

**GO Virginia Hampton Roads  
Regional Council**

**MEETING NO. 13  
May 2, 2019**

Meeting number thirteen of the GO Virginia Hampton Roads Regional Council (“Regional Council”) was held Thursday, May 2, 2019, at 10:00am in the Hampton Roads Sanitation District (HRSD) Conference Room located at 1434 Air Rail Avenue in Virginia Beach, VA.

**Members Present:**

|                               |                         |
|-------------------------------|-------------------------|
| Kenneth Alexander             | Thomas R. Frantz, Chair |
| Timothy J. Bentley            | Maria Herbert           |
| John R. Broderick             | Jim Kibler              |
| Patrick Coady                 | Bob McKenna             |
| Anne C. H. Conner, Vice Chair | Jeffrey Smith           |
| John T. Dever                 | Bryan Stephens          |
| Jack L. Ezzell, Jr.           | Thomas G. Tingle        |

**Members Absent:**

|                   |                  |
|-------------------|------------------|
| Shawn Avery       | J.D. Myers, II   |
| R. Bruce Bradley  | John Olson       |
| William B. Downey | McKinley Price   |
| Robert Dyer       | John F. Reinhart |
| Michael Gentry    | Katherine Rowe   |
| Jeffrey Holland   | Bruce Thompson   |
| Jerry Miller      | 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 10:00 a.m., welcoming members and guests in attendance. He recognized Mr. Jim Kibler, President of Virginia Natural Gas and new member to the Regional Council. A native Virginian, Mr. Kibler, has dedicated the past 26 years to economic development. Mr. Frantz also recognized Mr. Drew Lumpkin, from Senator Mark Warner’s Office and New Virginia Beach City Councilman Guy Tower, who were in attendance.

Mr. Frantz thanked Mr. Ted Henifin, General Manager of Hampton Roads Sanitation District, for hosting the meeting. Mr. Henifin offered a warm welcome and invited everyone to take time while at their facility to look at the history wall, outside the meeting space and upstairs. He spoke about the work that has been done through the years at HRSD starting with the challenges to form the entity. HRSD is the oldest truly regional organization in Hampton Roads, formed by public referendum in 1940, after it failed in 1938. The private sector recognized the region could not grow and be a successful without an adequate sanitary sewer system. In 1925 thirty million gallons of raw sewerage per day was going into Hampton Roads waterways and as a result numerous shellfish beds were closed. The formation was a difficult, political battle, liken to other major projects that would follow, as the Transportation Referendum in 2002.

The HRSD model is unique as a political subdivision, similar to a city or county, but without firm borders. Surry County recently became part of HRSD through a circuit court decision and they are currently talking with communities on the Eastern Shore. The Governor appoints the board. HRSD is viewed among those in the wastewater industry as the model governance structure for public utilities.

Water separates us, but also connects us. HRSD is taking wastewater treatment to the next level attempting to solve other water problems in the region such as groundwater depletion and land subsidence that will address storm water issues and help in our adaptation to sea level rise faced by many localities. He specifically mentioned the [SWIFT](#) research initiative. HRSD holds patents for several technologies and have licensing agreements to begin commercializing products in a relatively small, but critical market. They produce 12 to 15 PhD students per year through their Research Intern Program.

**2. Approval of February 7, 2019 Regional Council meeting minutes**

ON A MOTION MADE AND SECONDED THE REGIONAL COUNCIL APPROVED THE MINUTES OF THE FEBRUARY 7<sup>TH</sup> MEETING AS PRESENTED IN THE AGENDA MATERIALS.

**3. Consideration of FY20 GO Virginia Capacity Building Budget**

Mr. Spore provided a brief recap to the Regional Council of the funds available in the FY19 Budget for Capacity Building, Per Capita and Competitive grants as well as the FY20 budget as noted below:

| Virginia Growth and Opportunity Fund   |   |   |
|--|---|---|
| FY19 - \$29.45 m   |   |   |
| <b>Regional Capacity Building</b><br><b>\$3.25 m</b><br>\$361,111/region<br>Provides support for Growth and Diversification plan updates and administrative efforts to each regional council and may also be used towards projects | <b>Regional Per Capita Projects</b><br><b>\$15.26 m</b><br>Based on Regional Population Data with \$1m floor drawn from competitive<br>Region 1 - \$1,000,000<br>Region 2 - \$1,279,626<br>Region 3 - \$1,000,000<br>Region 4 - \$2,047,135<br>Region 5 - \$2,839,932<br>Region 6 - \$1,000,000<br>Region 7 - \$4,088,427<br>Region 8 - \$1,000,000<br>Region 9 - \$1,000,000 | <b>Statewide Competitive Projects</b><br><b>\$10.94 m</b><br>Discretionary pot of funding awarded by state Board on a competitive basis |

| Virginia Growth and Opportunity Fund   |   |   |
|--|---|---|
| FY20 - \$34.45 m   |   |   |
| <b>Regional Capacity Building</b><br><b>\$2.25 m</b><br>\$250,000/region<br>Provides support for administrative efforts to each regional council and may also be used towards projects | <b>Regional Per Capita Projects</b><br><b>\$17.54 m</b><br>Based on Regional Population Data with \$1m floor drawn from competitive<br>Region 1 - \$1,000,000<br>Region 2 - \$1,550,032<br>Region 3 - \$1,000,000<br>Region 4 - \$2,503,884<br>Region 5 - \$3,426,243<br>Region 6 - \$1,008,621<br>Region 7 - \$4,987,427<br>Region 8 - \$1,067,557<br>Region 9 - \$1,000,000 | <b>Statewide Competitive Projects</b><br><b>\$14.66 m</b><br>Discretionary pot of funding awarded by state Board on a competitive basis |

Mr. Spore asked Ms. Morris to provide an overview of the Region 5 draft FY20 Capacity Building Budget for consideration and approval. The FY20 budget allocation for each region is \$250,000 and although no match is required the draft budget for Region 5 reflects a 2:1 match as was required for a portion of funding available in the FY19 budget. Ms. Morris indicated the FY20 proposed budget line items align with the FY19 approved budget, with a slight increase. Funds available over projected expenses will be placed into a project reserve and available for use as needed.

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED THE FY2020 CAPACITY BUILDING BUDGET AS PRESENTED.

#### **4. 4<sup>th</sup> Quarter Progress Report on GO Virginia Funded Projects**

It is the responsibility of the Regional Council to monitor progress made on approved GO Virginia funded projects. Mr. Spore highlighted the progress made over the first quarter of FY19 for each of the four projects supported by GO Virginia grants in Region 5. The quarterly reports specifically reflect progress made since the last report, not cumulative.

A total of seven projects have been approved by the Regional Council and State Board to date. The report will cover four grants, three of which have recently put into place grant award agreements. Reports on those projects will be provided at the next Regional Council meeting. Reports today include the Virginia Digital Shipbuilding Program; Virginia Cyber Alliance; 757 Seed Fund; and Hampton Roads Unmanned Systems Demonstration and Testing Facility. It was noted that *RFK Solutionz*, a participating business in the Virginia Cyber Alliance Digital Entrant Program, will be recognized today as the Hampton Roads Chamber of Commerce's 2019 Small Business of the Year. This company has four digital entrants from the GO Virginia funded program. Mr. Spore also mentioned the Virginia Digital Shipbuilding Program's Marine Electric Propulsion Simulation Lab currently operational at the ARC on the Peninsula until the state-of-the-art lab facility is completed in downtown Newport News. President Broderick mentioned there is a company from the state of Washington interested in this lab because of the technology and production implications. This is an example of momentum a local project can generate well beyond the region and state.

Relative to the 757 Seed Fund Project Ms. Conner reported that four companies have been approached about supporting the over-all Entrepreneurial Eco-system. Looking into the future, grants pursued will support all entrepreneurial initiatives underway – the seed fund, accelerator, and 757 Angels which has built \$42 Million in private equity investment over the past four years of operation. The hope is that we can secure an entity that will provide financial support to our ecosystem similar to what Capital One has done in Richmond. The GO Virginia program support has been invaluable.

Mr. Spore invited Mr. Jim Noel to provide a brief update on the Unmanned Systems Facility and the creation of the Eastern Virginia Regional Industrial Facilities Authority (EVRIFA). Mr. Noel indicated this regional economic development authority has been officially established and the City of Newport News will staff the EVRIFA and the City of Hampton will be the fiscal agent. Isle of Wight County has indicated interest in joining the EVRIFA, as well as other localities on the southside. The second major component of the grant is to begin architectural engineering and construction required for the unmanned systems facility, once the land is acquired from the Commonwealth of Virginia. A solar company is interested in locating on 150 acres of the property, possibly providing funds needed for the acquisition. Dominion Energy is involved and working with the solar company as the location of the proposed solar field is adjacent to the Cheatham Annex weapons station and could address the mandate to offer alternative energy to federal facilities. The Unmanned Systems Facility project may apply for future GO Virginia funding to construct the facility. The competitive pool may be an option with the involvement of Gloucester (Region 6).

Mr. Spore indicated the EVRIVA is a possible structure for other site development projects in the region, allowing localities to share costs and revenue. In conclusion all four projects funded to date have exceeded project milestones.

## **5. GO Virginia New Grant Application Consideration**

Mr. Frantz introduced Ms. Michelle Ellis-Young, the Director of the Center for Retail Excellence and Ms. Tiffany McGee, Development Director of the Center. A grant application from the Retail Alliance Foundation was received on April 2<sup>nd</sup>. The request for \$75,000 to support the Cultivate Entrepreneurs Program qualifies as an Administrative Approval Application. One of the goals in Region 5 is to improve the entrepreneurial ecosystem and increase the number of high paying jobs in Virginia. This is the second time the Retail Alliance Foundation has applied for funds to support this program. The previous application was turned down due to how the requested funds would be used. GO Virginia funds could not be used for tuition reimbursement. Based on feedback from the previous submission, they reapplied, placing more emphasis on the educational component of the program and better alignment with elements of the Economic Growth and Diversification Plan.

Mr. Spore mentioned eight local governments support the application and six organizations will provide a financial match, all from the private sector. The application exceeds the match requirement and encourages collaboration. A project review committee was convened to discuss the project with the applicant and develop a recommendation for the Regional Council's consideration. There was discussion regarding whether this project was pure retail and how much is focused on workforce development and/or entrepreneurship enhancement. The program intends to close skill gaps that exist for those who currently or aspire to run a small business. After some debate, project review committee members agreed the project does address a gap that exists. Data was provided showing that businesses that go through the training offered and incorporate have incomes above the \$ 50,000 threshold.

Ms. Ellis-Young thanked the Regional Council for their consideration of this proposal. They feel confident that it brings together multiple sectors in the region to improve the retail ecosystem, making it true collaboration. She invited Ms. McGee to share some of the metrics that will be used to measure outcomes for this project.

Ms. McGee stated the metrics begin with the incorporation of businesses, those making \$55,000/year, well above the \$22,000/year typically earned by an unincorporated business owner. The second metric is workforce development and small businesses have the potential to create two to three new jobs. The program wants to help the business owner get to a place where they are ready to hire their first employee. These are the two metrics they will use, in addition to fostering the collaboration of multiple resources in the space to make sure participants are connected to the wrap-around services needed.

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED THE REQUEST OF \$ 75,000 FROM THE REGION 5 PER CAPITA ALLOCATION TO FUND THE CULTIVATE ENTREPRENEURS PROGRAM.

## **6. HR/RVA Collaboration Briefing**

Mr. Frantz reported that the Hampton Roads/Richmond VA Collaborative is growing, with roughly eighty members involved, forty from each region. The next meeting will be held at the College of William and Mary Business School on May 22<sup>nd</sup>. The group has twelve committees working on specific projects in both region, one being the prospect of developing a technology/innovation/entrepreneurship corridor from Richmond to Hampton Roads. The university component of that initiative includes William and Mary, VCU and ODU as the leaders. An opportunity exists to both regions in these three areas along with the related talent development that will be needed.

A Powerpoint Presentation is available to anyone interested. The Collaborative is looking for volunteers to help with weekly presentations scheduled. The Hampton Roads Chamber of Commerce has provided excellent staffing support through the services of Mr. Ronnie Parker, Interim Executive Director for the Collaborative. The chambers of commerce in our regions offer the staffing support and the Richmond Chamber Foundation and Hampton Roads Community Foundation are providing financial support. A website is under development and will be launched soon.

The twelve project committee chairs approach their task in the same way – where we are today, define where we want to go, recruit the right team, then share information with counterpart organizations in Richmond and Hampton Roads to insure what the collaborative is doing is complimentary of initiatives underway in each region and not conflicting.

Mr. Frantz expressed appreciation to Presidents Broderick, Rowe and Rau for their leadership. In turn, President Broderick thanked Mr. Frantz for his leadership, commitment and energy to this collaborative effort.

## **7. Bi-annual Update to Economic Growth and Diversification Plan**

Mr. Frantz stated it is was time to do a bi-annual update to the regional Economic Growth and Diversification (EG&D) Plan. In the beginning Old Dominion University, George Mason University, and The Natelson Group worked with Region 5 to develop the EG&D Plan known as *Moving Hampton Roads Forward*.

Mr. Spore mentioned the deadline the state has set for completion of the update is August 1, 2019, presenting a very short timeframe in which to update this document. The Dragas Center for Economic Policy in place at ODU is in a perfect position to help us with this task as well as reviewing the numerous reports and studies that have been conducted, providing detailed and updated information that feeds into the plan. Examples include the IBM Plan that looks at cluster development, the TEconomy report on entrepreneurship, the Port Opportunity Study, and Comprehensive Economic Development Strategy (CEDs) document that will also be put into place through the HRPDC.

The Scope of Work for this effort was included in the agenda packet, that includes the guidelines required by the state. There are five requirements and Dr. Chip Filer was invited to briefly walk the Regional Council through their proposed approach. At the next meeting of the Regional Council, the updated EG&D Plan would be presented for adoption.

Dr. Filer presented the Scope of Work, breaking the state requirements down into five specific tasks. The first four tasks are updates, involving data, but also uploading new statistics on an aggregate level to demonstrate how the currently funded projects have made an impact.

The heavy lift is task five, asking that the Regional Council consider the pipeline of projects that might be coming up or leveraging existing projects. This will require more time but should not be difficult to put together. Out of the entire project, this might be the more challenging component. The draft document will be available in mid-July for review with two weeks to provide comments before the next Regional Council meeting set for August 1<sup>st</sup>.

### **Questions/comments:**

- The collaborative initiative between Richmond and Hampton Roads may produce competitive grant opportunities in areas such as port-related advanced manufacturing, bio-science, water

technologies, where Region 5 could cross with Regions 6 or 4 would be good. Dr. Filer indicated they plan to include a section on cross-regional opportunities.

- Mr. Spore thanked Ms. Maria Herbert for representing the Regional Council at the Chair/Vice Chair meeting held on March 19<sup>th</sup> in Richmond. Emphasis at this meeting was placed on best practices and being more proactive in initiating ideas for collaboration between multiple regions.
- There is cross over with the required Institutional Partnership Performance Agreement (IPPA) process in place for public institutions as well as the Tech Talent Pipeline (TTP). Universities can bring federal dollars to the table that can be used as matching funds where needed for GO Virginia allocations, but these projects are funded with state money and would not be eligible.

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED AUTHORIZING REINVENT HAMPTON ROADS TO CONTRACT WITH OLD DOMINION UNIVERSITY TO UPDATE THE REGION 5 ECONOMIC GROWTH AND DIVERSIFICATION PLAN AT AN ESTIMATED COST OF \$60,000.00.

#### **8. Other Business**

Mr. Frank Roach resigned from the board last year upon his retirement from Ferguson. Mr. Roach also served on the Executive Committee and while the board position has been filled, there is a need to fill the vacancy on the Executive Committee. Mr. Frantz is pleased to report that Mr. Tom Tingle agreed to join the Executive Committee.

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED THE ADDITION OF MR. TOM TINGLE TO THE EXECUTIVE COMMITTEE.

Mr. Spore directed everyone's attention to TAB F in the agenda packet. A draft procurement policy was presented for consideration and approval.

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED PROCUREMENT POLICY #2 AS PRESENTED IN THE AGENDA PACKET.

#### **9. Public Comment**

There was no public comment.

#### **10. Adjourn**

The next Regional Council meeting will be held on August 1, 2019 at 10:00am (location to be confirmed). There being no further business, Mr. Frantz adjourned the meeting at 11:10 a.m.

Respectfully submitted,

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Donna S. Morris  
Secretary to the Regional Council

APPROVED

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Thomas R. Frantz  
Chairman of the Regional Council