

APPROVED

**GO Virginia Hampton Roads
Regional Council**

**MEETING NO. 7
February 20, 2018**

Meeting number seven of the GO Virginia Hampton Roads Regional Council (“Regional Council”) was held Tuesday at 12:30pm on February 20, 2018, in Suite 100 of the ECPI Newport News Campus, located at 1001 Omni Boulevard, Newport News, VA.

Members Present:

Shawn Avery	McKinley Price
Timothy J. Bentley	Michael Kuhns
John R. Broderick (via phone)	John Olson
Anne C. H. Conner, Vice Chair (via phone)	John F. Reinhart (via phone)
Jack L. Ezzell, Jr.	William D. Sessoms, Jr.(via phone)
Thomas R. Frantz, Chair	Jeffrey Smith
Maria Herbert	Bryan Stephens
J.D. Myers, II	Thomas G. Tingle

Members Absent:

Kenneth Alexander	Jeffrey Holland
Roland Bailey	Eric Miller
R. Bruce Bradley	Jerry Miller
Michael Gentry	Frank W. Roach
John T. Dever	Bruce Thompson
William B. Downey	Gary Warren

Others Present:

Erin Carter	Diane Kaufman
Larry “Chip” Filer	Steven L. Lynch
Warren Harris	

Staff Present:

James K. Spore, President & CEO, Reinvent Hampton Roads
Donna S. Morris, Executive Vice President, Reinvent Hampton Roads
Tiffany A. Brannon, Administrative Assistant, Reinvent Hampton Roads

1. Call to Order and Opening Comments

Mr. Frantz called the meeting to order at 1:05 p.m. and upon confirming those council members joining the meeting by phone, declared the presence of a quorum. He welcomed members and guests in attendance.

Recognition and thanks was given to ECPI Campus President John Olson for hosting the meeting and the superb lunch prepared and served by students of the Virginia Culinary Institute at ECPI.

2. Approval of November 14, 2017 Regional Council meeting minutes

ON A MOTION MADE BY MR. TINGLE AND SECONDED BY MR. BENTLEY, THE REGIONAL COUNCIL APPROVED THE MINUTES OF THE NOVEMBER 14TH MEETING AS PRESENTED IN THE AGENDA MATERIALS.

3. Consider Approval of GO VA Grant Contracts

Mr. Frantz turned the meeting over to Mr. Spore to discuss the items requiring specific actions by the Regional Council. Mr. Spore briefly explained what was needed to execute the grantee and sub-grantee agreements with the state for per capita grant allocations.

The first agreement is between the Regional Council, Reinvent Hampton Roads and the Virginia Department of Housing and Community Development (DHCD). Reinvent Hampton Roads, as the support organization serves as the grantee in this agreement. The second and third agreements are addenda to the grantee document and are between DHCD, the Regional Council, Reinvent Hampton Roads and Old Dominion University. Addendum A is for the Virginia Digital Shipbuilding program grant award and Addendum B is for the HRCyber Co-Lab grant award.

Mr. Spore indicated responsibility is placed on the Regional Council and Reinvent Hampton Roads to oversee sub-grantee agreements. The sub-grantee is also accountable and must submit progress reports on milestones outlined in their specific agreement. Quarterly meetings will be held with the sub-grantee and reports will be filed with the state by Reinvent Hampton Roads staff.

Following a motion made to approve the grantee and two sub-grantee agreements contained in the agenda packet, Mr. Frantz asked if there were comments or questions. Mr. Tingle asked for clarification and it was confirmed that the region will draw down on the \$ 2,240,575 total compensation listed in the grantee agreement and the two projects approved to date will be funded from this account.

Mr. Frantz indicated any conflict of interest expressed by members connected to projects outline in Addenda A and B would be noted for the record. The following action was taken:

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED THE GO VIRGINIA PER CAPITA GRANT ALLOCATION GRANTEE AND SUB-GRANTEE AGREEMENTS CONTAINED IN THE AGENDA PACKAGE. Members abstaining due to conflict of interest: Mr. Broderick, Mr. Kuhns and Mayor Sessoms

Mr. Frantz reported that the Regional Council has an Executive Committee that meets between regular council meetings. If new sub-grantee agreements need to be executed or existing agreements amended and require immediate action, the request is that the Regional Council authorize the Executive Committee to act on its behalf.

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED THE RECOMMENDATION TO AUTHORIZE THE EXECUTIVE COMMITTEE TO EXECUTE SUB-GRANTEE AGREEMENTS ON THEIR BEHALF.

A Conflict of Interest Form has been developed for members to fill out and return to Tiffany Brannon in the Reinvent Hampton Roads office. While hard copies of the form were available at the meeting, an electronic version will be sent to members. Completed forms will be required from Regional Council members annually.

4. Update on GO VA Activities

Process and Evaluation: Mr. Spore referenced information provided on the Go Virginia evaluation process. GO Virginia staff and state board leadership held a conference call with support organizations and Regional Council chairs/vice-chairs to gather feedback following the first round of applications. He noted several changes worth mentioning. The state will now give Regional

Councils the authority to award grants of \$100,000 or less. These grant requests would still need to be approved by the GO Virginia staff, followed by state board endorsement. A change recommended by Region 5 allowing grant applicants the opportunity to present and answer questions during the subject matter review as well as consideration by the state board (either in person or virtually) is now part of the state process. This will be useful if questions arise that only the grant applicant can answer. Making this adjustment will prevent the need for some resubmissions in the future. Two applications from Region 5 that were deferred in the first round of grants awarded in December were resubmitted and approved at the GO Virginia Board meeting on February 13th. The state is also now providing conditional grant approvals. Region 5 recommended a more flexible process for worthy projects containing elements that are progressive. The state was appreciative of these process improvements.

FY 2018-2020 State Budget and Additional Funding Request for GO Virginia: The Senate Finance Committee recommended continuing the same amount of funding over the next biennium while the House Appropriations Committee added \$15 Million (\$ 5 Million in Year 1 and \$10 Million in Year 2). Between now and February 28 the two houses will reconcile their differences. Mr. Spore concluded by stating that there is a lot of positive momentum around the GO Virginia initiative.

Contract Development and Deferred Project Status: The sub-grantee agreements approved today will be the template for agreements going forward, a format used in all nine regions. A meeting with GO Virginia staff on February 23rd will focus on developing contracts for the Unmanned Systems Facility and 757 Seed Fund. In an effort to provide a quick response, action taken authorizing the Executive Committee to approve sub-grantee agreements will improve the process.

5. GO VA Calendar and Future Project Ideas

Mr. Spore referenced the memo updating per capita grant apportionment and the remaining balance that will carry over to the new budget allocation for Region 5. That balance is currently \$660,322. The intent is that unused funds will carry over continually.

If the Senate version of the state budget is approved, Region 5 will receive enough to adequately cover the second year funding for the Virginia Digital Shipbuilding Program and HRCyber-Co-Lab, assuming they meet their milestones in Year 1. The remaining \$ 1.6 Million would be available for use for per capita projects in year 2. Future funding for the Unmanned Systems Facility project is yet to be determined, based on the first year preliminary engineering analysis.

In addition to capacity building funds there is a statewide competitive fund of \$11.5 Million. Assuming the conservative budget is approved, this fund will also grow.

Mr. Avery asked about the status of the broadband initiative. The state deferred funds to this project until there is more policy direction at the state level. The cities regrouped, understanding this may take a while so they are proceeding with the preliminary engineering component.

There are no competitive, statewide grant applications that have been made to our knowledge. Mr. Frantz stated that the competitive grant opportunity has led to calls between Region 5 and at least three other regions on projects. One opportunity relates to workforce development with Region 7 (northern Virginia). Region 6 (middle Peninsula) is interested in working with our region on a Water Science/Technology-related project. Region 4 (Richmond) is also interested in looking at opportunities with Region 5. Coincidentally, the recently released CBRE report on the port

suggested there be a greater connection between Hampton Roads and Richmond. The combined statistics of the two regions is significant for marketing and business attraction purposes.

Mayor Price mentioned in a recent HRPDC meeting there was discussion about the region's lack of shovel ready sites and how urban communities with limited developable acreage could partner with communities with available land and enter into a revenue/cost-sharing arrangement. Would this type of project be eligible for GO Virginia funding? Mr. Frantz suggested that it would and sited the example of a 400 acre parcel of private property on I-64 between Hampton Roads and Richmond that could be a potential mega site, but that needs access to water, a major asset in Newport News.

Mr. Tingle stated that one of the key elements of the Unmanned Systems Park is establishment of a Regional Industrial Facilities Authority (RIFA). There is potential for the RIFA to be much larger than what is needed to support the park. While the RIFA needs to be focused on moving this project forward, it may also at some point morph into an authority that could extend well beyond Region 5, perhaps into Regions 4 and 6.

Ms. Herbert mentioned the three near shovel-ready sites in Suffolk referenced in the CBRE report. It is possible these sites could be expanded or capitalized upon, providing another opportunity for the region to come together on a significant project.

Mr. Spore referenced materials in the meeting packet that describe the fourteen projects throughout the state that were considered by the GO Virginia state board. Four of the applications are related to site development. He asked Regional Council members to review those projects to stimulate ideas that could be supported with capacity building or competitive funds from GO Virginia. He also highlighted the five potential GO Virginia project areas tied to the region's Economic Growth and Diversification Plan as well as the GO Virginia Board meeting and grant review schedule through 2018.

Mr. Tingle suggested considering a strategy that is focused more on building upon the GO Virginia projects funded. The approach would not prevent other grant opportunities from being considered. It is easy to do too much and cover too many bases and the projects supported thus far have a great growth potential. He also suggested the need to reach out to the Economic Development professionals as was done by Mr. Kuhns on the Peninsula. They understand the needs that exist. The Unmanned Systems Facility project came out of bringing the Peninsula practitioners together.

Mr. Frantz invited the Economic Development professionals in the room to introduce themselves. Warren Harris (Virginia Beach) and Steven Lynch (Hampton) were in attendance. Mr. Lynch mentioned the RIFA referenced earlier will be set up with no limits to participating jurisdictions. They are looking for the RIFA to be in a position to take on other projects, serving as a collaborative body for the region.

Mayor Price asked if there were any restrictions in using GO Virginia funds to work with military facilities? Mr. Frantz indicated he did not expect there would be an issue working on projects that expand government contracting jobs or helping those transitioning from military service into the private sector. There has been some interest expressed on ways to partner in the use of existing military facilities. There could also more connectivity between the private sector and the research and development within the region's federal facilities that will ultimately produce more jobs.

6. Comments on Region 5 Project Review Process

Mr. Spore invited members of the council to share any ideas or thoughts they might have to improve or better streamline the regional application review process.

7. Public Comment

Mr. Frantz thanked Diane Kaufman from Senator Kaine's office and Erin Carter from Senator Warner's office for attending. Ms. Kaufman asked about the group's interest in off-shore wind energy. Having the presence of Newport News Shipbuilding, as a major manufacturer, could be positioned to design and build wind turbines.

Mr. Harris shared the broadband-related announcement of the co-location facility near the cable landing station, providing more access to the transatlantic cables coming into Virginia Beach. This provides opportunity for not only data centers but for data analytics, which is where jobs will be created.

8. Other Business/Items of Interest

Mr. Frantz reported the College of William and Mary has a new President. Katherine Rowe will begin July 1, 2018. She is the current Provost and Dean of Faculty at Smith College. She is also an entrepreneur and a scholar in literature. She co-founded a company called Luminary Digital Media, which promotes interactive reading applications to help students engage with Shakespearean texts. Before coming to Smith, she served 16 years on the faculty of Bryn Mawr College in Pennsylvania.

Ms. Herbert referred to an earlier comment made about the wealth of knowledge and experience that exists in the region. She recommended the Regional Council break into groups to brainstorm ideas. Taking Ms. Herbert's recommendation to the next step, Mr. Frantz asked members to come up with three or four big ideas to pursue and share them with him or Mr. Spore. Mr. Lynch asked that when these brainstorming sessions are convened that the economic development directors be invited to participate as well.

9. Adjournment

There being no further business to come before the Executive Committee, Mr. Frantz adjourned the meeting at 1:55p.m.

Respectfully submitted,

Donna S. Morris

Donna S. Morris
Secretary to the Regional Council

APPROVED



Thomas R. Frantz
Chair of the Regional Council