

**GO Virginia Hampton Roads
Regional Council**

**MEETING NO. 12
February 7, 2019**

Meeting number twelve of the GO Virginia Hampton Roads Regional Council (“Regional Council”) was held Thursday, February 7, 2019, at 10:00am in the OPCRES Conference Room at historic Ft. Monroe, 66 Ingalls Road, Ft. Monroe, VA.

Members Present:

Shawn Avery	Michael Gentry
Kenneth Alexander	Jeffrey Holland
Timothy J. Bentley	Bob McKenna
R. Bruce Bradley	J.D. Myers, II
Patrick Coady	John Olson
John R. Broderick	John F. Reinhart
Anne C. H. Conner, Vice Chair	Jeffrey Smith
Robert Dyer	Bryan Stephens
Jack L. Ezzell, Jr.	Thomas G. Tingle

Members Absent:

John T. Dever	Jerry Miller
William B. Downey	McKinley Price
Thomas R. Frantz, Chair	Katherine Rowe
Maria Herbert	Bruce Thompson
Jim Kibler	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

Ms. Conner called the meeting to order at 10:00 a.m., welcoming members and guests in attendance to the beautiful Ft. Monroe. She explained she would be chairing the meeting today as Mr. Frantz is attending the William and Mary Board of Visitors meeting.

Ms. Conner reported that Mr. Glenn Oder, Executive Director of the Ft. Monroe Authority, plans to stop by later to offer a formal welcome. She introduced new member to the Regional Council, Virginia Beach Mayor Robert “Bobby” Dyer and also recognized Drew Lumpkin, from Senator Mark Warner’s Office who was in attendance.

To begin the meeting Ms. Conner shared several items relative to Go Virginia: (1) the Mega-region event held at William & Mary on January 10th—During this meeting areas for greater collaboration between the Hampton Roads and Richmond regions were identified, including infrastructure and multi-modal connectivity; the mega site between the two regions as well as others that are ready for development; the science and technology corridor; workforce and talent development; and, the innovation economy. The group is focused on short term wins with a long-term view. They are not seeking a new MSA at this point, but it may be considered in the future. The business community is leading this collaborative effort, respectful of all the organizations and partners. A joint action plan is underway and that should be delivered later in February. (2) The Next Gen leadership initiative is moving ahead with a follow-up meeting set for Monday, February 11th. Specific regional

opportunities will be discussed in greater detail at this meeting. Participants come from areas throughout the region. Those involved in this project were surveyed to determine their areas of interest and the top six interest areas identified were: leadership, regional branding, workforce, economic development sites, the entrepreneurial eco-system and broadband/big data/cyber. (3) Women in Venture event at William & Mary in late February.

2. Approval of November 2, 2018 Regional Council meeting minutes

ON A MOTION MADE AND SECONDED THE REGIONAL COUNCIL APPROVED THE MINUTES OF THE NOVEMBER 2ND MEETING AS PRESENTED IN THE AGENDA MATERIALS.

3. 4th Quarter Progress Report on GO Virginia Funded Projects

Mr. Spore highlighted the progress made over the last quarter on each of the four projects supported by GO Virginia grants in Region 5. They include Virginia Digital Shipbuilding Program; Virginia Cyber Alliance; 757 Seed Fund; and Hampton Roads Unmanned Systems Demonstration and Testing Facility. The full reports were included in the meeting agenda packet. Key milestones achieved for each project are included as an attachment to these meeting minutes.

A responsibility of the Regional Council is to monitor progress made on approved GO Virginia funded projects. All four projects funded to date are in compliance.

Mr. Spore noted that Virginia Digital Shipbuilding Program (VDSP) and Virginia Cyber Alliance (VCA) were approved for a second round of funding by the GO Virginia State Board in December. The new agreements will be in place and executed this month.

Mr. Bradley recommended having Dr. Jennifer Michaeli, the lead for the Virginia Digital Shipbuilding Project provide the Regional Council with a presentation on this exciting initiative.

Questions: Regarding the Unmanned Systems Facility, the question was raised about progress in acquiring the land from the state. Mr. Jim Noel (Economic Development Director, York County) reported that progress has been made through a budget amendment to acquire the land.

Regarding Cyber security, there will be a competitive process following the General Assembly session which could lead to the expansion of research, providing more resources and greater opportunity for the higher education institutions in Hampton Roads.

4. Consideration of GO Virginia Grant Applications

Ms. Morris reported on GO Virginia funds allocated to Region 5. The following graphic captures funds allocated and disbursed to date in two categories:

Category	Total Allocation *	Disbursed To Date	Remaining Balance
Capacity Building	\$ 1,011,111.00	\$ 637,867.87	\$ 373,243.13
Per Capita	\$ 5,080,507.00	\$ 2,870,506.00	\$ 2,210,001.00

Total allocation represents the combined funding received in FY18 and FY19. Roughly 62% of Capacity Building expenditures to date have gone towards studies and research needed to advance recommendations contained in the Regional Economic Growth and Diversification Plan, while the remaining 38% was used to reimburse Reinvent Hampton Roads for meetings and staffing support to the Regional Council.

Per capita allocations include all of the Region 5 grants funded to date. Any grant requests under \$100,000 are considered enhanced capacity building (ECB) grants. These funds come from the region's per capita allocation, but do not require approval by the GO Virginia state board. Each region is allowed to use up to \$250,000 for ECB projects. ECB applications are submitted to the Virginia Department of Housing and Community Development (DHCD) staff for administrative approval. Two applications for consideration by the Regional Council today fall into the ECB category.

Mr. Spore added that another grant category not listed, but important to mention is called "competitive" and intended for inter-regional initiatives. The relationship established between Hampton Roads and Richmond, specifically areas Ms. Conner mentioned earlier could provide an opportunity for a future competitive grant project. The VDSP partnership with New College Institute in Danville, VA is another example. There is roughly \$11.3 Million available in statewide competitive grant funds and only one competitive grant has been approved to date.

Question: Is there a plan for the remaining funds in the capacity building allocation? The requirement to update the Economic Growth and Diversification Plan will draw down up to \$50,000 from this allocation. The remaining balance is placed in reserve as specified in the approved Capacity Building Budget.

Ms. Conner mentioned the Hampton Roads Chamber and the Richmond Chamber will be holding a reception with members of their respective legislative delegations this evening. Building these relationships and connections will provide the foundation for us to build the mega-region.

Mr. Spore provided an overview of the process for application review. Once applications are received, they are reviewed by staff. A summary is prepared, along with a link to the full application and support documents, and sent to a Subject Matter Committee for consideration. The grant applicant is invited to attend the Subject Matter Committee meeting, provide a brief overview of the project to be funded and remain to answer questions. After the applicant leaves the meeting, the Subject Matter Committee discusses the application and provides feedback to share with the larger Project Review Committee.

The Project Review Committee considers all of the applications received. They too, are provided the opportunity to meet with the grant applicant and ask questions. The Project Review Committee prepares the summary and recommendation for the Region Council to consider, based on the quality of the application, it's alignment with the region's economic growth and diversification plan, and the amount of funds available to allocate.

The DHCD staff will receive applications approved by the Regional Council by close of business on February 8th. A similar review process will be conducted at the state level. For per capita applications, a "pitch call" will be held with the state Subject Matter Experts to discuss projects on February 19th and 20th. Any questions that arise during the pitch call can be addressed prior to the state board meeting on March 12th.

The first of three applications to be considered today is the Hampton Roads Coalition for Talent Development.

The application, submitted by the Hampton Roads Workforce Council, for \$ 99,705 in Enhanced Capacity Building funds, has \$ 318,000 in matching funds (not required for Enhanced Capacity Building grants). The project speaks to closing all of the skills gaps in the region in the various industry clusters, highlighted in Goal #3 of the Economic Growth & Diversification Plan. A talent gap analysis is currently underway by Avalanche Consulting and CAEL and has been funded by the Hampton Roads Community Foundation. The study will better define the strategies and measures that guide the work of the coalition.

The grant funds requested will be used to hire an individual who can manage the coalition on a day-to-day basis. The partners include the Workforce Investment Boards (WIBS), K-12, community colleges, universities, private providers and others. Since sustainability is a concern, particularly with a one time grant, the WIBS have committed to fund the project beyond the grant, if it is approved. Both review committees recommend approval of this request.

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED FUNDING THE HAMPTON ROADS COALITION FOR TALENT DEVELOPMENT APPLICATION IN THE AMOUNT OF \$ 99,705.00. (Abstaining: Mr. Avery)

The second application for consideration is the 757 Angel Network. The cities of Hampton, Norfolk and Virginia Beach are partners on this application. The request is for \$ 240,000 from the per capita funds over two years. The project directly relates to Goal #1 of the Economic Growth and Diversification Plan (create a regional pathway for innovation) and five of the twenty strategies listed in the plan. 757 Angels has been in business for four years, accomplishing much during that time. They have 120 investors. They have invested approximately \$42 Million in 21 companies, nearly all of which are located in Hampton Roads. They have tracked 251 jobs created as a result of the investments made to date, with an average wage exceeding \$ 80,000.

Each of the partnering cities will contribute \$20,000 (\$60,000 total cash match) along with an additional \$70,000 in in-kind match for legal, accounting, and other key services. 757 Angels will also provide \$349,000 in matching funds from the annual membership dues paid by individual investors.

The grant funds requested will be used to hire a program director, which will allow the Executive Director to pursue corporate sponsors and additional investors to address the bigger question of sustainability beyond the grant period. Once companies reach a point where they expand and have sales, the revenue will come back to 757 Angels with new investors. It is expected this will address the funding gap going forward.

Mr. Holland served on the Project Review Committee and commented on the strength of this application. Mr. Spore added that data shows that for every dollar invested in an angel network, \$80 is returned to the economy.

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED FUNDING THE 757 ANGEL NETWORK PROPOSAL IN THE AMOUNT OF \$ 240,000.00. (Abstaining: Ms. Conner)

The next application for consideration is submitted by the Accomack-Northampton County Planning District on behalf of the two counties, Towns of Exmore and Nassawadox, the Hampton Roads

Sanitation District Commission (HRSD), and two private entities. The \$ 54,229 grant request in Enhanced Capacity Building funds will support a study of the water/sewer sanitation line infrastructure that exists and determine changes needed to ensure sites are ready for development. A determination will also be made regarding the feasibility for HRSD to come onto the Eastern Shore to connect the towns and existing treatment plants throughout the Eastern Shore, providing additional and needed capacity. GO Virginia funds, along with other sources will pay for the \$108,458 analysis contracted through HRSD, due to be complete in April, 2019. The cash match of \$60,000 is provided by four localities and two private entities.

This application was received after the subject matter committees met, but was presented to the general Project Review Committee following staff evaluation. The Project Review Committee determined the project is consistent with strategy #7 of the Economic Growth and Diversification Plan to build capacity for industrial and land development.

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED FUNDING THE EASTERN SHORE MAIN FORCE SEWER TRANSMISSION LINE STUDY APPLICATION IN THE AMOUNT OF \$ 54,229.00. (Abstaining: Mr. Holland)

Mr. Holland recognized Mr. Ted Henifin at HRSD for his assistance on this project, as an integrated partner.

Mr. Spore highlighted the summary page that captures the funds that will remain if these projects are approved by the GO Virginia state board.

5. State GO Virginia Program Update

Mr. Spore referenced material in the agenda packet shared by the state. Items include the statewide 2018 GO Virginia Report, incorporating activities over the past year that occurred in all regions across the state. In looking at the summary of grants awarded to date, Region 5 appears to have a wider variety in the projects funded.

TAB F highlights opportunities for future funding, captured in a memorandum from GO Virginia State Board Chairman Dubby Wynne. The four areas referenced include: workforce/talent development, site development, entrepreneurial ecosystem, and business scale-up. Region 5 is addressing three of the four areas. Under scale-up, Reinvent Hampton Roads contracted with GENEDGE to work in this space.

TAB G is provided for the Regional Council's awareness. The Virginia Department of Housing and Community Development provided guidelines they use to review applications. Mr. Spore stated if members are working prospective applicants, this information will be useful.

TAB H is the Conflict of Interest Policy set by the state. When looking at the applications being considered by the Regional Council there were questions with regards to what constitutes a conflict for a member to vote on an application. After conferring with state staff it was determined that a conflict exists if the Regional Council member or a member of their family will benefit monetarily from a project receiving GO Virginia funds.

TAB I is the GO Virginia Roadmap for 2019, that includes State Board meetings dates and grant application deadlines.

6. Other Business

Mr. Coady provided an update on the application he referenced in the last meeting. It may evolve into a regional application with the involvement of ODU's VMASC. It is a hydro-drone project, involving high accuracy, underwater mapping. The first project will be mapping ports of entry and creeks on the Eastern Shore. The gentleman heading the project is a technologist and an innovator, looking for commercial application of this product. His intent is to train students and interns for the high paying jobs this work creates. He invited anyone involved with the port of Richmond to become engaged as this could be another possible inter-regional connection where competitive funds could be tapped.

The initial grant will likely be a small enhanced capacity building grant to provide a proof of concept. The Planning District and the Dredging Committee on the Eastern Shore are involved with the project.

7. Public Comment

Ms. Conner asked for public comment. Regional Council member Mr. Bryan Stephens announced the next Inter-Regional Visit is planned for the Raleigh-Durham area, September 23-25, 2019. The agenda will include key areas as workforce development, education, innovation, infrastructure and economic development. More details will follow. He encouraged Regional Council members to attend.

The next Regional Council meeting will be held on May 2, 2019 at 10:00am (location is still to be confirmed).

8. Adjourn

There being no further business, Ms. Conner adjourned the meeting at 11:01 a.m.

Respectfully submitted,

Donna S. Morris

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Secretary to the Regional Council

APPROVED

Thomas R. Frantz
Chair of the Regional Council

Quarterly Project Report Highlights

GO VA Grants – Progress Update

Virginia Digital Shipbuilding Project

- Website launched www.digitalshipbuildingcareers.org
- MOA signed with New College Institute to bring VDSP to Danville/Martinsville
- Hosted 1st Digital Shipbuilding STEM workshop with Hampton City Schools
- Hired Program Manager and Curriculum Developer
- Over 225 sponsored internships in place and 300 businesses engaged

Virginia Cyber Alliance

- 28 high school interns complete, 18 college interns complete and 7 Digital Entrants placed
- 1 intern is hired
- 9 companies offering internships with 3 new opportunities generated
- 1 worker from AK migrates to region for Digital Entrant Program



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

Hampton Roads Unmanned Systems Testing and Demonstration Facility

- Eastern Virginia Regional Industrial Facilities Authority officially chartered by the Commonwealth of Virginia
- Additional localities have expressed interest in joining EVRIFA
- Contract for engineering services in process

