

**GO Virginia Hampton Roads
Regional Council**



**MEETING NO. 9
July 12, 2018**

The Annual Meeting of the GO Virginia Hampton Roads Regional Council (“Regional Council”) was held Thursday, July 12, 2018, at 10:00am at Old Dominion University’s Virginia Modeling Analysis and Simulation Center (VMASC) in Suffolk, VA.

Members Present:

Shawn Avery	Thomas R. Frantz, Chair
Kenneth Alexander	Jeffrey Holland
Timothy J. Bentley	Jerry Miller
John R. Broderick	J.D. Myers, II
Anne C. H. Conner, Vice Chair	Bryan Stephens
John T. Dever	Thomas G. Tingle
Jack L. Ezzell, Jr.	

Members Absent:

Roland Bailey	John Olson
R. Bruce Bradley	McKinley Price
William B. Downey	John F. Reinhart
Michael Gentry	Frank W. Roach
Maria Herbert	Jeffrey Smith
Louis R. Jones	Bruce Thompson
Michael Kuhns	Gary Warren
Eric Miller	

DHCD staff present:

Lindsay Barker	Billy Gammel
Courtney Dozier	Jordan Snelling

Staff Present:

James K. Spore, President & CEO, Reinvent Hampton Roads
Donna S. Morris, Executive Vice President, 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 thanked Dr. Weisel, Mr. Costulis and the staff at VMASC for hosting the meeting, providing lunch and a hands-on lab experience following the formal meeting. He also recognized four members of the Virginia Department of Housing and Community Development in attendance, Ms. Dozier, Ms. Snelling, Mr. Gammel, and Ms. Barker.

2. Approval of February 20, 2018 Regional Council meeting minutes

ON A MOTION MADE AND SECONDED THE REGIONAL COUNCIL APPROVED THE MINUTES OF THE MAY 10TH MEETING AS PRESENTED IN THE AGENDA MATERIALS.

Mr. Frantz recognized the efforts of GO Virginia that have resulted in greater connectivity and innovation at levels we have ever seen before. He specifically referenced the NBC survey results of recent that ranked Virginia as the 4th Best State for doing business.

3. Report of the Nominating Committee

Ms. Conner recognized and thanked members of the Nominating Committee for developing the list of action items and recommendations to be considered. Following a brief discussion the following actions were taken by the Regional Council:

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED AMENDING ARTICLE III, SECTION 2 OF THE BYLAWS, INCREASING THE NUMBER OF MEMBERS FROM TWENTY-SEVEN (27) TO TWENTY-EIGHT (28).

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED THE REAPPOINTMENT OF THE FOLLOWING MEMBERS TO THREE YEAR TERMS EFFECTIVE JULY 1, 2018: MAYOR ALEXANDER, MR. AVERY, MR. BENTLEY, MR. BRODERICK, MS. CONNER, MR. HOLLAND, DR. DEVER, AND MR. BRADLEY.

Ms. Conner indicated Mr. Michael Kuhns submitted a letter of resignation upon retiring as President & CEO of the Virginia Peninsula Chamber of Commerce. Additionally, a notification not to be reappointed was received from Mr. Roland Bailey, small business owner on the Eastern Shore. The Nominating Committee recommended adding Mr. Bob McKenna to the board as the new President of the Virginia Peninsula Chamber of Commerce and Mr. Patrick Coady, local entrepreneur and broadband expert from the Eastern Shore to fill these vacancies. The following action was taken:

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED THE APPOINTMENT OF MR BOB MCKENNA TO FILL THE UN-EXPIRED TERM OF MR. MICHAEL KUHNS.

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED THE APPOINTMENT OF MR. PATRICK COADY TO FILL THE THREE-YEAR TERM PREVIOUSLY HELD BY MR. ROLAND BAILEY.

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED THE FOLLOWING OFFICERS FOR 2018-2019:

- MR. THOMAS R. FRANTZ, CHAIR
- MS. ANNE C.H. CONNER, VICE-CHAIR
- MR. JAMES K. SPORE, TREASURER (President & CEO/Reinvent Hampton Roads)
- MS. DONNA S. MORRIS, SECRETARY (EVP, Reinvent Hampton Roads)

4. GO Virginia State Budget Results and Update on Funds available to Region 5

Ms. Morris provided the following overview of the approved State budget for GO Virginia:

GO Virginia Pool	FY19	FY20
Capacity Building	\$3.25M	\$2.25M
Per Capita	\$13.9M	\$16.9M
Competitive	\$12.3M	\$15.3

As background, Ms. Morris reported on actions taken by the GO Virginia Board to establish a FY19 per capita floor of \$1M for each region by moving funds from the FY19 competitive pool. A total of \$1,355,120 was moved from competitive to per capita. These modifications adjust the funding amounts as follows: \$15,225,120 for FY19 per capita and \$10,944,880 for FY19 competitive.

Region 5 received \$650,000 for capacity building in 2018 to support foundational work to include developing the regional economic growth and diversification plan, support studies/consulting work, and administrative cost-sharing with Reinvent Hampton Roads. The unused balance of \$154,018 will carry into FY19, but must be used before the FY19 allocation of \$361,111 can be accessed. Of the FY19 allocation \$111,111 must be matched 2:1 (\$2 in state funds for every \$1 in local match).

Region 5 will carry over \$660,322 from the per capita pool. This amount, coupled with the approved \$ 2.8 Million for FY19 brings the per capita allocation up to \$3.5 Million. It was envisioned that \$ 1,290,253 of this total would fund the Year 2 requests for the Virginia Digital Shipbuilding and Virginia Cyber Alliance predicated on achieving first year program outcomes and metrics. It is also possible a subsequent request may be made to support the next phase of the Hampton Roads Unmanned Systems Facility project.

Prior to the May 10th Regional Council meeting the state asked each region to submit an approved 2019 capacity building budget, based on the Governor's introduced budget that provided \$250,000 to each region of the state. The Regional Council Executive Committee met, reviewed and approved a budget and submitted it to DHCD on May 30th. The final State approved budget provides an additional \$111,111 over the \$250,000. Based on the additional funds allocated for capacity building the following action was taken:

ON A MOTION MADE AND SECONDED, THE REGIONAL COUNCIL APPROVED A REVISION TO THE EXECUTIVE COMMITTEE-APPROVED CAPACITY BUILDING BUDGET FOR 2019, PLACING THE ADDITIONAL \$111,111 INTO *PROJECT RESERVES*.

5. Quarterly Status on Region 5 GO Virginia Projects

As an introduction Mr. Frantz cited the current successes as well as the opportunities that lie ahead for regional and inter-regional GO Virginia funded projects. He asked Regional Council members to think of themselves as a venture capital body, investing in initiatives that create jobs and improve productivity. Mr. Spore was asked to provide an update on Region 5 GO Virginia funded projects.

Mr. Spore began by recognizing DHCD staff for their assistance on financial and policy matters. State legislation requires the Regional Council to be the party responsible for monitoring progress on GO Virginia-funded projects. At the May meeting of the Regional Council first quarter report presentations were given by the four grant recipients. The second quarter reports for each project can be found in the agenda packet. Mr. Spore indicated all four projects are on track and he invited members of the council to comment or ask questions on the materials provided.

Ms. Conner provided a brief update on 757 Accelerate (funded through a federal EDA i6 Challenge grant), connected to the GO Virginia-funded 757 Seed Fund initiative. She indicated the application period closed on June 22nd and they received ninety-four for the first cohort. The vetting team reduced that number down to twelve, which was then reduced to five by a selection team. The quality of the applicants was significantly better than what was expected and are ready to begin their intense 12 week acceleration process. During this time the legal work and infrastructure needed to establish the seed fund is still under development.

Mr. Spore provided an update on the Broadband initiative that was recommended for Go Virginia funds by the Regional Council, but was declined by the State Board pending development of a state policy on broadband. He recognized those in attendance at the meeting that have been involved in advancing this initiative. Local government funds were committed totaling \$ 600,000 to initiate the design of a region-wide connected ring. The first phase would encompass the southside and second phase would cover the Peninsula, and an additional phase could serve western Tidewater and the Eastern Shore. This project is moving ahead with growing excitement.

Mr. Spore invited Principle Investigator Dr. Mike Robinson to introduce representatives from the companies and Entrants participating in the Virginia Cyber Alliance (a.k.a. HRCyber Co-Lab). Dr. Robinson stated the program has far exceeded their goals. By this date the first two employees were expected to be placed in the digital entrant program. The program provides a partial salary subsidy during the first year of employment with the company that hires the individual guaranteeing they will complete certain milestones. By the end of July five entrants will be in place. He introduced the companies (also represented on the Virginia Cyber Alliance Advisory Board) supporting this initiative: (1) **Kimberly Frost of RFK Solutionz** is a small veteran-owned company in Chesapeake that concentrates on cybersecurity services and training. The two Entrants recently hired were present and introduced. (2) **Tracy Gregorio of G2Ops**, runs the company based in Virginia Beach with offices in Arlington and San Diego. They focus on DOD and commercial companies doing data modeling, cybersecurity training and systems engineering. Their recent Entrant is a graduate of ODU. Another component of the program is to keep qualified military who exit in Hampton Roads stay in the region and G2Ops recently hired a military retiree. (3) **Leigh Armistead of Peregrine Technology Solutions**, the largest of the companies hiring Entrants, is the only company in the country that supports and runs a double-blind peer review journal for professional work. Peregrine also teamed with TCC on the first Department of Labor-registered apprenticeship program in cybersecurity. A second program will soon be put into place covering cybersecurity and UAV with Thomas Nelson Community College. Money is not applied only to developing home-grown talent, but also attracting talent from outside the region and state, something Peregrine is also doing. A recent hire, from Alaska, will allow them to open an additional location in Newport News. Congratulations were offered to all involved in the program.

Mr. Spore invited Principle Investigator, Dr. Jennifer Michaeli to provide an update on the Virginia Digital Shipbuilding Program (VDSP), citing major milestones in collaboration with their industry and government partners. She reported that they have an agreement in cloud-based shipbuilding curriculum with the Siemens, Amazon Educate, Newport News Shipbuilding and several other educational partners. In order to scale up digital shipbuilding career development pathways in curriculum and credentialing opportunities they must go to a cloud-based services venue. They are piloting a program over the next year, primarily in Hampton Roads, with colleges, universities, K-12, and credentialing schools. The cloud-based curriculum will allow all students access to the software, curriculum and training environment versus having the burden placed on the educational partners for all of the IT and software upgrades required. The vision is to use this same method across the state, if successful. The upcoming Digital Shipbuilding event at the Martinsville Speedway in October is in collaboration with the New College Institute. The Newport News Shipbuilding mobile experience trailer, along with a team, will connect with students in this part of the state. The Marine Electric Propulsion Simulation (MEPS) Lab was initiated with

funding from the Office of Naval Research. It is part of the in-kind contribution to the Virginia Cyber Alliance and it is a great collaboration between educational institutions, industry, the Navy and Army Corps of Engineers. They are working with the Newport News Economic Development Authority to stand up this lab. The lab will be multi-purpose – touching on workforce development, innovation and technology training environment focused on hybrid and electric propulsion of vessels of the future. The Digital Shipbuilding Innovation in STEM at Newport News' Brooks Crossing is also progressing as a hand-on site for students and family members, exposing them to advanced manufacturing. The VDSP is also working with the Office of Naval Research on how to expand the program to transitioning veterans and provide career pathways into the public shipyards. Plans are in the works to obtain federal funds to expand the program into public shipyards like Norfolk Naval Shipyard and Bremerton Shipyard.

Mr. Broderick mentioned that one of the challenges across the Commonwealth is how do we attract and retain good, young faculty members like Dr. Michaeli. He says that each year SCHEV will give out awards recognizing outstanding faculty and she was a recipient in 2017, an integral part of how we attract and keep talented faculty. He noted that ODU and William and Mary faculty have received more of these awards than any other public institution in the Commonwealth.

6. GO Virginia Region 4 and Region 5 Collaboration

Mr. Frantz talked about the collaboration underway between Hampton Roads (Region 5) and Richmond (Region 4). Richmond leaders include Mr. Ted Chandler (Richmond Ventures) and Mr. Kim Sheeler (Richmond Chamber of Commerce). They approached Mr. Frantz to discuss efforts to expand underway by the Greater Washington Partnership. These discussions caused Richmond to think about collaborating more with the southeast, considering the connections and opportunities such as development of the port and broadband. They are interested in collaborating with Hampton Roads, to include forming an entity, funding and staffing it. Two areas they wish to focus upon include universities and GO Virginia competitive grant opportunities. He indicated that workforce development and training could also be expanded further into Region 7, considering the talent pool coming out of the military in cyber and advanced technology. Follow-up meetings are expected to begin in September and occur quarterly. GO Virginia has prompted actionable collaboration.

7. Discussion of Collaborative Opportunities

Mr. Spore referenced the Memorandum in the agenda package that lists 29 projects approved to date for funding by the state GO Virginia Board. The largest number (18) is related to workforce/talent development. Several site and spec development projects are also being supported with GO Virginia funds.

The entrepreneurial ecosystem is gaining momentum and could be another potential area where multi-regional collaboration could occur. No inter-regional projects have been funded to date, but there is at least one application that the state will consider at their upcoming meeting. A question was asked and it was confirmed that unused competitive funds from FY18 will be carried over into FY19.

Mr. Spore noted the features that have appeared in the local and state media highlighting projects that have been funded in Region 5. Virginia Business and Inside Business – *Inside Business* will feature a GO Virginia/RHR project each month.

Considering the potential pipeline of future projects Mr. Spore referenced the memo to the Reinvent Hampton Roads Board that was included in the agenda packet. The memo lists regional opportunities that may trigger possible GO Virginia-eligible projects. The Hampton Roads Business Roundtable (HRBR) was given this list for input and as a result the following items were agreed upon: Leadership – includes the VolunTIER Vision program; Workforce – Mr. Avery reported on plans for a follow-up workforce gap analysis as well as efforts underway to promote more collaboration between the two Workforce Investment Boards (WIBs), and future plans to engage the Eastern Shore’s WIB. Ms. Conner mentioned another small, but impactful workforce development opportunity to consider for GO Virginia inter-regional funding support would be the WHRO Skills Online initiative, given discussions between Hampton Roads and Southwestern Virginia; Economic Development Sites – Mr. Spore mentioned the work done by HRPDC and HREDA to inventory sites and get them certified. Analyses completed regionally and state-wide have identified the lack of ready sites. When this work is completed, there will be a leadership opportunity that will include establishing a Regional Industrial Facilities Authority (RIFA) providing a mechanism for localities to share revenue and costs; Entrepreneurial Start-up & Ecosystem – There is a potential pipeline project that would involve all nine regions. Region 5 is taking the lead on this with the help and support of 757 Accelerate, 757 Seed, and 757 Angels (through the VA4E program). The program includes a statewide competition to encourage and increase entrepreneurship around the state; Scale-Up of SMEs – Mr. Holcomb with GENEDGE, was recognized as the primary contact in the region. Seven city and county partners are involved in this program with a goal to get twenty companies through the scale-up program; Port Development/Advanced Manufacturing/Logistics – Mr. Reinhart is taking the lead, using results from the Port Opportunity Study that was completed the end of 2017; Economic Development Alliance – Mr. Spore will share the presentation on the structuring of regional economic development later in the meeting; Broadband/Cyber/Data Analytics – The localities have taken the lead on a project that could become GO Virginia grant eligible; Military/DOD – The objective is to get to a strategic level and determine how we can do business better. Projects like off-shore wind was mentioned as an opportunity to help the Navy as well as our region and the state; Mega-region/Collaboration with Richmond; Branding the region – The Reinvent Hampton Roads (RHR) Board indicates this should be done professionally; Alternative Energy – There is work underway in off-shore wind; Jefferson Lab Expansion – Mr. Alan Witt has agreed to lead this project, working with the City of Newport News; Tourism; and Bio-Science Center of Excellence.

The items above are included in the agenda package along with the Job Creation Model that connects to each of the topic areas. Activity is underway in each area and the theory is if we do a good job in each of these areas, overtime, we will be successful as a region. It is a comprehensive effort and the challenge is how can we boost the momentum with GO Virginia.

Mr. Spore invited members to share with the group any project ideas they believe are worth pursuing. ODU is currently working on the concept phase for establishing a Maritime Center for Innovation that would potentially have a global reach. Site development and infrastructure have potential, an example being the Riverside Hospital site on the Eastern Shore providing opportunity for a creative project to help the eastern shore economy.

The GO Virginia board meeting schedule for the remainder of the year was also highlighted by Mr. Spore. The grant application deadline for the October 9th meeting is September 7th and for

December 11th is November 2nd. The meetings of the GO Region 5 Regional Council for the remainder of 2018 are scheduled on September 6th and November 8th.

Mr. Frantz asked Regional Council members for their input on what projects they think are or can be in the pipeline for consideration both within the region and in collaboration with another region,

He mentioned that Gloucester and VIMS is in Region 6 and with ODU in Region 5 there could be an opportunity within the area of science and water technology. Mr. Broderick indicated the relationship already exists between ODU, William and Mary and VIMS and while there has been collaboration in areas like water resiliency, there may be other opportunities worth pursuing that would qualify for GO Virginia competitive funds. There is nothing on the list regarding sea-level rise. RHR is relying on RISE to come up with possible projects in this area. Ms. Conner also mentioned the MIT SOLVE Challenge currently underway could also result in project ideas. This program is attracting international attention and a significant amount of funding is in place to support it.

Ms. Snelling (DHCD) reported that the GO Virginia Board recently approved a planning grant for VIMS though Region 6 and there was a letter of support from the city of Norfolk included with the application. They are bringing national resiliency experts from Louisiana into the area to look at how initiatives like this can impact the economy – by developing new technology to resolve problems. Several workgroup sessions have been set up, including members of RISE and DHCD staff overseeing the HUD grant.

Mr. Spore provided a brief presentation with the Regional Council on work being done to assist HREDA and how it affects RHR and the GO Virginia Regional Council. The discussion focused on where we are and where we are going with economic development in the region. The issue is how to organize to address the opportunities afforded the region and are we making the most out of those opportunities and the assets the region has. An old model of economic development has been in place for many years and not where the most jobs are created today. The new model is a more comprehensive approach that will require more adequate funding, refocusing HREDA, in areas consistent with the IBM study. The conclusion is to refocus but keep HREDA independent, but with a true partnership with local economic development departments. Regardless of the model selected, the resources need to increase as currently it is dramatically underfunded. The private sector needs to step up and become a larger player. The goal is to have a \$4 million annual program (twice as much as the program receives today).

The next step is to create a joint committee to determine the direction and structure. The economic development directors (Newport News and Virginia Beach) present in the audience expressed their support for the changes recommended. Business leadership is the driver and critical. Mr. Spore wanted the Regional Council aware of the discussions underway.

8. Public Comment

Mr. Frantz opened the floor to public comment. Mr. Costulis reported that ODU is being contacted about opportunities to expand the digital shipbuilding and cyber program into other regions around the state. Mr. Frantz asked to Mr. Costulis provide a letter of intent or whitepaper outlining prospective inter-regional opportunities discussed.

Dr. Filer mentioned the Maritime Innovation Hub project underway. ODU is committed by January 2019 to have a location established for this hub. This too, will be a multi-region initiative. He mentioned maritime accelerators that exist in Rotterdam, Marseilles, Singapore and Haifa. The ultimate goal is to establish the center in Hampton Roads then MOU's would be signed with other hubs throughout the world to provide global connection, corporate exchange and rotating residencies for faculty from other institutions. The port of Virginia is very interested in this project due to the innovation opportunity that exists in the industry.

9. Other Business

No business.

10. Adjourn

There being no further business, Mr. Frantz adjourned the meeting at 11:28 a.m. Following the formal meeting members and guests gathered for lunch and tour of the labs featuring the Virginia Digital Shipbuilding and Virginia Cyber Alliance projects.

Respectfully submitted,

Donna S. Morris

Donna S. Morris
Secretary to the Regional Council

APPROVED



Thomas R. Frantz
Chair of the Regional Council