

**GO Virginia Hampton Roads  
Regional Council**

**MEETING NO. 24  
February 3, 2022**

Meeting number twenty-four of the GO Virginia Hampton Roads Regional Council (“Regional Council”) was held Thursday, February 3, 2022, at 10:00am. This meeting was held in the Assembly Norfolk/757 Startup Studios at 400 Granby Street, Norfolk, VA.

<b><u>Members Present:</u></b>	Kenneth Alexander	Maria Herbert
	Shawn Avery	Jeff Holland
	Timothy J. Bentley	Cheryl McLeskey
	R. Bruce Bradley	Bob McKenna
	Patrick Coady	John Olson
	Anne C. H. Conner, Vice Chair	John F. Reinhart
	William B. Downey	Jeffery Smith
	Michael Gentry	Thomas G. Tingle

<b><u>Members Absent:</u></b>	John R. Broderick	Jerry Miller
	Marcia Conston	J.D. Myers, II
	Robert “Bobby” Dyer	McKinley Price
	Jack L. Ezzell, Jr.	Katherine Rowe
	Christen Faatz	Bryan Stephens
	Thomas R. Frantz, Chair	Bruce Thompson

**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/Welcome**

Vice Chair Anne Conner welcomed everyone and called the meeting to order at 10:05 a.m. and thanked all for their attendance.

Ms. Conner thanked Mr. Drew Ungvasky for hosting the Regional Council meeting in the Assembly, which also houses 757 Start-up Studios, 757 Accelerate, and 757 Angels. A brief tour of the facility will be available for those who would like to see the transformation of this magnificent space.

Ms. Conner announced she would be chairing the meeting today as Chairman Frantz is out of town.

**2. Approval of August 5<sup>th</sup> and October 28<sup>th</sup>, 2021 Regional Council meeting minutes**

After confirming that a quorum was physically present at the meeting, Ms. Conner asked for a motion to approve the meeting minutes for August 5<sup>th</sup> and October 28<sup>th</sup>.

ON A MOTION MADE AND SECONDED THE REGIONAL COUNCIL APPROVED THE MINUTES OF THE AUGUST 5<sup>TH</sup> AND OCTOBER 28<sup>TH</sup> MEETINGS AS PRESENTED IN THE AGENDA PACKET.

**3. Report on Action by Executive Committee to Recommend Adoption of 2021 Biennial Update to the Growth and Diversification Plan**

Ms. Conner invited Mr. Spore to provide a report on the action taken by the Executive Committee regarding the updated Economic Growth and Diversification Plan. The proposed update was adopted with specific changes, as outlined in TAB B of the agenda packet.

He referred to summary charts provided that showcased population changes in the region as they relate to the US and Commonwealth of Virginia statistics over the last 30 years; Gross Domestic Product pattern; and the growth in the number of establishments. The region is lagging in all these areas with nearly a decade of slow growth.

While the data speaks for itself the Executive Committee expressed concerned about the negative tone in the narrative, which was adjusted.

**4. Quarterly Progress Reports on GO Virginia Approved Grants**– Ms. Conner invited Ms. Morris to provide an update on projects currently underway. She referenced the update that was sent to everyone via email as a follow-up to the report included in the agenda packet.

To date thirty-two grants have been submitted by and awarded to Region 5 with fourteen of that number complete. The projects that remain active are on track. Each quarterly report includes barriers that hamper a project in any way. Aside from COVID, one highlighted by several recipients is the delay in receiving the GO Virginia funds awarded. In some projects it is a major concern, especially if they are dependent on GO Virginia money to fund staff responsible for moving the project ahead. Since GO Virginia is a reimbursement program you must demonstrate proof of payment before funds can be drawn. That tends to take more time and we have been working with the GO Virginia staff at DHCD and the accounting firm used by Reinvent Hampton Roads to quickly transfer funds whether electronically or via hard check.

In each Regional Council meeting we want you to have the opportunity to hear directly from a grant recipient progress being made on GO Virginia funded programs. Today we have several projects you will hear more about from the grant recipient. Ms. Morris invited members to circle back if they have specific questions about any project contained in the quarterly report.

**5. GO Virginia Grant Highlights** – Mr. Spore mentioned there were no applications to be presented for consideration today. This part of the agenda will provide Regional Council members the opportunity to learn more about the variety of projects underway. GO Virginia has had a significant impact on the region and these presentations will demonstrate that and celebrate the successes in several key GO Virginia focus areas.

*A. Hampton Roads Economic Development Sites Readiness Program*

Mr. Spore invited Keith Cannady, Deputy Director of the Hampton Roads Planning District Commission (HRPDC) to provide an update on the Hampton Roads Economic Development Sites Readiness Plan: Phase I. Mr. Cannady expressed appreciation for the support provided through GO Virginia. He indicated they will likely come back in April with another grant request to keep needed site readiness projects moving forward. Preparing sites is a complex business and considered a

challenge in our region. To prevent losing possible investment opportunities in Virginia, HRPDC set up a collaborative process in 2016 that included technical, planning, and financial support. The site development process starts with large sites in the target industries identified as good candidates. Investors go to where sites are ready.

Mr. Cannady shared the multiplier of how various components of the targeted industries impact the growth of the region. The site-readiness process was a collaborative effort across the State. He mentioned one of the things we have missed, as noted by Virginia Economic Development Partnership (VEDP), are the lost opportunities and why companies are not coming to Virginia and Hampton Roads, and it was the lack of ready sites.

Region 5 was prepared as earlier funds from GO Virginia were used to collect data needed on what was available and gaps that existed. The preliminary studies done in Hampton Roads became the model for the statewide assessment of roughly 400 sites and how competitive those sites were to investors. Also, VEDP and DHCD came together to see how they could collectively be more efficient and impactful.

The next grant request will likely focus on three sites, bringing the total number of sites to six, and potentially twelve. Localities are also working on this project. HRPDC is working with the Alliance to identify larger sites, some not requiring as much work, but others will require much more. They plan to embark on a study that looks at these larger sites, our most competitive opportunities, where the greatest potential for job creation is and the best return on the public investment to elevate them to that level. Also, the state is looking seriously at increasing their funding, making \$150 MM available in April or May from the State surplus for site development. The work currently underway in Region 5 will prepare us better for these additional resources. Having the Eastern Virginia Regional Industrial Facility Authority (EVRIFA) is another tool that can be used.

Mr. Cannady thanked the Regional Council for their support. A question was asked if Tier 4 or Tier 5 classifications were considered site ready. Mr. Cannady responded that Tier 4 is a good place to be as far as site readiness. Another question was raised about our “sweet spot,” when it comes to the size of the sites (i.e., 25 acres versus 100 acres). It seems that VEDP would prefer to focus on larger “mega” sites, and we have a few opportunities in that area to compete, but it should not prevent us from putting smaller sites to good use.

The question was asked if sites on the Eastern Shore were included, and the answer is yes, but so far there has not been an opportunity the Shore is ready to advance. If the rockets being launched at Wallops Island are built there, the opportunity to attract suppliers will be significant, making sites ready for development important.

Mr. Spore recognized Mr. Cannady for his hard work on this as well as his active involvement in the update of the Economic Growth and Diversification Plan. Mr. Spore added that Region 5 is recognized and the gold standard in site development thanks to the contributions made by Mr. Cannady.

Ms. Conner added that GO Virginia has brought localities and regions together in a way like we have never seen before. Our work was compared to a marathon, not a sprint. We are putting the

foundational work in place that will lead to the outcomes we envision of more higher paying jobs and a stronger economy.

*B. 757 COLLAB*

Ms. Conner reported the largest grant awarded to date went to the 757 COLLAB. She invited Ms. Monique Adams (Executive Director of 757 Angels) to provide an overview of the work underway.

Ms. Adams thanked the Regional Council for their support of the 757 COLLAB. The grant incentivized a great deal of collaboration. Ms. Adams said that building the innovation economy is a critical piece, much like site development. Research has shown that areas and communities that invest in innovation recover most quickly from downturns.

Following a brief video that captured the impact of the program, Ms. Adams said the presentation is heavy on the Founders, because it is all about the companies and businesses that drive those companies. The ecosystem is “Founder first focused.”

757 COLLAB harnesses the power of 757 Accelerate, 757 Start-up Studios, and 757 Angels. They operate with and embrace a value system of *interconnected, inclusive, and impactful*. Regarding the structure, 757 Accelerate is the umbrella organization. Ms. Nancy Grden is Chair of 757 COLLAB, with a board that provides the governance. 757 Accelerate and 757 Startup Studios provide critical programming to build businesses and 757 Angels is the capital arm of the COLLAB.

The model of the 757 COLLAB is unique in the Commonwealth of Virginia. Other regions are looking to us as a model. The program is set up as a continuum, with 757 Startup Studios working with businesses at the earliest stages (concepts and ideas). They advance to 757 Accelerate that is milestone-based and mentorship-driven. The companies can apply and drop into the accelerate program to begin company discovery, get them investment-worthy and ready for consideration by 757 Angels. It is a unique vertical continuum that is starting to work. They are seeing the conversion of those entering Startup Studios, moving to the Accelerator, then to 757 Angels.

757 Angels launched with the work started by the Hampton Roads Community Foundation. They are in their eighth year, but it generally takes about 20 years to develop. GO Virginia has helped this program by adding a staff of eight. The two newest members include a Director of Diversity, Equity, Inclusion and Partnerships and a Mentorship Director. Mentors are key to how companies grow, and the new director will help to match companies with the right mentor, at every stage of development.

The GO Virginia grants received have been significant in driving the impact. The grant that supported the REI 757 ecosystem assessment recommended emphasis be placed on diversity, equity, and inclusion. The new director is currently doing a listening tour, synthesizing the data to determine what we are doing well and the gaps that need to be filled. He will create programs to engage a larger part of the underrepresented community.

The new Mentor Director is setting up a directory and planning a mentor appreciation event. She is also embarking on a listening tour to make sure we are meeting the needs of the founders and mentors in the community.

Ms. Adams referenced the quarterly report, and the fact 757 COLLAB has already exceeded 7 benchmarks/metrics that were included in the grant agreement outcomes. One that has not yet been exceeded is interns. She invited members who have connections to educational institutions to help expand these networks. Interns love working with start-ups, so they have been able to pair several ODU students with 757 Accelerate and 757 Start-ups, which have proven to be successful. This is a way to retain young people in this community.

Marketing was an area of focus identified in the TechStars report. There is little awareness of what we have in this community, related to startups and the importance and significance of them. GO Virginia funds have been used to promote and inform what is being done, through social media. They started *757 Bites*, a pod cast that has attracted many followers. The “bites” are no longer than 10 minutes, featuring founders and entrepreneurial organizations or change-makers in the community making a difference. They are soon to embark on a website update, where GO Virginia funds will be directed. A video will be produced to showcase the entrepreneur community (events, etc.).

757 Angels has 149 members and have invested \$82 Million to date. 757 Angels is one of the top 10 angel group investment organizations in North America and the money invested has been catalytic, creating 647 high paying jobs, with an average wage of \$ 65,269, and \$27 Million in economic impact. Forty-three percent of their Founders represent people of color, veterans, and females. They see 36 companies per cycle (3 times/year).

757 Accelerate is a three-month mentor-selective, driven, milestone-based program. It has been very successful in its fourth year. The first three years was funded with an EDA i6 Challenge federal grant. The fourth and fifth year are being funded by GO Virginia. They give \$20,000 in non-dilutive grants to companies. It is important to note that 757 Accelerate is a non-profit. Sixty percent of the accelerators across the country are non-profit and half are industry agnostic. Twenty-five companies to date have gone through the accelerator program. They have raised \$12 Million of capital and 30 industries represented. Most of those companies are still in business. Applicant companies come from in-region and out-of-region, which makes it an attraction mechanism. The goal is to bring out-of-region entities here with the accelerator and keep them here with the Angels and other support services available.

757 Start-up Studios is in the Assembly building. What was learned five years ago is we needed a “front door” to the ecosystem and that is a role 757 Start-up Studios plays, aligned with other programs in the region. Multiple organizations have a presence in the facility. 757 Start-up Studios was created by critical sponsors like Ferguson Ventures, Cox Communications, the City of Norfolk, and Activation Capital all providing funds to help pay the rent for use of the building as well as match for the GO Virginia grant.

Activation Capital is an important powerhouse that drives innovation in Richmond. 757 Collab is the only organization they have funded in the State that is outside Central Virginia. They invested in 757 COLLAB because they were impressed with the team, momentum, and direction they were going. There are 30 companies in the Start-up Studios. You get 6 months free rent as a Founder and can re-up for another 6 months. They connect with other entrepreneurs, engage with mentors, meetings with investors, access to DEI and multiple community partners. All users have indicated they would

recommend the program to others. 1180 new visits have been made to the facility since it opened in June 2021, literally creating the front door to the ecosystem.

They are opening applications for the third cohort of companies and Ms. Adams asked members to promote this opportunity to anyone they know that might be pondering a business start-up. They are actively in the process of doing sustainability planning for these organizations beyond the life of the GO Virginia grant and Ms. Adams invited members to share their ideas about ways to support the program going forward. She also invited members to consider joining 757 Angels, becoming a mentor, or an earlier adopter of testing an early technology. In closing she thanked the Regional Council for their support.

Mr. Bradley asked Ms. Adams to share one or two the program's biggest success stories. Defining success for the 757 Angel group: one health tech company had a quick exit and produced 2.8 times ROI in 18 months. 757 Accelerate put through a company (SVT Robotics) that raised \$100 Million and are now hiring. Their leaders have a pay-it-forward mentality, so they are giving back to the ecosystem. A company came through 757 Start-up Studios and was set up through the City of Norfolk, using a platform that uses gig employees to do garbage pick-up, a company that is moving through the continuum. Companies like ivWatch have also been very successful.

Ms. Conner recognized the extraordinary leadership Ms. Adams has offered this region in helping to create and advance the ecosystem.

### *C. Hampton Roads Alliance*

Ms. Conner introduced Mr. Doug Smith (President & CEO, Hampton Roads Alliance) to discuss three grants the Hampton Roads Alliance received from GO Virginia. While the amounts of the grants were considered modest, the impact has been great in all three cases, according to Mr. Smith.

#### 1. 757 Recovery & Resilience Framework

COVID changed everything and this change brought leaders of the region together to discuss how to address the economic impact of the pandemic collectively. GO Virginia-focused Economic Recovery and Resilience designated funds were used to address the needs identified by the regions leaders to develop a playbook. The process engaged over 120 individuals and 11 diverse committees (geographic, age, and race), actively involved in coming up with specific goals and thirty programs to address those goals. The difference between this playbook and plans that have been done in the past is an accountability component and metrics to track success for every actionable item. The playbook is built largely on programs already in place. Over 800 people signed up to be 757 champions.

Many activities going forward such as the EDA Build Back Better, Federal Infrastructure Project and the Comprehensive Economic Development Strategy (CEDS) are using much of the information collected from the ERR Framework exercise. All information is accessible through a website that includes a dashboard with metrics([www.757framework.com](http://www.757framework.com)).

#### 2. Offshore Wind (OSW) Supply Chain

The \$529,788 in GO Virginia funds have been used to build the OSW supply chain. The Alliance is currently pursuing a \$10 Million grant to further expand the supply chain of OSW companies as this industry does not exist in the U.S. today. Equipment is manufactured in Europe, therefore many of the suppliers are there. It is important that we establish a supply chain in Virginia and this mid-Atlantic region for the OSW industry. The East Coast investment in OSW will be significant in the next 12 to 15 years and could produce 6,000 jobs. The point was made by Mr. Reinhart about how important the Jones Act is in keeping work in that falls under maritime commerce in the U.S.

This region has a great history with the natural harbor, the port, and building large ships and submarines. The quality is just as important in building OSW equipment as it is in the maritime vessels constructed here.

The Portsmouth Marine Terminal (PMT) and Lamberts Point are among the top three sites identified on the East Coast. This builds upon the strengths of the region, but competition remains fierce when you see how much other states are investing in OSW (i.e., New Jersey). Mr. Smith said our region has an advantage because we are speaking with one unified voice.

Mr. Smith also mentioned the Towne Bank training space on the second floor of the in the World Trade Center currently houses the Offshore Wind Landing. There are twenty companies from around the world that are members of the Landing. The goal of getting Virginia businesses engaged has been very successful, citing the match-making event hosted recently. The Siemens Gamesa blade manufacturing facility was a significant win for the region and Virginia.

### 3. Hampton Roads Energy Assessment

The cancelled Atlantic Coast Pipeline project announcement was a shock for the region, soon followed by Norfolk Naval Shipyard's announcement to stop work with Wheelabrator Technologies and handle their trash through a new gas-fired power plant. This prompted the Alliance to pursue a study to determine power needs for the region. The GO Virginia Enhanced Capacity Building grant allowed the Alliance to engage PA Consulting Group to perform the analysis in three phases, the first focused on the current energy demand and supply assessment. The following phases will focus on the future energy supply and demand and then how to apply what is learned to develop the roadmap for moving forward.

The timing of this analysis is critical. Mr. Smith cited Mr. Reinhart's effort to advance green energy at the port as well as the requirements underway by the Navy to consider alternative energy options.

Mr. Chamberlain, the lead for the health workgroup in the ERR Framework initiative mentioned the importance of having a healthy and talented workforce as it is a critical element of productivity.

Ms. Conner thanked Mr. Smith and recognized the incredible work that has been done with the support of GO Virginia funding.

6. **Appointment of Nominating Committee** – Ms. Conner reported that some Regional Council members' terms will expire the end of June 2022. She said each member will be contacted to determine their interest in being reappointed. She asked the Regional Council to approve the existing

Nominating Committee or recommend others to serve in that capacity.

ON A MOTION MADE AND SECONDED THE REGIONAL COUNCIL APPROVED THE EXISTING MEMBERS OF THE NOMINATING COMMITTEE TO INCLUDE MS. CONNER AS CHAIR, MR. TINGLE, AND MR. BRADLEY.

7. **Other Business** – NONE
8. **Public Committee** -- NONE
9. **Assembly Overview**

Ms. Conner introduced Mr. Drew Ungvarsky, Co-Founder of Assembly, to talk about the facility. Before opening Assembly, Mr. Ungvarsky was Founder of the digital company, *Grow Interactive*. They create custom digital experiences for the world’s biggest brands (i.e., Google, Adidas, Spotify, etc.). Mr. Ungvarsky has been trying to build a technology company here for decades and he has learned a lot of lessons along the way. The two most important are: (1) keeping exceptional talent in this region is the biggest challenge to building a company here, and (2) to build a business here sometimes feels lonely. Many companies are like their own little island and don’t benefit from a shared energy, ideas, or resources. This is **why** Assembly is needed – to create a center of mass for creators and innovators so they can thrive (people and companies). Assembly is called a “creator’s campus” for tech innovators. It’s all about empowering and inspiring businesses. It also helps to attract and keep talent here and draw more companies to the region.

This is considered an energizing space and an inspiring community. The space is now in Phase 1 of a two-Phase project. Three historic department store buildings (Ames & Brownley; Rices Nachmans; Sears) are being restored to their original character, roughly 100,000 square feet. There will be offices and suites for companies. The common areas and amenities shared that will enhance the experience (15,000 sq. ft.). There is also co-working space. There are currently nine tenants (from 2 to 10-year leases). There are options to use spaces periodically if needed. The programming component encompasses everything from social events to education. He invited members of the Regional Council to help spread the word about Assembly. The space can also be used for events (rentable) as well.

He invited those interested to take a tour of the facility following the meeting. He also thanked the Regional Council for the support with GO Virginia funds. If not for the Start-up Studio project this would not have happened.

10. **Adjourn** – There being no further business, the meeting was adjourned.

Respectfully submitted,

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Donna S. Morris  
Secretary to the Regional Council

APPROVED

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Anne C. H. Conner  
Vice Chair of the Regional Council