

**GO Virginia Hampton Roads
Regional Council**

**MEETING NO. 11
November 2, 2018**

Meeting number eleven of the GO Virginia Hampton Roads Regional Council (“Regional Council”) was held Thursday, November 2, 2018, at 10:00am in the conference room at the Virginia Port Authority, World Trade Center, 101 W. Main Street, Suite 600, Norfolk, VA.

Members Present:

Patrick Coady	Louis R. Jones
Anne C. H. Conner, Vice Chair	Bob McKenna
John T. Dever	J.D. Myers, II
Thomas R. Frantz, Chair	John F. Reinhart
Maria Herbert	Jeffrey Smith
Jeffrey Holland	Thomas G. Tingle

Members Absent:

Shawn Avery	Michael Gentry
Kenneth Alexander	Jerry Miller
Timothy J. Bentley	John Olson
R. Bruce Bradley	McKinley Price
John R. Broderick	Bryan Stephens
William B. Downey	Bruce Thompson
Jack L. Ezzell, Jr.	Gary Warren

Staff Present:

James K. Spore, President & CEO, Reinvent Hampton Roads
Donna S. Morris, Executive Vice President, Reinvent Hampton Roads
Gia M. Freeman, Administrative Assistant, Reinvent Hampton Roads

1. Call to Order and Opening Comments

Mr. Frantz called the meeting to order at 10:02 a.m., welcoming members and guests in attendance.

2. Approval of September 6, 2018 Regional Council meeting minutes

Due to the lack of a quorum, Mr. Frantz, with the support of everyone present, directed staff to provide each member of the Executive Committee with a Statement of Consent Form to sign indicating their approval of the September 6, 2018 meeting minutes as presented in the agenda package.

3. Discussion of Regional Council vacancies

Mr. Frantz reported two vacancies exist on the Regional Council due to the resignation of Mr. Eric Miller and Mr. Frank Roach. The Nominating Committee led by Ms. Conner proposes two candidates for consideration: Dr. Katherine Rowe, President of the College of William and Mary and Mr. Jim Kibler, President of Virginia Natural Gas. Due to the lack of a quorum, Mr. Frantz, with the support of everyone present, directed staff to provide each member of the Executive Committee with a Statement of Consent Form to sign indicating their approval of these two candidates recommended by the Nominating Committee.

4. Presentation on the Commonwealth Cyber Initiative (also known as CyberX)

Mr. Frantz introduced Mr. James Dyke, GO Virginia State Board member and Dr. Theresa Mayer, Vice President of Research and Innovation at Virginia Tech to present an overview of the Commonwealth Cyber Initiative (CCI).

In addition to sitting on the GO Virginia State Board Mr. Dyke is also a member of the Virginia Research Investment Committee (VRIC), a group that works to promote and commercialize research that occurs within Virginia universities. As a member of VRIC, Mr. Dyke became engaged in the CCI, also known as CyberX, a project championed by Virginia House Appropriations Committee Chairman Chris Jones.

Mr. Dyke and Dr. Mayer are visiting Regional Councils around the state to report on progress underway to develop a CCI blueprint for action. In order for the project to succeed the business community must be fully engaged. CCI dovetails with GO Virginia, encouraging regional collaboration necessary to reach a common goal. Mr. Dyke, having served as the former State Secretary of Education, understands the higher education system.

There is a strong need globally to be prepared and better equipped to protect. CCI is intended to aggressively pursue more creative and innovative opportunities for the state in cyber security, an area where Virginia is a leader. CCI is also focused on building partnerships to commercialize university research, with an outcome of creating new jobs and start-ups, and attract more cyber security workers into the workforce. There are currently 20,000 to 25,000 cyber security jobs in the Commonwealth of Virginia that remain unfilled.

Mr. Dyke asked Regional Council members to think about how they can be advocates for this initiative, including many basic elements that support it, like quality infrastructure. Addressing transportation is an important element because you cannot attract businesses to the region and state if the transportation system is deficient. Mr. Dyke recognized Hampton Roads' efforts underway to address this critical need. The subsea cable coming into Virginia Beach also provides a tremendous opportunity to the region and state. Other key issues cited that impact success include access to affordable housing and attracting more women and minorities into STEM and the Cyber arena. Another key issue being addressed is insuring higher education institutions are fully protected in the cyber arena. You cannot go into the market, stating you can protect a system if internal structures are not protected. CCI will work with the Virginia General Assembly to address this issue.

The blueprint is to be completed and to VRIC by December 1, outlining how CCI will be structured and implemented. The plan is to have a centralized hub located in northern Virginia that is connected to regional portals or spokes throughout the state, providing users access to all of the resources available. In Hampton Roads a number of higher education institutions are working in the Cyber space (those mentioned include NSU, ODU, Regent, TCC, and TNCC). A similar structure is envisioned for apprenticeships, with universities serving as a broker to match students with the business opportunities that exist. Northern Virginia was considered the primary hub due to the high number of cyber-related companies and jobs that need to be filled in that region.

Dr. Mayer, born and raised in Hampton, and a graduate of Virginia Tech is proud to be back in Virginia working at her alma mater, serving as the key point of contact for CCI. Virginia Tech is the designated lead institution responsible for pulling all of the partners together that are in the cyber security space. Dr. Mayer thanked the Regional Council for providing the opportunity to

discuss CCI. She recognized Mr. Morris Foster, her counterpart at ODU who was also in attendance.

Dr. Mayer said cyber security in the past was more about networks and IT. Looking to the future, cyber security is about the internet of things (IoT) through wireless connectivity.

The Commonwealth of Virginia is ranked number 2, relative to concentration of cyber security jobs. In order to remain a leader the focus must be on generating new products and services. The partnership between higher education and the research funded by the federal government, industry and other philanthropic resources is driving the future. It comes down to how we can work better together to commercialize research.

IoT is one of the fastest growing sectors. Cyber spending for wireless IoT is expected to increase from \$500 Billion to \$1 Trillion in a short period of time. State legislative leaders say we must invest in IoT in order to recruit and retain the best and brightest faculty and students who have an entrepreneurial spirit, willing to engage with the business community and build the next generation of leaders. This requires the involvement and collaboration of multiple universities, exploiting the advantages of all of the institutions.

Two main objectives of CCI are to: (1) Serve as an engine for research and innovation in commercialization of cyber security technology, with a focus on cyber physical systems (i.e., autonomous systems, mobile and medical technology); and (2) Address the significant talent gap that exists and grow advanced and professional degrees that will meet the cyber workforce needs of the future.

Each region has different areas of focus and that is what makes this initiative exciting. There is an underlying framework that is similar across each region. The hub with spokes framework has shifted to a network of regional nodes that integrate into a larger network. While the center of operations will be located in northern Virginia each node will be anchored by universities across the state. With input from partner institutions the concept of regional nodes has been elevated.

Goals include:

- Sustained research investment and strategic government partnerships – collectively, roughly \$ 1 Billion/year is invested in research at higher education institutions across the state. Over 70% of that amount is from the federal government. How do we exploit and grow the base of federal research so that we can translate products or outcomes to help commercialize industries within the state?
- New approaches to partnerships that fully integrate research, innovation and talent development.
- An Innovation eco-system, an active conversation within GO Virginia as well as VRIC.
- Leverage VRIC opportunities underway with GO Virginia, thinking about investments as a continuum rather than operating in silos.
- Education and training programs that are agile because needs change quickly and higher education isn't known for its agility.
- Track key metrics and measures of success to include engagement of the business community, reducing cyber security workforce gaps, increasing external funding from the

federal government, working with transition partners (as Newport News Shipbuilding) to increase the number of product oriented start-up companies launched and funded.

- Become a national leader in the cyber arena, in both higher education and workforce development.

The initial appropriation for CCI is \$25 Million over the biennium. A \$5 Million investment in the first year will support renovations, space enhancements and equipment to establish this area of concentration in cyber physical systems security in northern Virginia, but to do it in a way that the regions can also leverage the investments made.

A \$10 Million appropriation in year two is for the build-out of the cyber security system with an additional \$10 Million for faculty recruitment at both the hub and spoke sites. Attracting the best talent at the faculty and the student levels will educate the next generation of leaders. This is a highly competitive area that is very difficult to recruit and retain the best and brightest talent. Legislation requires one-to-one matching funds, which was highlighted as another area where the business community can help.

CCI includes an advisory council, with over 75 members, including representatives from the public universities as well as private schools, the community college system, VRIC, State Council of Higher Education (SCHEV) and those from industry and the entrepreneurial community. CCI continues to expand the scope of the engagement well beyond the advisory council.

The development of the blueprint has been fast paced. In less than three months the comprehensive and inclusive process has been done in two stages – the first stage included engaging working groups in different areas and now they are working with a small group to write the blueprint. The blueprint will outline the current landscape and the partnerships that are in place. The design and governance of CCI will not be set in stone, but will be the starting point as they continue to think big about future needs.

The list of advisory council and Executive Committee members were shared with the group. Specific work groups included: Research and Technology Commercialization; Educational Programs and Experiential Learning; Partnership and Investment; and Finance and Government Relations. They asked for participants from each region and Hampton Roads was well represented on each group.

Follow-up discussion points/Q&A:

- Mr. Dyke asked Regional Council members to help them identify any obstacles that may prevent them from achieving their goals.
- Ideas regarding venture capital firms that should be engaged were requested.
- Help with members of the Congressional delegation to address other issues related to getting security clearances for workers was requested.
- President Rowe will contribute greatly with her education and entrepreneurial background.
- Mr. Morris Foster mentioned ODU convened members of the higher education institutions from the region to determine how to best come together as either a spoke, node or portal. He indicated the region is cohesive on this project.
- It is expected that the report will be public when it is released to VRIC.

- *Question:* If Virginia ranks #2, which state ranks #1? The answer was California. The follow-up question was how much does the State of California fund cyber? This question is one that will require more research, but it was noted that the state of California has three separate public systems: University of California (UC), the California State University (CSU), and the California Community Colleges. University of CA as a system does a number of large programs where they look at system-level funding. They have robust investment in their universities. Dr. Mayer indicated she would be happy to look into the question. Virginia has a lot going on in areas as autonomous systems.
- \$25 Million is only a start and it is important for leaders to understand the value and advocate for support, which is only half of what is needed, as a match is required. The point was made that VRIC also has funds that can be applied. VRIC opportunity is emerging in parallel with GO Virginia. How can GO Virginia investment support initiatives associated with CCI?
- *Question:* Have they been at the table during the recruitment of major businesses such as Amazon? Yes, in fact work to advance the metro system in northern Virginia required collaboration from Maryland, Washington DC and Virginia. Having all three on the HQ2 list demonstrates the value of that collaboration.
- Mr. Dyke and Dr. Mayer volunteered to come back to speak to the Regional Council after the report is released to VRIC to share information about support that will be needed in advance of the 2019 session of the General Assembly.

Mr. Frantz recognized the exciting work underway and thanked them for making the presentation.

5. Report on Inter-Regional Visit Between Richmond and Hampton Roads

Mr. Frantz mentioned conversations held with business leaders from Richmond about building upon the enhanced connectivity between the regions with regards to the port, transportation and subsea cable infrastructure. This connection led to looking at opportunities to make both regions stronger. A collaboration group was put together with representatives from both regions (30 from each region). Leaders from the chambers of commerce, business roundtables, GO Virginia Regional Councils, universities, workforce development organizations, and other groups were included. Out of this group came the opportunity to hold an inter-regional visit October 16-17. Funding was obtained from community and chamber foundations and the three chambers (Hampton Roads, Virginia Peninsula and Richmond) staffed the effort.

The trip started in Hampton Roads at the Virginia Port's Virginia International Gateway facility in Portsmouth, and included presentations on the region's military and federal facilities, transportation connectivity, and digital connections with the broadband and subsea cable. Time was spent at The Main in downtown Norfolk with a presentation on LifeNet Health and the biotech connections between the two regions. The following stops included Huntington Ingalls-Newport News Shipbuilding, Mariner's Museum, NASA Langley RC, Jefferson Lab and the Tech Center.

Information was also shared about the Electron Ion Collider currently being evaluated by the Department of Energy and the proposal to locate the project estimated to cost \$ 1 Billion at Jefferson Lab, one of two facilities being considered. This project could bring 3,000 high paying jobs to the region. What was learned in reviewing the megaregion concept between Hampton

Roads and Richmond was what is going on between the two regions. The research and technology assets that exist by combining NASA LaRC and Jefferson Lab equals \$ 1 Billion are significant.

The group spent the night at the Williamsburg Lodge, heard from Dr. Rowe (President of William and Mary) and Secretary of Commerce Brian Ball. The next day they went to Richmond, starting at the port, learning about developments underway by Panattoni and Hourigan, which are massive and provide an opportunity to grow the supply chain that will use this second inland port. VCU offered an update on technology development, consistent with what was shared about LifeNet Health the day before. The Entrepreneurial Center was featured as an area that has attracted millennials to Richmond. The *North of Broad Project* (\$ 1.4 Billion) on ten blocks in downtown Richmond was put together by a group of business leaders. It will be anchored by a 17,500-seat arena. The development could produce 20,000 to 30,000 new jobs. Ted Chandler (New Richmond Ventures), captured it well when he said as a result of these two days, what everyone realized is how each region compliments the other. Combining statistics and marketing both regions to the world will produce more opportunities and faster growth. This megaregion would be the 17th largest MSA in the country.

The CBRE report on port economic development suggested that we rethink Virginia from a supply chain and we think of I-81 corridor as one market and Richmond to Hampton Roads as a second major market and northern Virginia as the third. The state and regions will all accelerate faster. Mr. Frantz indicated we must get over “this business has to be here,” and instead look at the industries, where we can have multiple nodes throughout the Commonwealth and develop ecosystems that are highly connected.

As a follow-up regarding next steps, Ms. Conner mentioned a meeting is planned in early December with a cohort in Hampton Roads, with Richmond doing the same and then both groups will gather together again to plan the next steps. She noted the regions were complimentary, but also each possesses different strengths, that together will make the megaregion much stronger.

The question was asked about improving air service or other issues that could be addressed to improve both regions. High Speed Rail came up as something the two regions could pursue in the near future, while air transportation may be a longer term issue to address.

6. Quarterly GO Virginia Regional Status Reports

Mr. Spore provided highlights on the four GO Virginia grants awarded in Region 5. The slides attached to these minutes capture progress made to date on each project.

7. Consideration of GO Virginia Region 5 Grant Applications

Mr. Spore referenced the agenda package summary highlighting the Grant Review Committee’s comments and recommendations. Three applications were considered and two are recommended for approval. The two applications recommended for consideration were approved by the Regional Council and State Board last year. Due to the limited amount of per capita funds available to Region 5, funding to cover Year 1 for both grants were approved, with the expectation that a request would be made in Year 2 based on the outcomes and milestones achieved. These updates were included in the board packet. Mr. Spore reported that the region has a total of \$3.5 Million in per capita funding available.

Due to the lack of a quorum, Mr. Frantz, with the support of everyone present, directed staff to provide each member of the Executive Committee with a Statement of Consent Form to sign indicating their approval of the following:

- a. Funding Year 2 of the **Virginia Cyber Alliance** proposal (formerly the HRCyber Co-Lab) in the amount of \$ 642,713.00 from the GO Virginia per capita allocation for Region 5.
- b. Funding Year 2 of the **Virginia Digital Shipbuilding Program** proposal in the amount of \$ 647,540.00 from the GO Virginia per capita allocation for Region 5.

Once approved the grant applications will be submitted in order to meet the deadline in advance of the GO Virginia Board meeting on December 12th.

8. Public Comment

There was no public comment.

9. Other Business

Mr. Coady provided an update on the three possible projects that were shared with the group at the last Regional Council meeting. He sent a draft for a capacity building grant to support the *Hotdesk Maker Space* program in Exmore VA to RHR staff for feedback. The pollution abatement project may not fit within the GO Virginia guidelines as it is a single company and other sources will likely be pursued. The third project involves underwater surveys and sensors (unmanned submarine or surface vehicles). An application for this project may be ready for consideration in the spring.

Mr. Dyke mentioned he was recently appointed to the NSU Board of Visitors and plans to reach out to members of the Regional Council for feedback on how NSU can better connect to the regional business community.

The next meeting will be held on February 7, 2018 at 10:00am at Ft. Monroe (date and location to be confirmed).

10. Adjourn

There being no further business, Mr. Frantz adjourned the meeting at 11:12 a.m.

Respectfully submitted,

Donna S. Morris
Secretary to the Regional Council

APPROVED

Thomas R. Frantz
Chair of the Regional Council

GO VA Grants – Progress Update

757 Seed Fund

- Structure of fund established
- Line of Credit committed from Virginia Community Capital
- Board vetted and confirmed
- PPM/Executive Summary in final review
- Pitch Deck being developed
- Fundraising begins November 7th at 757 Angels Membership Meeting



Hampton Roads Unmanned Systems Testing and Demonstration Facility

- RIFA formation approved by seven localities
- Matching funds collected
- RIFA officially named Eastern Virginia Regional Industrial Facilities Authority
- Peninsula Economic Resource Team (PERT) engaged a consultant to develop the RFP for engineering services for Phase 1 construction

GO VA Grants – Progress Update

Virginia Digital Shipbuilding Project

- Website launched www.digitalshipbuildingcareers.org
- Marine Electrical Propulsion Simulation Lab (MEPS) completed
- VMASC Digital Shipbuilding LAB set to open this month
- New Brooks Crossing Lab outfitting underway
- Over 225 sponsored internships in place
- STEM educational curriculum assessment and development completed

Virginia Cyber Alliance

- 30 high school internships established
- 17 college and veteran internships established
- Website launched www.VirginiaCyberAllianceCareers.org
- 6 Digital Entrants placed
- 1st Cyber Trail Workshop attracts over 60 attendees
- Opened Cyber Arena, to include Cyber and Autonomous Systems Lab

