



GO Virginia Past, Present and Future
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Why GO Virginia?

- Virginia's tax and governance structure - separate cities and counties.
- Creates unhealthy and inefficient competitive environment – reduces incentive for collaboration and regional thinking.
- Lack of alignment of existing economic development efforts at state, regional and local level creates duplicity/conflicted purpose and effort.
- Increasing support from the General Assembly and acknowledgement of approach.
- Constant base level funding and opportunities to grow.



What is GO Virginia?

A **regionally-driven** economic development **initiative** that encourages **collaboration** between local governments, higher education, private industry and workforce, by incentivizing projects that will **create higher-paying jobs** in **traded industry clusters**.



Characteristics of Industry Clusters



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Definition - A regional concentration of related industries in a particular location.

- Enhance productivity and spur innovation
- Close proximity, and the accompanying tight linkages, yield
 - better market insights
 - more refined researches agendas
 - larger pools of specialized talent
 - faster deployment of new knowledge
- Play a fundamental role in driving regional economic competitiveness by encouraging higher rates of
 - job growth
 - wage growth
 - new business formation
 - innovation



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TRADED CLUSTERS

THE ENGINES OF REGIONAL ECONOMIES

- Serve markets in other regions or nations
- Concentrated in regions that afford specific competitive advantages
- Example industries: aircraft manufacturing, management consulting, iron ore mining

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LOCAL CLUSTERS

THE FOUNDATION OF LOCAL ECONOMIES

- Sell products and services primarily for the local market
- Located in every region
- Example industries: drug stores, physician offices, elementary schools, radio networks

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Characteristics of Clusters



Traded Clusters

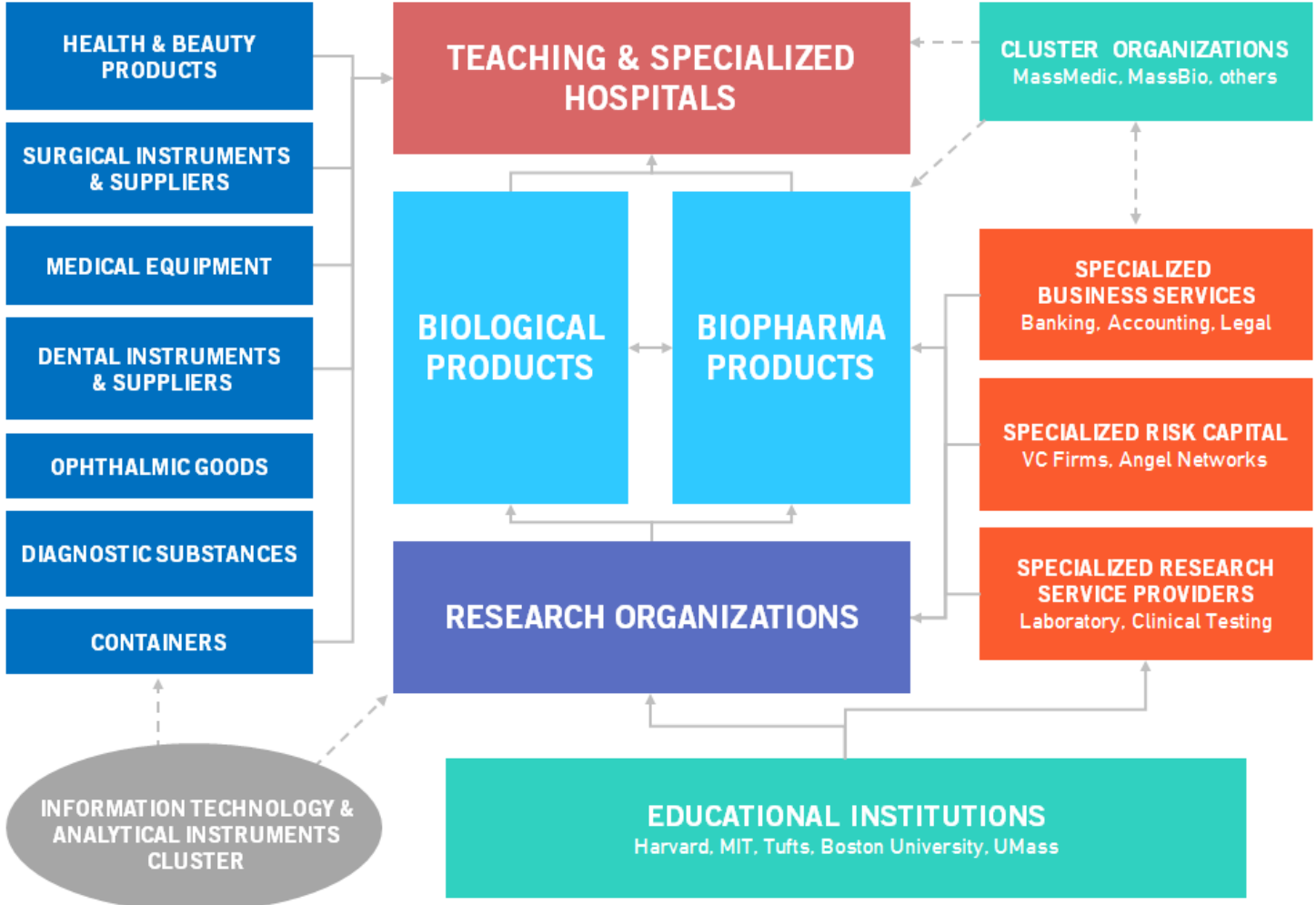
- Developing products/services that are marketed outside of state or nation
- “Engines” of regional economies; without strong traded clusters it is virtually impossible for a region to reach high levels of overall economic performance
- Higher wages
- Higher levels of innovation

Local Clusters

- Industries that serve the local market
- Employment in local clusters is usually proportional to the population of that region



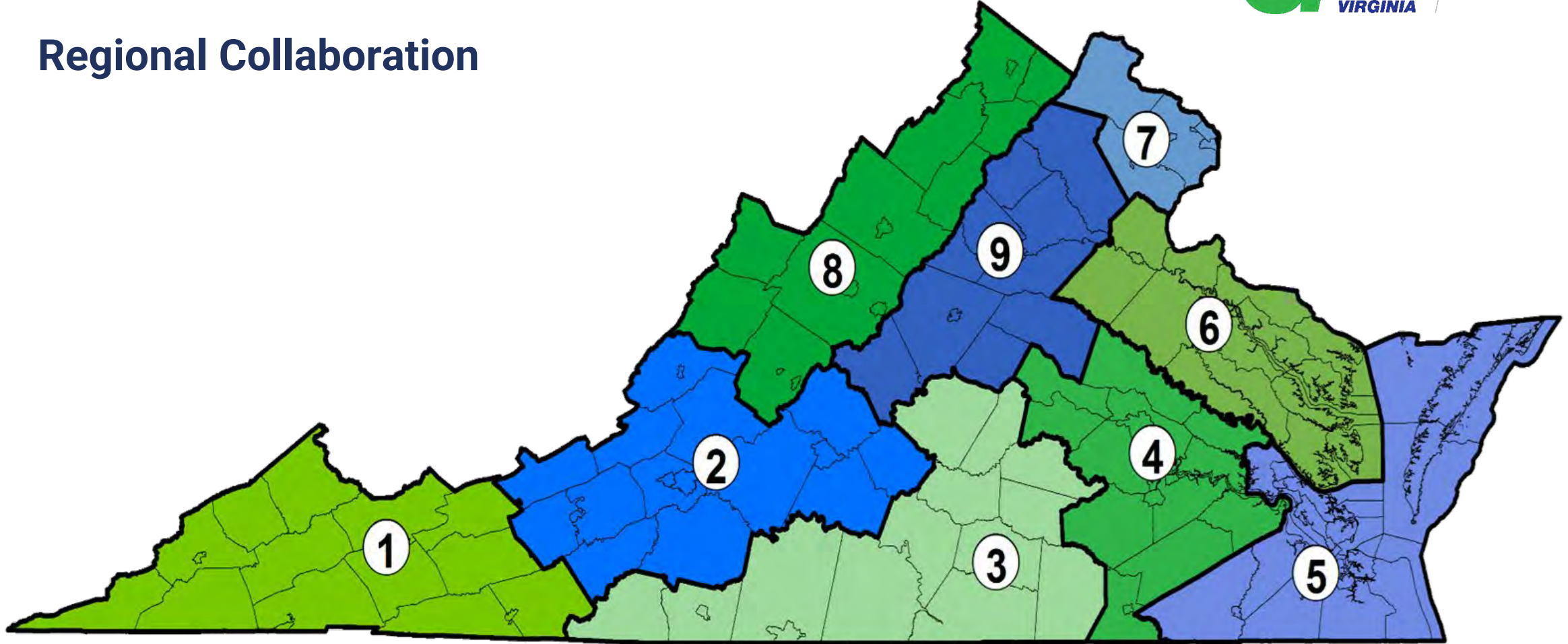
The Boston Biopharmaceuticals Cluster





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Regional Collaboration





Growth and Diversification Plan A Regional Plan for Action

- Priority Traded Sectors – Situational Analysis
- Sector Skills Analysis – Talent Pipeline Assessment
- Selected Investment Strategies
- Collaborators/Partners
- Measures of Success

Regional Industry Cluster Targets - 2021

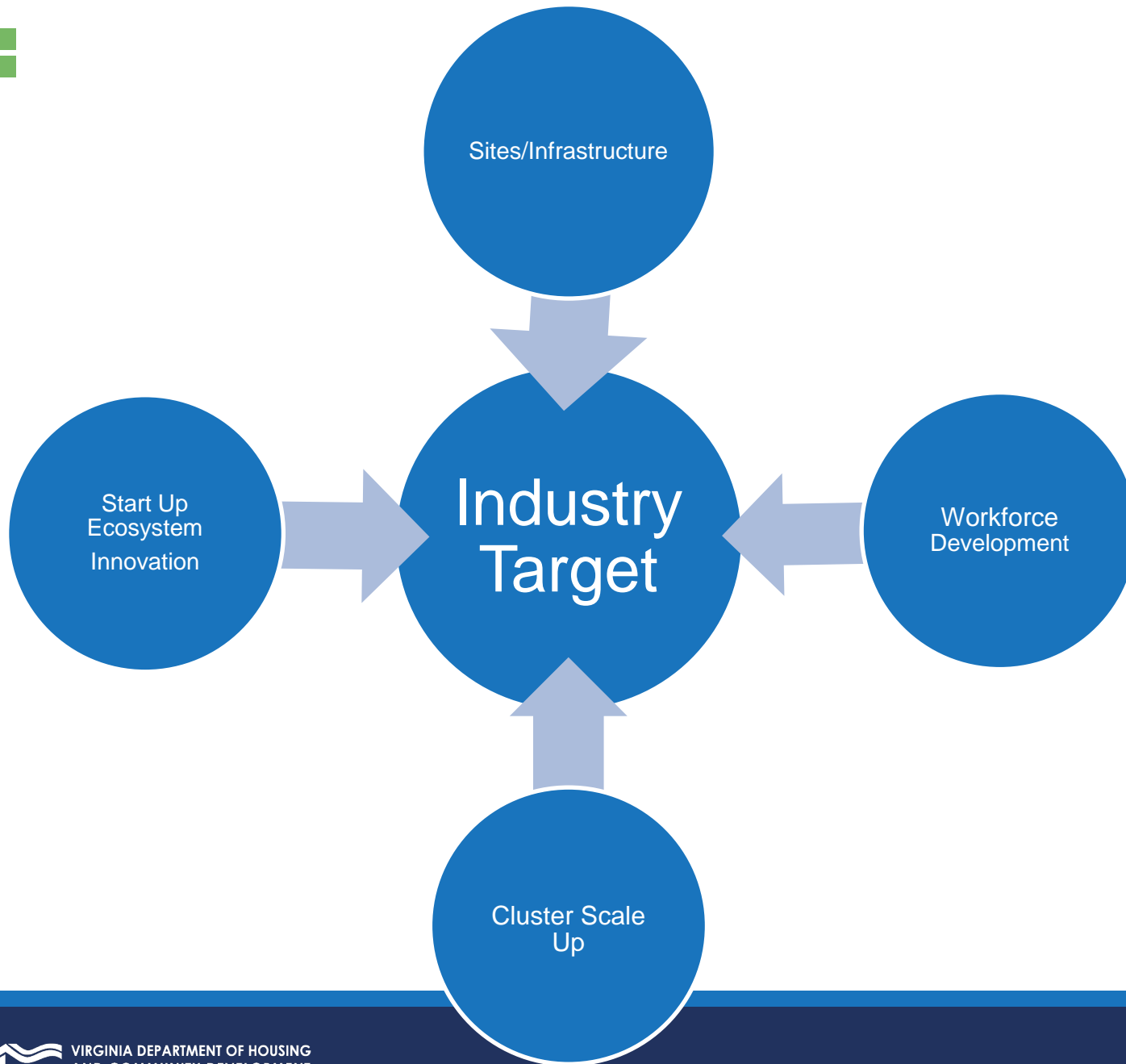


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Cluster	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Manufacturing and Advanced Manufacturing	X	X	X	X	X	X		X	X
Agriculture/Beverage/Food Manufacturing	X	X	X		X	X		X	X
Information and Emerging Technologies	X	X	X	X	X	X	X	X	X
Energy and Minerals	X				X				
Health/Bioscience/Life Sciences		X	X	X	X		X	X	X
Forestry/Wood/Paper Products		X	X		X	X		X	X
Shipping and Logistics			X	X	X	X	X	X	
Water Technologies					X	X			
Transportation and Autonomy		X			X		X		
Professional Services		X	X		X	X	X	X	X
Common Strategies and Goals Identified									
Cluster Scale Up	X	X	X	X	X	X	X	X	X
Sites	X	X	X	X	X	X		X	X
Talent and Workforce	X	X	X	X	X	X	X	X	X
Technology Innovation/Entrepreneurship		X	X	X	X	X	X	X	X



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Growth and Diversification Plan



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The Fund

Virginia Growth and Opportunity Fund FY22 - \$30 m		
<p>Regional Capacity Building</p> <p>\$2.25 m</p> <p>\$250,000/region</p> <p>Provides support for administrative efforts to each regional council and may also be used towards projects</p>	<p>Regional Per Capita Projects</p> <p>\$17.57 m</p> <p>Based on Regional Population Data with \$1m floor drawn from competitive</p> <p>Region 1 - \$1,000,000 Region 2 - \$1,542,945 Region 3 - \$1,000,000 Region 4 - \$2,524,026 Region 5 - \$3,423,572 Region 6 - \$1,020,503 Region 7 - \$4,984,456 Region 8 - \$1,070,552 Region 9 - \$1,000,000</p>	<p>Statewide Competitive Projects</p> <p>\$10.18 m</p> <p>Discretionary pot of funding awarded by the GO Virginia Board on a competitive basis</p>



Four Investment Strategies

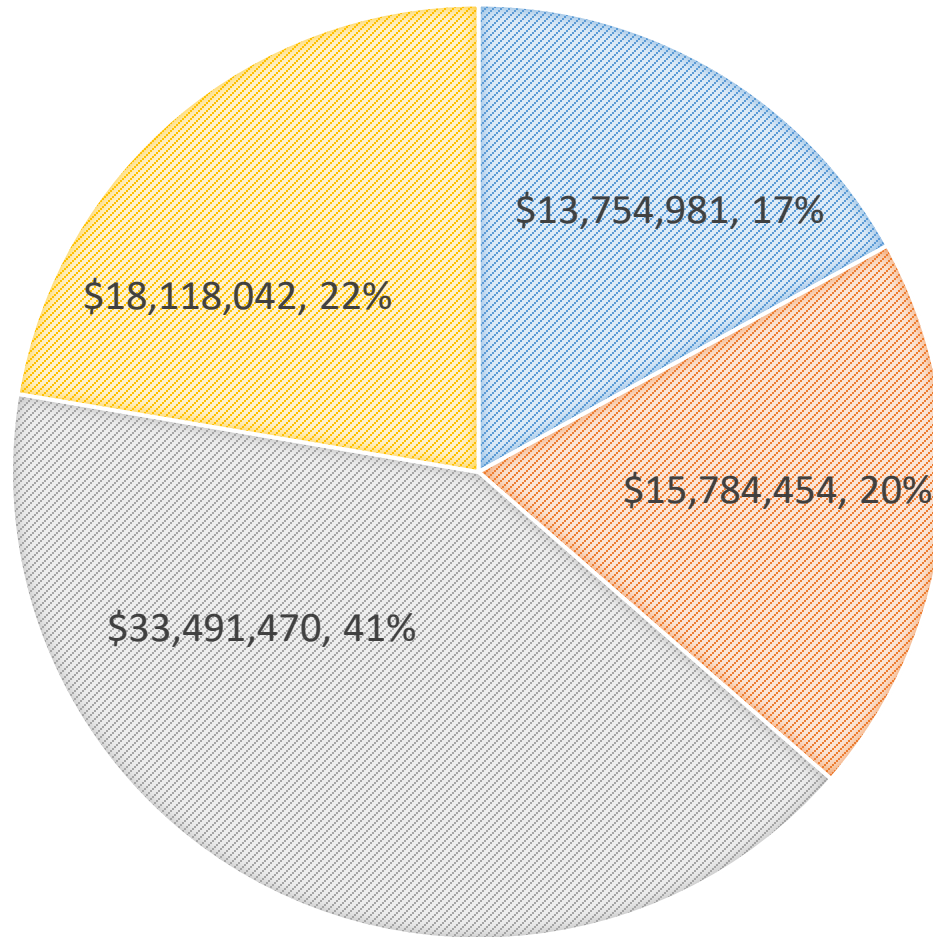
- Talent Development
- Entrepreneurship and Innovation
- Cluster Scale Up
- Business-Ready Sites/Infrastructure



GO VIRGINIA GRANT AWARDS BY INVESTMENT STRATEGY



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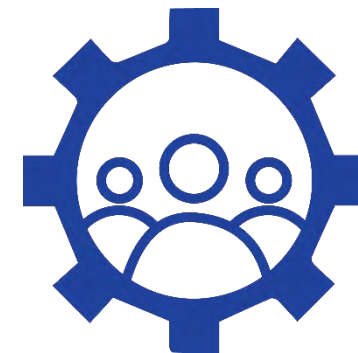
- Startup Ecosystem
- Cluster Scale-Up
- Workforce Development
- Site Development and Infrastructure



Talent Development

- To build new capacity creates a larger pool of qualified workers in order to meet unmet employer demand and address the need for new/emerging skills within area talent pools
- Focus on occupations integral to the industry sectors identified in the region's Growth & Diversification Plan

Total Investments	Total Projects
\$33.5M	90

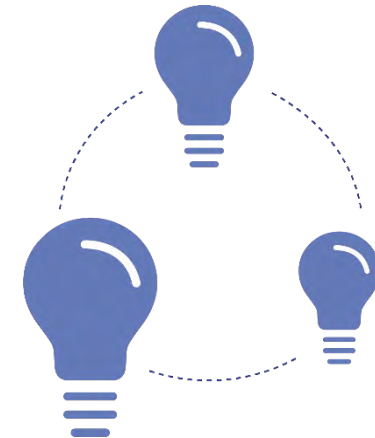




Startup Ecosystem

- Project activities that develop or advance the necessary elements of a thriving start up ecosystem that supports the launch of new businesses and provides critical support for high growth potential early stage businesses in targeted traded clusters
- TEconomy research & recommendations
- Designation of ecosystem coordinating entity
- Opportunity - Regional Entrepreneurship Initiative

Total Investments	Total Projects
\$13.8M	44

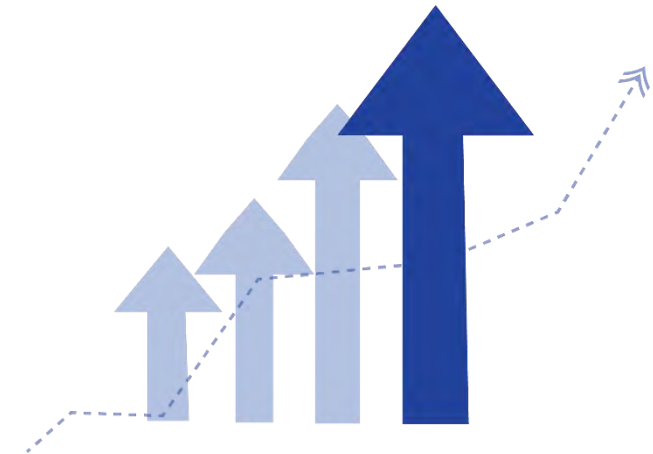




Cluster Scale Up

- Focus on high-potential opportunities for existing firms within an existing industry cluster or the development of a nascent or emerging industry cluster.
- Cluster scale up projects ask the question “what’s next?”
- They build off a foundation of capabilities and assets that support existing clusters or unique intellectual property or workforce know-how.
- Market feasibility, proof of concept, implementation.

Total Investments	Total Projects
\$15.8M	44





Sites/Infrastructure

- Strengthen the regional portfolio of business ready sites available to accommodate the expansion or attraction of businesses in the regions' targeted industry sectors
- Activities must advance sites using the Virginia Business Ready Sites Program tier descriptions for site readiness for sites of at least 25 contiguous acres.
- Demonstrated regional collaborations through cost/revenue sharing, joint workforce development efforts and/or other partnerships or agreements, such as Regional Industrial Facility Authorities (RIFAs).

Total Investments	Total Projects
\$18.1M	31





Grant Evaluation



- Regional Collaboration
 - Meaningful Local Participation
- Economic Impact
 - Return on Investment
 - Outcomes and Impact
- Project Readiness
 - Organizational Capacity
- Sustainability



Program Impact

Total Investment - Leverage
\$81M GOVA + \$95M in Non-state



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Regional Collaboration

- 185 unique local co-funders
- 131 localities
- 30 school divisions
- 17 regional economic development organizations
- 5 Regional Industrial Facilities Authority (RIFA) formed – cost/benefit sharing

Committed Project Outcomes

- 24,391 jobs created
- 13,020 businesses served
- 837 businesses created
- 420 new apprenticeships
- 2,483 newly credentialed workers
- 1,496 new internship opportunities created
- 5,630 acres characterized or advanced a tier according to the criteria established in the Virginia Business Ready Sites program



Recent Developments and What's Next



Recapture of Unobligated Fund Balances

Stable Base Level Funding

New Reporting Requirements – Focus on Resource Utilization/Impact and Outcomes

Talent Pathways Initiative

Life Science/Biotech Grants



Recent Developments and What's Next



Recapture of Unobligated Fund Balances

Stable Base Level Funding



GO VIRGINIA FUND RECAPTURE METHOD: OPTION 1

Region	Total Unobligated Per Capita Fund Balances (FY18-FY21)	FY20 Unobligated ERR Fund Balances	Pending FY20 ERR Application	Projected YE Unobligated FY20 ERR Fund Balances	Total Recapture Impact
1	\$ 0.00	\$ 630,479.00	\$ 369,406.00	\$ 261,073.00	\$ 261,073.00
2	\$ 372,030.32	\$ 206.55		\$ 206.55	\$ 372,236.87
3	\$ -	\$ -		\$ -	\$ -
4	\$ 1,631,924.64	\$ 17,200.00		\$ 17,200.00	\$ 1,649,124.64
5	\$ 1,110,137.53	\$ 418,641.00		\$ 418,641.00	\$ 1,528,778.53
6	\$ 2,469,292.77	\$ 839,144.67	\$ 354,112.00	\$ 485,032.67	\$ 2,954,325.44
7	\$ 11,760,266.69	\$ 28,629.20		\$ 28,629.20	\$ 11,788,895.89
8	\$ 966,925.00	\$ 707,587.00	\$ 496,000.00	\$ 211,587.00	\$ 1,178,512.00
9	\$ 278,043.00	\$ 420,091.00	\$ 189,000.00	\$ 231,091.00	\$ 509,134.00
Statewide Competitive Fund	\$ 5,028,225.16	\$ 823,442.00		\$ 823,442.00	\$ 7,257,919.63
TOTAL	\$ 23,616,845.11	\$ 3,885,420.42	\$ 1,408,518.00	\$ 2,476,902.42	\$ 27,500,000.00
Unobligated Per Capita and Statewide FY18-	\$ 23,616,845.11				
Projected YE ERR Fund Balances		\$ 2,476,902.42			
FY22 Statewide Fund Contribution		\$ 1,406,252.47			
Enrolled Budget Recapture		\$ 27,500,000.00			

Rescind \$18.6M in unobligated Per Capita funds previously allocated by the State Board as well as balance of FY21 unobligated Statewide Competitive funds, totaling \$23.6M.

Move the submitted ERR applications forward.

Rescind \$1.4M in FY22 Statewide Competitive Funds



Recent Developments and What's Next



Recapture of Unobligated Fund Balances – Future Scenario

"5. The Virginia Growth and Opportunity Board may rescind funds allocated to regional councils on a per capita basis, if the unobligated balances of a regional council exceeds its average annual per capita distribution award. Any funds rescinded pursuant to this paragraph shall be retained in the Virginia Growth and Opportunity Fund (09272) and may be used by the Virginia Growth and Opportunity Board for grant awards to competitive projects. The Department shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 10 days of the decision by the Virginia Growth and Opportunity Board to rescind regional per capital allocations. The regional council, the amount, and reason for unused funds shall be included in such notice."



Recent Developments and What's Next



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New Reporting Requirements – Focus on Resource Utilization / Impact and Outcomes

5.a. The department shall report one month after the close of each calendar quarter to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on grant awards and expenditures from the Virginia Growth and Opportunity Fund. The report shall include, but not be limited to, total appropriations made or transferred to the fund, total grants awarded, total expenditures from the fund, total per capita allocations rescinded and repurposed to competitive awards, cash balances, and balances available for future commitments. The report shall further summarize such amounts by the allocations provided in paragraph N.2. of this item, including amounts allocated to support organizational and capacity building activities, amounts allocated to regional councils based on each region's share of the state population, and amounts to be awarded on a competitive basis by fiscal year. **The report shall include details on the cash balances available in the Virginia Growth and Opportunity Fund including the unobligated balances by the per capita allocation and competitive allocation of paragraph N.2., which shall be further disaggregated by fiscal year and regional council, as appropriate.**



Recent Developments and What's Next



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New Reporting Requirements – Focus on Resource Utilization / Impact and Outcomes

b. The department shall report at the close of each fiscal year to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the outcomes associated with closed projects that received a grant from the Virginia Growth and Opportunity Fund. **This report shall include itemized information that details the project name, the Regional Council, GO Virginia investment type (regional per capita, competitive, or Economic Resilience and Recovery), GO Virginia strategy, program year, date of award, committed match, anticipated project outcomes, and actual project outcomes."**



Recent Developments and What's Next



Talent Pathways Initiative

"S.1. Out of this appropriation, \$2,500,000 the second year from the general fund is provided for the department to award grants to certified regional councils established by § [2.2-2488](#), Code of Virginia to identify and address business workforce needs in regional industry clusters. The department shall work with the Virginia Initiative for Growth and Opportunity Board established by § [2.2-2485](#), Code of Virginia, and the Office of Education and Labor Market Alignment (the Office) in the Virginia Economic Development Partnership Authority established by § [2.2-2238](#), Code of Virginia to distribute these funds. Grant awards must be recommended by staff of the department and the Office with final approval by the GO Virginia Board.

2. These planning grants shall support analysis on the workforce needs of regional businesses and the identification of the skills and training that can help prepare Virginians to fill available jobs in regional markets. Skills and training includes, but is not limited to, high school career and technical education, credentials, certifications, apprenticeships, internships, and other degree and non-degree programs that can help prepare individuals for career opportunities.



GO Virginia Talent Pathway Initiative

Budget Language: Item 114 #1c (HB 29) outlines a new one-time \$2,500,000 allocation to the Growth and Opportunity Virginia Program for the GO Virginia Talent Pathways Planning.

Planning Grants Goal: To identify and address business workforce needs in regional industry clusters.

Key Partner: Virginia Economic Development Partnership Office of Education and Labor Market Alignment (OELMA)



Next Steps

- DHCD and VEDP to collaborate on program guidelines.
- DHCD and VEDP develop joint recommendations on submitted applications for consideration by the GOVA State Board.
- VEDP – OELMA to provide analytical support to regional councils in developing the analysis.
- As a condition of the grant, regional councils shall provide quantitative and qualitative information on current and future needs of regional businesses within the targeted industry clusters to VEDP - OELMA.
- This planning grant program shall last no longer than a year from its start date, and represent a one-time appropriation of funds for this purpose.
- Any funds remaining at the end of the fiscal year shall not revert to the general fund and shall be carried forward into the next fiscal year by the department for the purposes described.



Recent Developments and What's Next



Life Science/Biotech Grants

T.1. The Department of Housing and Community Development, in collaboration with the State Council of Higher Education for Virginia shall convene a taskforce to review and recommend investments in regional initiatives to strengthen Virginia's Biotechnology, Life Sciences, and Pharmaceutical Manufacturing industry cluster (the taskforce). This taskforce shall be comprised of representatives of the Virginia Innovation Partnership Authority, Virginia Economic Development Partnership Authority, Virginia Initiative for Growth and Opportunity Board, State Council of Higher Education for Virginia, and the staff directors of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations, or their designees. The taskforce shall use non-biased industry experts to help evaluate the investments below, but shall not receive guidance or advice from representatives of any company, institution, or organization with a vested interest in the projects outlined below.



Recent Developments and What's Next



Life Science/Biotech Grants

b. Up to \$18,000,000 the first year and \$18,000,000 the second year to the University of Virginia's Institute for Biotechnology to accelerate biotechnology commercialization, genomics and gene therapies, drug delivery technologies and biomanufacturing facilities in the Commonwealth over the next five fiscal years through incentives designed to attract 150 research scientists.



Big Question

- Are we headed in the right direction?
 - General consensus amongst state board members.
- What do YOU think?