GO Virginia Region 2

Growth and Diversification Plan

Prepared by the Virginia Tech Office of Economic Development
GO Virginia objectives as set by the state:

Grow jobs that pay higher than the regional median wage primarily through investment new to Virginia

Regional median wage: $18/hour or $37k annually
Priority Industry Clusters

- Advanced manufacturing
- Life sciences and healthcare
- Food and beverage processing
- Emerging technology and IT
Region 2 Priority Industry Clusters--GDP, LQ and Shift-Share

Source: EMSI 2017.3; QCEW
Strategic Priorities

• Talent development
• Development of unique sites and buildings
• Entrepreneurship and business development
• Technology development
Talent Development

• Why is this important?
  • At least 23 institutions of higher learning
  • Nearly 24,000 degree completions in 2015

• Problem:
  • Jobs requiring a certification or degree have not increased at the same pace as completions
  • Failing to retain, and attract, mid and early career workers and families
  • Gaps or Challenges: talent, interest, skills, affordability, coordination
  • Talent attraction may be the “core issue of our region”
Aging Baby Boomers

- Bulge of 20-24 (universities), not retaining after graduation

- **Declining:**
  - 5-19
  - 35-49

- **Growing:**
  - 0-5
  - 20-34
  - 50+
Talent Development Strategies

• Strengthen K12-career pipeline for each priority sector
• Increase completion of industry-relevant credentials/degrees
• Enhance coordinated marketing and access to training for in-demand skills.
• Engage employers to promote job-based and experiential learning, including internships and talent retention
Sites and Buildings

• Why is this important?
  • Increasing complexities and demands of “product” or site development

• Problem
  • Limited number of large sites, graded pads, and “shovel-ready” development sites
  • Limited resources for site development
  • Virginia SCAN system provides limited information on available sites
  • Actors in the private market may be overlooked
Sites and Buildings Strategies

- Improve information about site and buildings characteristics and market demand for sites and buildings
- Incentivize collaborative investments at all stages of joint site/building development
- Develop and implement real estate strategies to leverage special assets
Entrepreneurship and Business Development

• Why is this important?
  • Common goal = support the development of young and growing firms in the region

• Problem
  • Job creation by startups remains lower than the state and nation
  • The overall density of startups (i.e. four startups for every 1,000 people) is also lower than the state and nation
  • Compared to other regions, the amount of accessible capital is scarce in Region 2
Entrepreneurship and Business Development

Jobs Created by Young Companies
(5 Years Old or Less)

- Region 2
- Virginia
- US

<table>
<thead>
<tr>
<th>Year</th>
<th>Region 2</th>
<th>Virginia</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>18%</td>
<td></td>
<td></td>
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<tr>
<td>2010</td>
<td>22%</td>
<td></td>
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<tr>
<td>2015</td>
<td>24%</td>
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Entrepreneurship and Business Development Strategies

- Increase presence of and access to capital investors
- Expand and coordinate mentorship and training resources to increase the supply and flow of investible ventures
- Improve awareness of existing capital, mentorship & training resources
Technology Development

• Why is this important?
  • Region has identified technology, information technology, or cybersecurity as important sectors for future growth
  • IT sector job growth projected to be 6.5% from 2016-2021, markedly greater than the state’s projected growth of 4.0%
  • Professional, scientific and technical services sector jobs up 19% over last 10 years

• Problem
  • Supply of fundable deals
  • Underperforming compared to peers – research commercialization and funding
  • Support for start-up and scale-up of high-growth potential companies
Technology Development Strategies

• Increase investments and support for emerging and critical industries and innovative technologies

• Expand and enhance technology transfer and research commercialization to spur regional company growth and venture creation

• Support and enhance regional talent attraction efforts

• Grow the number of individuals entering and completing training and educational programs for higher-wage in-demand occupations
Project Criteria – for each strategy:

• They use one or more of the described strategies.
• They show evidence of partnerships, including corporate partnerships
• They align their activities with three or more of the identified success metrics.
• They describe how they will sustain their program after completion of the grant
Implementation

• Multi-stage screening - vigilant selectivity and strong preference for “move the needle” projects (not just “business as usual”)

• Assessing Projects
  • Meaningful project match
  • Likely to grow higher-paying jobs and increase revenue
  • Directly responds to identified strategies and priority clusters
  • Cross-regional partnership and benefit broader region
  • Innovative and forward-looking
  • Promotes sustainable, long term economic growth
Moving forward...

• Final edits
• Submit to state GO Virginia board for review
• Council to begin process of developing a solicitation for projects and initiatives that may be funded by the state in response to this plan