mason Enterprise Center –Warrenton and meet with MEC Director, Renee Younes, and Fauquier Center Manager, Jennifer Goldman. Thanks to Miles Friedman for hosting the Workgroup meeting before the tour.
- Attended two community discussions around “Venture Hub” Entrepreneurial Ecosystem project with UVA, Albemarle and Charlottesville, and other partners
- LinkedIn activity – Follow GO Virginia Region 9 and share
- Secured a sponsorship of Tom Tom Festival Entrepreneurial Ecosystem Summit on 4/12/19 in collaboration with DHCD. Dubby Wynne and Chris Lloyd scheduled to speak.
- Website update in the works – will request Council feedback/ideas

**Earned Media/Published Articles:**

- Helen and Shannon both interviewed by VA Business Magazine

**Action Items**

**Completed:**

|                                   |   |
|-----------------------------------|---|
| <b>ED Partners Goal Alignment</b> | Shannon and Helen have scheduled meetings through 3/1/2019. |
|-----------------------------------|---|

**Pending:**

|                                   |  |
|-----------------------------------|--|
| <b>Present to Workforce Board</b> | Discussed with Virginia Career Works – Piedmont Region (formerly Piedmont Workforce Network). Tentative plan to present at VCW February Board Meeting. |
| <b>Present to Superintendents</b> | This would be best accomplished in collaboration with VCW. See above.  |
| <b>Town Halls</b>                 | Exploring February 2019 dates. Planning one session in Charlottesville and Culpeper. Possibly incl. grantees presentations.                            |
| <b>PSA</b>                        | In development   |