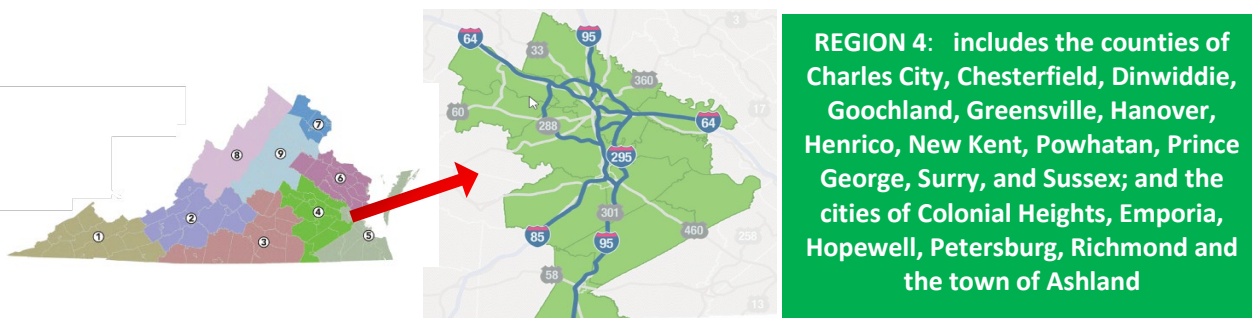


Region 4 Annual Report Fiscal Year 2022 July 1, 2021 to June 30, 2022

I: Introduction

GO Virginia GROW Capital Jobs Foundation is the support organization for Region 4 of GO Virginia, a statewide initiative to improve the Commonwealth's economy by increasing the number of high paying, private sector jobs and encouraging regional cooperation among business, education, and local jurisdictions. Higher paying jobs are a leading indicator of overall business growth and development.

Region 4 represents the Crater Planning District Commission and the Richmond Region Planning District Commission as shown on the map.



The region 4 targeted sectors that drive our project development and activities include:

- Workforce development and Talent Attraction and Retention
- Enhancing the Innovation/Information Technology Ecosystem
- Site Readiness and Development
- Supporting Potentially Transformative projects and Emerging Clusters Related to Bioscience, Advanced Manufacturing and Logistics

This report will outline and summarize activities accomplished during July 1, 2021 to June 30, 2022.

II: Growth and Diversification Plan Update

The 2022 update to the Economic Growth and Diversification Plan was completed and presented to Region 4 Council for approval on December 15, 2021.

The plan was prepared by Dr. Bob Holswoth, DecideSmart after working closely with a dedicated special council committee. Input included an extensive Council Survey, numerous stakeholder meetings and industry specific ideation sessions. The plan focuses on key trends and changes that have occurred since the 2019 update to the original Growth and Diversification Plan, with special attention to those that have arisen since the onset of the pandemic that have affected the priority areas of workforce, start-up ecosystem, cluster scale-up and site/infrastructure development.

The update noted that the largest changes appear to have occurred with workforce. Business leaders and economic officials consistently described how the terms of engagement between employers and workers have been altered. In several respects, these changes have exacerbated challenges that had been previously highlighted such as finding and retaining skilled talent and have reinforced the necessity of building a better pipeline, making transitioning military programs more effective, creating innovative programs that combine upskilling with paid employment, and finding ways of shaping the trend toward remote work to the region's advantage.

The plan update noted that the pandemic resulted in fewer jobs in cluster scale-up priority areas such as advanced manufacturing, information technology and bioscience, but there are clear opportunities for the region to capitalize on the national emphasis on reshoring manufacturing and using technology to increase productivity. In particular, the pre-pandemic commitment of the region to building a pharmaceutical manufacturing cluster brings together the region's strength in bioscience, advanced manufacturing and logistics in a unique manner that holds the potential for national and global leadership. Logistics has been the cluster priority that fared best through the pandemic.

The global supply chain disruption enhanced the natural locational advantages of Region 4, adding jobs and increasing incomes. The logistics cluster should continue to prosper with attractive sites located along I-64, I-95, and I-85, with attention to specialized facilities such as cold storage and by encouraging organizations such as Commonwealth Center for Advanced Logistics Systems (CCALS) to work with its university consortium to meet the identified need for degreed logisticians.

The landscape for site/infrastructure development has also changed since the pandemic. Region 4 is site rich compared to other regions in the Commonwealth and could benefit significantly from the focus on reshoring and the massive changes in the logistics space. In addition, federal and state infrastructure funding should ameliorate the broadband issues that inhibited economic development in the more rural parts of the region. But local governments and economic development officials report that potential clients are less willing to wait 12-18 months for a site to become business ready. Elevating priority sites to business-ready more quickly and increasing the regions capability for addressing utility and transportation infrastructure issues will be crucial to taking full advantage of its site inventory.

The report contains 16 recommendations, 4 in each of GO Virginia's priority areas.

- Workforce/Talent recommendations call for focusing intently on pipeline projects and identifying the locations on the pipeline where Grow Capital Jobs can be most effective in catalyzing high paying jobs. Recommendations also include developing an effective model for recruiting transitioning military and implementing models for upskilling workers while maintaining paid employment.
- Start-up Ecosystem Recommendations call for Activation Capital to apply for a Regional Entrepreneurial Initiative grant that will fill-in the most prominent gaps in the ecosystem, to align projects with the Council's priority clusters and with innovation-based larger firms, and to include lab space needs in the Council's site development considerations.
- Cluster Scale-up recommendations call for prioritizing the emergent pharmaceutical manufacturing cluster, for working more closely with regional and local economic development officials to address gaps that can inhibit relocation or expansion decisions of firms in priority areas, and to explore with Region 5 the potential for creating a global internet hub that could create more tech-based employment in the region.
- Site/Infrastructure recommendations include using projects to enhance the pharmaceutical manufacturing cluster, identifying, and funding a few high potential sites that can be elevated to user-ready status expeditiously, capitalizing on supply chain disruption to develop specialized logistics facilities such as cold storage and to enhance activity near the Richmond Marine terminal, and to develop partnerships to address utility/infrastructure issues earlier in the site readiness process.

III: Project Summary

To discuss business and consider and review projects for further vetting by our Foundation Board and eventually final approval, the Region 4 Council convened eight times between July 1, 2021, and June 30, 2022. The Region 4 Foundation Board met four times during that time period to discuss, evaluate and possibly recommend projects for final approval by the Region Four Council. The Council's Executive committee met three times. The Region 4 nominating Committee met twice.

Over that same period, with continued Covid related economic disruptions GROW Capital Jobs Region 4 submitted six projects to DHCD for consideration and approval. All of those projects were submitted to the GO Virginia State Board for approval, and all were subsequently approved.

These projects represent an increased project portfolio of \$3,161,330. (This figure does not include match funds) Total Region 4 sponsored grants equal over \$14,200,000 to date.

The approved Region 4 sponsored grants included projects in a variety of categories including ECB, Per Capita and Statewide Competitive.

THE BELOW PROJECTS WERE SUBMITTED BY REGION 4 AND APPROVED BY THE GO VIRGINIA STATE BOARD WITH THE GOAL OF ADVANCING REGION 4'S PRIORITY AREAS.

WORKFORCE/TALENT PROJECTS

New Kent /Rappahannock Welding School Regional ERR project

To train and develop a pipeline of welders, meeting a critical and growing need in the area.

Award - \$300,000

Committed Match - \$150,000

Participating localities include Charles City County, King William County, New Kent County and Town of West Point.

Outcomes include:

- 60 Students trained
- 6 businesses served
- 50 credentials awarded
- 15 students enrolled in dual enrollment

Building a Pharmaceutical Manufacturing Talent Pipeline

To meet the emerging advanced pharmaceutical manufacturing sector's workforce demands and grow a diverse regional pipeline of skilled advanced pharmaceutical manufacturing technicians.

Award - \$482,000

Committed Match - \$246,160

Participating localities include County of Chesterfield, County of Dinwiddie, City of Petersburg, and County of Prince George.

Outcomes include:

- 125 students trained
- 125 Credentials awarded
- 164 students enrolled
- Completed Brightpoint Chester Campus Pharmaceutical Manufacturing lab
- Two pharmaceutical manufacturing training programs created

START-UP ECOSYSTEMS PROJECTS

Lighthouse Labs Alumni Program

To provide an additional 9 months of support to alumni of the pre-seed accelerator program for early-stage companies with high growth potential.

Award - \$429,000

Committed Match - \$234,000

Participating localities include Henrico County and the City of Richmond.

Outcomes will include:

- 90 jobs created in 3 years,
- Up to 40 founding companies served
- 12-16 new internships created
- \$2.4 million in new revenue generated

Growing the Pipeline: Expanding Early-Stage Entrepreneurial Support

To support the entrepreneurial rise created by the pandemic to cultivate and expand the pool of early-stage startups in Region 4.

Award - \$250,000

Committed Match - \$125,000

Participating localities include Chesterfield County, Henrico County, and the City of Richmond.

Outcomes will include:

- 20 new businesses created
- 70 early-stage companies served
- Idea factory custom idea-stage software platform created
- Licensed technology platform for mentoring

Activation Capital REI for Region 4

To develop a strategy for defining and implementing recommendations to further grow the Region 4 entrepreneurial ecosystem.

Award - \$300,000

Committed Match - \$150,000

Participating localities include Chesterfield County, Henrico County, Goochland County, Powhatan County, Greensville County, Virginia Gateway Region, and Hanover County

Outcomes will include:

- A consolidation of recent ecosystem research and reports
- A map of all Region 4 ecosystems assets, to include assets in geographic areas outside of the Greater Richmond Region as well as a wider diversity of organizations, people, and connections
- A gap analysis to identify areas for ecosystem improvement and opportunities
- A plan for addressing issues of diversity, equity, and inclusion within the ecosystem
- An analysis on the viability of replicating the Dominion Energy Innovation Center Community Innovation Hub (CIH) model in additional areas of Region 4
- An identification of an organization to take the lead on Main Street innovation and small business support
- A comprehensive regional strategic plan for ecosystem growth and sustainability
- A list of prioritized short and long-term projects to undertake after the grant period, with sustainable funding mechanisms identified, including potential projects for GO Virginia funding

CLUSTER SCALE-UP PROJECTS

Pharmaceutical Manufacturing Scale-Up

To accelerate the growth of the emerging Pharmaceutical Manufacturing cluster for Region 4 and to become an international leader in advanced pharmaceutical manufacturing and R&D, thus grow high-paying jobs, recruitment and expansion of companies and investment in high tech tradeable sector activity.

Award - \$1,400,000

Committed Match - \$702,480

Participating localities include City of Richmond, Greater Richmond Partnership on behalf of its member localities including Chesterfield, Hanover, and Henrico Counties and City of Richmond, Virginia Gateway Region on behalf of its member localities including Dinwiddie, Prince George, Surry, and Sussex Counties and Colonial Heights, Hopewell, and Petersburg City.

Expected Outputs and Outcomes include:

- 350 jobs created in Advanced Pharmaceutical Manufacturing and R&D supply chain
- 25 New or expanded businesses in Advanced Pharmaceutical Manufacturing and R&D cluster/supply chain
- 50,000 new square feet of commercial lab space in the region announced/completed
- Advanced Pharmaceutical Manufacturing Technician (APMT) Certificate created
- 10 APMT certificated earned
- 40 new APMT students enrolled
- Creation of new organization consisting of 30 members of leadership and advisory boards
- 100 new leads in the cluster to recruit

- 10 media stories highlighting the regional cluster
- 8 thought leadership events
- 4 laboratory space developers marketing events
- 4 non state (federal, philanthropic, industry etc.) strategic and complimentary opportunities pursued
- \$5 million value of revenue and other sources received in the region from additional strategic and complimentary opportunities.

Competitive Projects with other Regions

Region 4 worked closely with other GO Virginia Regions to move projects forward that foster collaboration, job growth and economic development in Virginia

The Gupton Initiative (Region 3 as lead)
Region 4 award \$35,000

Virginia's Growth Alliance Project (Region 3 as lead)
Region 4 award \$33,333

MBC Middle Mile Fiber Expansion project (Region 3 as lead)

I-64 Innovation Corridor Global Internet Hub Growth Plan (Region 5 as lead)
Region 4 award \$50,000

IV: Regional Collaboration and Partner Support

Collaboration among localities, education and business continues to be a major driver of many Region Four activities. Region 4 involvement in important activities driving that effort in the last year included:

Involvement in RVA757 Connects

Region Four GROW Capital Jobs has worked closely with RVA757 Connects. RVA757 Connects is a 501(c)(3) organization dedicated to improving the economic success and quality of life for all in the RVA (Region 4) and the 757 (Region 5) area. The organization seeks to identify, support and advance major opportunities, initiatives, and projects that will meaningfully impact both Richmond and Hampton Roads. Wilson Flohr, CEO of GROW Capital Jobs serves on the Board's Executive Committee along with leadership from Region 5. Region 4 Council Member Todd Haymore serves on the board. Flohr and support staff attend Bi-monthly meetings to facilitate discussion and to discuss potential projects that might be viable relative to the GO Virginia project criteria. The Region 4 team is actively involved in this initiative to build Reg 4 & 5 into a Mega Region that will boost economic development through this initiative. Two ECB projects

have been undertaken between the two regions, The I-64 innovation corridor study, and The Global Internet Hub.

The Region 4 Future Workforce Development Initiative

This internal project was created to evaluate current and future workforce needs in Region 4's four clusters. Looking out 5 to 10 years to determine what talent is required to fulfill the workforce needs of our clusters is vital for the region to grow. Coordinating business talent requirements with our educational system from middle school all the way to post bachelorette is the way to ensure the talent pipeline is being fulfilled. Discussions and ideation sessions have been held with high school CTE educators, Community College representatives, and business leaders to establish that proper coordination and collaboration is taking place. JobsEQ from Chmura Economics and Analytics will provide data to be used in the final evaluation.

We have hired Decide Smart, our consultant who helped to create our Growth and Diversification Plan, to focus on Region 4's major business clusters and Decide Smart is participating with Management Roundtable members to evaluate the RVA talent needs in the next 5-10 years including main street businesses.

In addition, Region 4 CEO Wilson Flohr and Council Chair Mark Hourigan made a presentation to MRT membership on March 28, 2022, describing the GO Virginia program and highlighting successful GO Virginia projects and initiatives including FAME project and the Pharmaceutical Cluster scale-up effort in the Petersburg area.

Driving Cluster Scaleup

The majority of cluster scaleup funding has been dedicated to enhancing the biosciences and the emerging pharmaceutical manufacturing cluster. For example, in 2021 major project funding included \$1,599,653 for Virginia Bio-Connect to support the formation of 4 new Bio-Hubs, to connect all regional Bio-Hubs across the state, and to elevate workforce development and provide mentorship. These dollars were shared with other Regional Councils. Grow Capital Jobs also approved \$1,500,000 for two advanced pharmaceutical manufacturing projects. The first was an enhanced capacity grant (\$100K) for a comprehensive strategic plan to support the commercialization of new pharmaceutical manufacturing processes for producing advanced pharmaceutical ingredients vital for generic medicines developed at the VCU College of Engineering by Dr. Frank Gupton's and the Medicines for All Institute. The second ongoing grant (\$1.4M) is to execute the strategy and to accelerate the growth of the cluster with the desired long-term outcome of enabling the region to become a leader in onshoring generic drugs. The strategic plan resulted in the creation of the Advanced Pharmaceutical Manufacturing and R&D Cluster Accelerator.

In our Growth and Diversification plan this cluster scale up is an important initiative for the entire Region 4 – with impact in Richmond and Petersburg and potential across the region. The coalition representing the scaleup initiative made up of 12 business and

community leaders applied on behalf of the region for the US EDA's Build Back Better Regional Challenge grant to help support implementation of economic development projects to accelerate growth of the regional cluster. The region was selected as one of 60 in the country to win Phase 1 BBBRC grant of \$ 500,000, and their application for over \$50million of project support is under evaluation this summer.

Additionally, the RVA 757 board has identified this scale up as one of their four priority business clusters to build Region 4 & 5 economically and strengthen the Mega Region. VEDP has played an important role as a partner in the building of the cluster and will continue to be a leader in current and future developments. The new state budget that went into effect July 1 contained several items of direct support for the cluster, from water and wastewater infrastructure in Petersburg to lab space development at Virginia Bio+Tech Research Park.

Significant collaboration between the Petersburg and Richmond Region has already occurred and future Go Virginia projects will surface from this cluster initiative, and this will continue regardless the outcome of the BBBRC grant or any other single opportunity. Whether it is workforce development, increased lab space needs or improvements in potential sites this scale up has already brought benefits to the Region and the Commonwealth, and ultimately will support the on shoring of the manufacturing of quality affordable, essential generic medicines for the USA.

Greater Richmond Partnership Outreach

The Region 4 staff continues meeting with Greater Richmond Partnership representatives to discuss GO Virginia involvement with regional economic efforts and strategies.

Crater Economic Development Participation

Region 4 continued its participation with the Crater Economic Development Group (CEDG) in the Crater Planning District to provide updates on projects and to generate future projects. The staff also engages in regular conversations with the Petersburg based Cameron Foundation to incubate projects and provide updates of current GO Virginia approved grants. The Cameron Foundation has demonstrated particular interest in partnering with GO Virginia as their major focus is supporting the Petersburg metro area through economic and quality of life funding efforts.

Regional Community College Involvement

Region 4 staff continues to hold conversations with higher education institutions including Virginia State University, Virginia Union University, Brightpoint Community College, Reynolds Community College, Richard Bland Community College, University

of Richmond, and Virginia Commonwealth University to monitor existing projects and seek out viable projects in the future.

Continued Economic Development COVID Response

Region 4 staff continued to attend monthly/weekly COVID 19 Economic Development Response meetings organized by Leonard Sledge, City of Richmond Economic Development Director. The meetings included over 50 individuals who are involved in the economic activity of the community and can assist in bringing back jobs to the region. The meetings held via Zoom discussed issues and planned response strategies to the economic impact caused by COVID in our Region.

V: Outcomes & Impact

The Grow Capital Jobs Region 4 support staff performed management and reporting related activities to funded projects and provided dashboard updates to Region 4 Council members regarding milestones and objectives met.

July 1, 2021, through June 30, 2022

We executed performance closeouts on 6 projects from July 1, 2021, through June 30, 2022. These projects include:

1. VCU Pharma Commercialization Strategic Plan, a per capita project with a 100k budget. With these funds we created a VCU Pharmaceutical and Chemical Engineering Commercialization Strategic Plan. We are working under another project to enact the recommendations from this plan. (performance close 7/2021)
2. Tech Talent Pipeline, a per capita project with a 100k budget. With these funds, we developed and created a Region 4 Tech Talent Pipeline Plan (performance close 8/2021)
3. MAMAC Mega site, a competitive project with a 2.2-million-dollar budget. This project produced a Preliminary Engineer Report, an easement acquisition and construction for a gravity sewer system, a Tier 4 Business Ready Site Certification, and land acquisition and construction of wetland banks. (performance close 9/2021)
4. Idea Factory, a per capita project with a \$50,000 budget. This project produced 12 New businesses and a robust outreach and engagement strategy. (performance close 9/2021)
5. Engineer Interns = S2 (VSU), an ERR grant with a \$39,200 budget. This project created 26 internships, served 16 businesses, trained 24 students, and filled 3 full time jobs. (performance close 4/2022)

6. Activation Capital SBIR Assistance Program, a 100k per capital project launched a SBIR Assistance Program and supported 10 SBIR proposals. (performance close June 2022)

VI: Communication and Outreach

GROW Capital Jobs Region Four Website

One of the much-needed update and improvement to the GROW Capital Jobs Region 4 marketing effort was the new Region Four website, which was designed by Pruitt Resources working together with the Region Four support staff. The site went live in June. The site will continue to be enhanced with graphics and modifications added as needed.

VII: Project Pipeline

Grow Capital Jobs Region 4 will continue to seek out projects that align with the Region's Growth and Diversification Plan. Project pipeline emphasis include workforce training efforts surrounding the emergent pharmaceutical cluster in our area, projects that emerge from our present Regional Entrepreneurship Innovation study as well as a continued focus on site development and workforce development.

VIII: Leadership

FY 22 Council Members

Council Notes

On October 8, the Region 4 Nominating Committee met to discuss potential candidates to fill current and upcoming vacancies on the Council. The Committee recommended to Council that Chandra Briggman, President, and CEO of Activation Capital be approved to fill the vacancy of Victor Branch, who recently resigned. Further, the Committee recommended that Carrie Roth (elected in 2019) and Paul Tuck (elected in 2020), who had recently changed job positions since their most recent elections to the Council, continue in their service as members of the Council. These recommendations were approved at the Region 4 December 12 Council meeting.

The Region 4 Nominating Committee met on November 23 and nominated John Lloyd as a new Region 4 Council member. The Committee recommended to the Council that John L. Lloyd Jr., Facilities Manager for CivicaRX be approved to fill the vacancy of Sam Edwards III, who recently resigned. John Lloyd was approved as a new Council member at the Region 4 December 12 Council Meeting.

Current Council Members

Brian Anderson

President and CEO, ChamberRVA

Chandra Briggman

President and CEO, Activation Capital

Dr. Joseph P. Casey

County Administrator, Chesterfield County

John William "Will" Clements

President and CEO, Bank of Southside Virginia

Moses Foster

CEO, West Cary Group

William H. Goodwin Jr.

Chairman Emeritus of CCA Industries, Inc. and The Riverstone Group, LLC

Dr. Melody Hackney

Superintendent of Hopewell City Public Schools

Todd P. Haymore

Managing Director, Hunton Andrews Kurth

John L. Lloyd Jr.

Facilities Manager, Civica Rx

Martha Heeter

Executive Director, Richmond Regional Planning District

Jennifer Hunter

Senior Vice President/ Communications and Corporate Citizenship, Altria Client Services LLC

Mark Hourigan

CEO, Hourigan Construction

John A. Luke Jr.

Non-executive Chairman, WestRock (formerly MeadWestvaco)

Dr. Mark E. Moore

Crater Regional Planning District Commission; local planning and economic development, Crater Vision Center

Dr. Paula Pando

President of Reynolds Community College

Dr. Michael Rao, Ph.D.

President, Virginia Commonwealth University and VCU Health

Dr. Edward "Ted" Raspiller, Ed.D.

President, John Tyler Community

Carter Reid

Senior Vice President, Chief Administrative and Compliance Officer and Corporate Secretary of Dominion Resources

Carrie Roth

Commissioner of Virginia Employment Commission

Natalie Slate

Deputy Administrator/Director of Economic Development, Greensville County

Lorin S. Sodell

Director of External and Industry Engagement & Director of Business Development and Advanced Manufacturing Education

College of Engineering and Technology, Virginia State University & Commonwealth Center of Advanced Manufacturing (CCAM)

Paul Tuck

Project Director, Javon Engineering

John Vithoulikas

County Manager, Henrico County

Support Organization Information

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Photos below

1. Fame participants – Virginia Federation of Advanced Manufacturing (VA FAME) students demonstrate their manufacturing skills which should lead to a high paying job in the Advanced Manufacturing field.
2. Region 4 council meeting – Bob Holsworth with DecideSmart discusses trends and the future jobs outlook with Region 4 council members at the October 25 GROW Capital Jobs Foundation Council meeting.
3. Lighthouse Labs Alumni Program – Participants in the Lighthouse Labs Alumni Program
4. Pharmaceutical Manufacturing Scaleup – Participants gather to celebrate the recent \$52.9 Million Build Back Better Regional Challenge federal grant made possible by an initial Pharmaceutical Manufacturing Scale-Up Region 4 GO Virginia grant.







