

**GO Virginia Hampton Roads
Regional Council**

**MEETING NO. 15
October 24, 2019**

Meeting number fifteen of the GO Virginia Hampton Roads Regional Council (“Regional Council”) was held Thursday, October 24, 2019, at 10:00am at the historic Cavalier Hotel located at 4200 Atlantic Avenue, Virginia Beach, VA.

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| <u>Members Present:</u> | Shawn Avery | Jeffrey Holland |
| | Timothy J. Bentley | Jim Kibler |
| | Patrick Coady | Bob McKenna |
| | Anne C. H. Conner, Vice Chair | J.D. Myers, II |
| | Robert Dyer | Katherine Rowe |
| | Thomas R. Frantz, Chair | Jeffrey Smith |
| | Michael Gentry | Bryan Stephens |
| | Maria Herbert | Thomas G. Tingle |

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| <u>Members Absent:</u> | Kenneth Alexander | Jerry Miller |
| | R. Bruce Bradley | John Olson |
| | John R. Broderick | McKinley Price |
| | John T. Dever | John F. Reinhart |
| | 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

Chairman Frantz called the meeting to order at 10:05 a.m., declaring a quorum present. He welcomed members and guests in attendance. He thanked Bruce Thompson for hosting the meeting and invited Mayor Bobby Dyer to welcome everyone to the City of Virginia Beach. He then introduced new Regional Council member Dr. Katherine Rowe, President of the College of William and Mary

Dr. Rowe expressed her appreciation for being part of the Regional Council and shared the wisdom learned from the woman’s basketball coach at a recent homecoming event. There are two ways to compete – *either close the gap or create separation*. The challenge with creating separation is that you are heading into areas of competition that are undefined. Defining the competition may mean taking risk and be driven and focused. Ideally you are working on a team and she is looking to this community and the Region 5 Regional Council as the team that will help define what separation looks like.

As an entrepreneur Dr. Rowe expressed excitement that W&M recently opened an entrepreneurship hub on campus. Multiple and various majors will be going through this program designed to teach entrepreneurial thinking. The Center is co-located with the LaunchPad/accelerator, which will enable students to be exposed to everything entrepreneurial, including business deals being made. The three

communities in the historic district came together and asked W&M to run the program, which will provide a sustainable source of revenue.

2. Approval of August 1, 2019 Regional Council meeting minutes

ON A MOTION MADE AND SECONDED THE REGIONAL COUNCIL APPROVED THE MINUTES OF THE AUGUST 1ST MEETING AS PRESENTED IN THE AGENDA MATERIALS.

3. Region 5 GO Virginia Annual Report for 2019

Mr. Frantz invited Mr. Spore to discuss the annual report recently submitted to the State Department of Housing and Community Development. The annual filing of this report is a requirement of the state. A copy was included in the meeting agenda packet.

Mr. Spore provided a brief overview of progress made on each of the GO Virginia funded projects included in the report. In addition to GO Virginia funded programs the State requires each region to provide a description of other initiatives that align with improving the region's economic vitality. He shared with the Regional Council the status of the following list of programs currently underway in Region 5:

The graphic features a blue header with the text 'REGION 5 OTHER KEY INITIATIVES' and 'TAB B' in the top right corner. Below the header is a list of initiatives: Virginia Institute for Spaceflight and Autonomy, Jefferson Lab Electron Ion Collider, Maritime Industrial Base Ecosystem, Reorganization of HREDA, Broadband Regional Connector Ring, Regional Branding Initiative, Port of Virginia Improvements and Channel Dredging, Regional Roadway Construction Package, HR/RVA Mega Region Collaborative, Open Seas Maritime Technology Hub, and Offshore Wind Development. The GO Virginia logo is in the bottom right corner. The graphic is decorated with blue and green curved shapes on the left and right sides.

Feedback/Comments shared:

- The power and collective impact of collaboration is producing results. We should look for opportunities to accelerate this level of collaboration.
- Taking a more data-driven approach has made a difference, starting with the work done by the Hampton Roads Community Foundation. This initial analytical assessment produced the foundation for the collaborative work currently underway. How do we accelerate this momentum?
- When will the decision be made regarding the location of the Electron ION Collider? The Department of Energy has not shared the schedule, but it is assumed that a decision will be made sometime in 2020. A “Friends of Jeff Lab” group has been formed for anyone to join to support the project.

- Brand Federation, a Richmond-based firm, was hired as a consultant to develop messages that will be conveyed to various audiences. A question was raised about the region's marketing and communications given the collaboration between higher education, the business community and localities. Even if the region is not home to the Electron ION Collider, how do we take what we have learned from the Jefferson Lab project to enhance our capacity?

4. Consideration of GO Virginia Grant Applications

Mr. Spore presented an overview of the funds available to Region 5 for capacity building and per capita projects. Capacity building funds are used to reimburse Reinvent Hampton Roads for a portion of the staffing, contractual services, and equipment costs incurred to support the Regional Council and GO Virginia grant management for Region 5. The funds available to date in this category equal \$ 273,462, which includes the FY20 allocation of \$250,000 plus the current carry-over of \$ 23,462 from the FY19 allocation.

The per capita allocation, used to fund regional, enhanced capacity building and administrative approval grant requests, totals \$ 5,146,422. This includes un-appropriated funds carried over from FY19 as well as the allocation for FY20.

The competitive pool for funds requires the active participation of two or more regions, which fits well with projects that could channel through the RVA-Hampton Roads Regional Collaborative. Roughly \$ 14.66 Million is available in the competitive pool. To date only a few competitive grant applications have been funded. Rather than waiting for applications to come in, regions are taking a more proactive approach to find the right initiatives that will impact and benefit multiple regions. Mr. Spore invited members to share any competitive project ideas they may have.

Mr. Frantz noted that the Virginia Institute of Marine Science (VIMS) is in Region 6. He invited members to share ideas of possible maritime-related projects VIMS would be interested in pursuing with Region 5. Mr. Spore reported that Region 5 continues to work with Region 7 on the competitive grant to support the K-12 Computer Science Pipeline Project that was submitted in the last round of applications. Upon review the state staff supported the position taken by Region 5 to remove the GO Virginia funds from the K-5 component of the proposal. As a result, the application was withdrawn. We continue to work with Region 7 to adjust the application, to make the project grant eligible.

The three applications listed below were considered by the grant review committee and their recommendations are presented to the Regional Council for consideration. Funds to support any of these applications that are approved will be drawn from the Region 5 per capita pool:

- **The Coastal Virginia Maritime Advancement Program (COVA MAP)** requests \$ 1,532,500 over two years to build upon the Maritime Industrial Base Ecosystem (MIBE) program, with a focus on transforming maritime training. Three municipal partners involved in the project include the cities of Hampton, Newport News and Norfolk. Twenty-one letters of support were included in the application. The applicant is working closely with the Hampton Roads Workforce Council and the community colleges on the workforce development elements of the program. COVA MAP also impacts industry supply chain growth and entrepreneurship. The program aligns with the region's Economic Growth and Diversification Plan, touching each of the priority industry sectors. Although not referenced in the application, the project also relates to the Offshore Wind Industry.

The application referenced the need to be prepared for Industry 4.0 (automation/cyber physical systems) and Industry 5.0 (industrial robotics), and other ways to better meet the needs for this

industry nationally. The goal is for Hampton Roads to be known as the Global Maritime Center of Excellence.

The sustainability of the program was outlined in the application. The larger upfront costs are tied to development of the curriculum and training.

Mr. Spore discussed the process used by the grant review committee and specific questions they asked the applicant to address. The responses can be found in Addenda 1 and 2 that were included in the agenda packet. It was also noted that a commitment of participation by one of the largest industry support organizations, the Virginia Shipbuilding & Ship Repair (VSRA) was missing from the application. The review committee recommended a letter of support be obtained from VSRA.

Mr. Spore introduced Dr. Mike Robinson and Dr. Eric Weisel, who were in attendance, and indicated they would be able to answer any questions about the project.

A question was raised by a Regional Council member as to whether the lack of support from VSRA presented a regional paradigm for future project consideration. An example would be who in the community do we need contact first to obtain their support of a specific project? If this is what we are trying to foster in the region, is there was a way to measure collaboration among partners?

The VSRA apprehension came from having an existing program in place and their interest in funds being directed to that program. Their workforce initiative addresses Industry 1.0 and 2.0 needs.

With no further questions, the Regional Council was asked to consider the Review Committee's recommendation to support the request for the full amount.

ON A MOTION MADE AND SECONDED THE REGIONAL COUNCIL APPROVED THE REQUEST TO SUPPORT THE PER CAPITA GRANT APPLICATION SUBMITTED TO FUND THE COASTAL VIRGINIA MARITIME ADVANCEMENT PROGRAMS (COVA MAP), SUBJECT TO OBTAINING SUPPORT FROM THE VIRGINIA SHIPBUILDING AND SHIP REPAIR ASSOCIATION.

The Regional Entrepreneurship Initiative (REI)

The State hired TEconomy Partners to perform an analysis of each of the nine regions to look at how to fill existing gaps that causing Virginia to lag behind other states in producing start-ups, innovation and other measures of entrepreneurship growth. The results prompted the establishment of the Regional Entrepreneurship Initiative (REI) fund through GO Virginia, allowing each region to allocate up to \$300,000 from their per capita pool to go towards developing a comprehensive investment plan focused on the regional entrepreneurship ecosystem. Unlike the typical per capita grant, the REI match requirement is reduced to 2:1

At the direction of the Regional Council, Reinvent Hampton Roads put out a Request for Interest/Qualifications to groups interested in serving as the coordinating entity for the REI. Two groups indicated interest and provided their qualifications. Both groups followed up by responding to a formal Request for Proposal (RFP). 757 Accelerate and the Hampton Roads Innovation Collaborative (HRIC) submitted proposals that addressed seven stated requirements.

- **REI:757** requests \$ 266,667 over eighteen months to create a strategy and structure to advance and sustain the regional entrepreneurial ecosystem, based on recommendations provided in the TEconomy report for Region 5 in addition to other regional analyses. Matching funds equaling \$

133,333.50 have been committed to the project from private leaders and twenty-one letters of support were provided in the application.

The Project Review Committee had questions about oversight and accountability in meeting milestones and suggested that an Advisory Committee be appointed by Reinvent Hampton Roads and 757 Accelerate to monitor the project. Regarding sustainability, part of the investment strategy REI: 757 proposes includes developing a sustainability strategy. Mr. Spore emphasized the importance of this component because initiatives like 757 Angels, 757 Accelerate, 757 Seed Fund, RHR and REI are all dealing with the question of sustainability without solely relying on grants. The plan proposed will allow us to review best practices to determine if they can be applied here.

Mr. Spore mentioned the recent trip to Indianapolis to look at how they do economic development. The Indianapolis region has raised over \$25 Million from the private sector to support this kind of activity. The question is how did they motivate the private sector and how can we do something similar here in Hampton Roads?

Much like what was done when RHR contracted with ODU to update the Economic Growth and Diversification Plan, it was proposed in this application that 757 Accelerate contract with a consulting firm that is in the process of being formed between Evans McMillion and Monique Adams. The contractor would be responsible for developing the plan. The Project Review Committee had initial concerns since both Evans and Monique currently work full time for 757 Accelerate and 757 Angels, respectively. Do the boards of these organizations support the time they will commit to this project? In response to this concern letters were received authorizing the support from members of both boards. It is also important to see evidence that the consulting firm has formed. The Project Review Committee agreed to recommend approval of this application if each item referenced was addressed.

Considering the importance of this initiative, do we have the luxury of waiting eighteen months before we receive a report? Mr. Spore indicated there was a reason for the eighteen-month timeline because of the cyclical work schedules associated with 757 Angels and 757 Accelerate. Evans McMillion added that obtaining stakeholder ideas and feedback, socializing it, getting buy-in and insuring feedback is incorporated in the outcome report will indeed take time.

Dr. Rowe indicated she might have some ideas on how to address capacity if that is an issue, one being the involvement of William and Mary MBA students. Vice Chair Anne Conner added that in much of the research that was done of ecosystems around the country, most successful regions had programs that were more centralized, not as fragmented as we see in Hampton Roads. It is important to figure out how to better connect many of the resources we already have in place, to avoid duplication.

- **REI: HRIC** requests \$ 300,000 over two years. HRIC is the former Hampton Roads Technology Council that formed in the late 1990s. They are a volunteer organization focused more on encouraging innovation and assisting technology firms. They secured \$40,000 in cash match and \$110,000 in in-kind support for their proposal. Their approach starts with the TEconomy Report, serving as the plan. They intend to continue HRIC initiatives currently underway and determine how to execute other parts of the report. Their proposal did not appear to include an investment and sustainability plan and did not meet all the state's objectives. While the Project Review Committee recognized the great work being done by HRIC they recommended the application not be funded. HRIC should be encouraged to work with the coordinating entity selected.

Since several members of the Regional Council had to leave the meeting, a quorum was not present to act on the REI. It was recommended by Mr. Frantz that Mr. Spore follow-up with Ms. McMillion and Ms. Adams to discuss the points raised by members of the Regional Council, then proceed by following up with the Regional Council Executive Committee, using a Statement of Consent to approve the grant request if the questions were addressed.

Regional Council member Jeff Holland suggested obtaining consensus from the Regional Council to authorize the Executive Committee to act on their behalf, just to confirm we have the appropriate process to move the application forward.

Vice Chairman Anne Conner disclosed that she was the founding chair of 757 Accelerate, founding board member of 757 Angels and completely supportive of Evans and Monique moving forward as consultants because there is no one who has been more engaged to build our innovation economy. They have worked consistently over the past five years doing research. They are recognized as the most involved in the region in this space.

5. State GO Virginia Program Update

Mr. Spore shared the following key points:

- The updated Economic Growth and Diversification Plan was approved by the State Board.
- DHCD is offering flexibility, allowing regions to access funds allocated to support administrative approval applications beyond the \$250,000 cap per fiscal year.
- A letter from Tom Ferrell (GO Virginia State Board Chair) was included in the board agenda packet. This will be discussed at the upcoming State Board meeting on December 9th. A leadership summit is also scheduled to take place and they hope to have the chair and vice chair of each regional council attend.
- The Conflict of Interest Policy is also included in the agenda packet. We will send out a form in November for Regional Council members to sign and return, as required each year.
- The 2020 Roadmap was also referenced with the activities for the 2019 through 2020.
- The last item in this section of the agenda packet is the recommended 2020 meeting and grant deadline schedule for Region 5.

6. Public Comment

There was no public comment.

7. Other Business

Regional Council member Patrick Coady thanked the members of the Council, the Grant Review Committee, the Executive Committee and the State Board for approving The GIG application that was presented at the last meeting. The contract has been signed with DHCD and the project is moving forward. He also mentioned the discussion today about the importance of getting the word out on what is being accomplished in Region 5. It all comes down to action, sharing more about the GO Virginia projects that have been approved and other workforce initiatives. What can we do to create the media conference, write the articles, etc.? It takes the commitment of someone to do it. It was mentioned that one article is published per month in Inside Business.

Mr. Spore agreed and related it to the rebranding initiative, regardless of what you call the region, we do not do a good job of sharing who we are and what we do. Whether we change the name or not, the focus needs to be on how we market the region. Reinvent added up the budget expenditures for all 17 localities directed to economic development and marketing. In terms of economic development, collectively \$ 16 Million is spent each year. In terms of Tourism and Visitation activities, \$ 34 Million is spent annually. A total of \$50 Million is currently being spent each year on economic development and promoting the region. Hopefully, some of the funds can be pooled in a way to better message the region. Most of the promotional materials you find at each municipality is about their city/county and nothing about the region. It is a struggle.

HREDA will play a key role in promoting the regional brand. It was suggested that we frame up how the regional branding and messaging should be approached and how to resource it. All agreed that this would be an interesting discussion to have.

[Jobs Ohio](#) was also mentioned as a model state program. Their program shows the growth in each of the regions of the state, highlighting their strengths. That prompted the question whether the Commonwealth of Virginia has a similar program, that features the uniqueness of each region. VEDP has recognized this as a priority. The question came up about whether GO Virginia funds could be directed to marketing, and it was confirmed they could not. Mr. Spore said he would give this issue some thought.

There being no other business, the meeting was adjourned.

8. Adjourn

The next Regional Council meeting will be held on February 6, 2020 at 10:00am (location to be confirmed). There being no further business, Mr. Frantz adjourned the meeting at 11:40 a.m.

Respectfully submitted,

Donna S. Morris

Donna S. Morris
Secretary to the Regional Council

APPROVED



Thomas R. Frantz
Chairman of the Regional Council