

**Mary Ball Washington Regional Council
GO Virginia – Region 6
Growth and Diversification Plan
Addendum**

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Introduction

In response to questions from the GO Virginia State Board and Department of Housing and Community Development staff, this document provides additional detail and clarifications of the Mary Ball Washington Regional Council's submitted Growth and Diversification Plan.

Priority Cluster Identification and Selection

The process for identifying and selecting priority industry clusters for the Mary Ball Washington Region involved a three-step process: 1) identifying regional driver industries based on industry performance metrics, 2) grouping those industries into NAICS family clusters, and 3) refining the cluster groupings based on extensive stakeholder input.

Driver Industries

In the first of those steps, we assessed individual industries within the Mary Ball Washington Region and each of its three Planning Districts using a Composite Economic Performance Index that was based on eight performance metrics. It is important to realize that these metrics were based on region-specific data. As a result, individual industry performance metrics are likely to be different than the same metric calculated for the same industry in another geography. The specific metrics used in the Composite Economic Performance Index and the weights applied to each metric are as follows:

- Employment Location Quotient (weight = 12.5 percent)
- Short-Term (1 yr.) Employment Growth (weight = 12.5 percent)
- Long-Term (5 yr.) Employment Growth (weight = 12.5 percent)
- Short-Term (1 yr.) Wage Growth (weight = 6.5 percent)
- Long-Term (5 yr.) Wage Growth (weight = 6.5 percent)
- Relative Wage (as percentage of average wage) (weight = 12.5 percent)
- Industry Exports (percentage of industry output exported outside of region (weight = 18.75 percent)
- Type I Multiplier (weight = 18.75 percent)

These metrics reflect the general direction provided the GO Virginia State Board. Multiple metrics were used to avoid excluding industries that may perform poorly on a single metric, but exhibit significant positive economic performance on others. For example, Professional, Scientific, and Technical Services is the largest and most important industry sector in Virginia on

the basis of employment and wage performance. However, this sector is not a large export sector. The largest concentrations of these firms in Virginia occur around Northern Virginia, Richmond, and Hampton Roads, where they primarily serve clients in Northern Virginia, Richmond, and Hampton Roads. Similarly, the Insurance sector, a large employer in the Fredericksburg area, is proscribed by law from selling insurance policies across state lines, and is therefore also not a large export sector.

The analysis of economic drivers identified 85 industries within the Mary Ball Washington Region as a whole, 80 within the George Washington Planning District, 57 within the Middle Peninsula Planning District, and 43 within the Northern Neck Planning District that exhibited a Composite Economic Performance Index that was above the median for its area. These industries were classified as regional economic drivers.

Preliminary Cluster Identification

In the second step, we grouped industries that had been identified as economic drivers in the Mary Ball Washington Region, or either of the three Planning Districts, into clusters based on the classification structure of the Bureau of Labor Statistics NAICS taxonomy. That process identified 16 high-performance industry clusters in Region 6:

- 1) Agriculture (including Aquaculture and Forestry)
- 2) Education
- 3) Finance and Insurance
- 4) Information
- 5) Manufacturing of Computer and Electronic Equipment
- 6) Manufacturing of Fabricated Metal and Machinery Products
- 7) Manufacturing of Food and Beverage Products (including Seafood)
- 8) Manufacturing of Miscellaneous Products
- 9) Manufacturing of Plastics, Rubber, and Nonmetallic Mineral Products
- 10) Manufacturing of Wood Products and Paper
- 11) Mining and Quarrying
- 12) Professional, Scientific, and Technical Services and Management of Companies
- 13) Tourism
- 14) Transportation and Warehousing
- 15) Utilities

16) Wholesale Trade

Final Cluster Identification

In the third step, we presented the findings of the driver analysis and preliminary cluster identification, along with a summary of existing regional planning documents, to multiple stakeholder groups in each of the three PDCs within the Mary Ball Washington Region. Those stakeholder groups included citizen representatives, industry representatives, workforce development representatives, economic development representatives, PDC representatives, local government administrators, and elected officials. Based on feedback from those stakeholder meetings, the preliminary list of 16 industry clusters was refined and reworked into the following list of 12 high-performance industry clusters:

- 1) Agriculture
- 2) Education
- 3) Finance and Insurance
- 4) Forestry/Wood Products/Paper
- 5) Information/Data Centers
- 6) Logistics/Distribution
- 7) Manufacturing
- 8) Mining and Quarrying
- 9) Professional, Scientific, and Technical Services
- 10) Seafood/Aquaculture/Commercial Fishing
- 11) Tourism
- 12) Utilities

In some cases, these refinements involved combining parts of previously identified clusters (*e.g.*, Forestry/Wood Products/Paper, Logistics/Distribution, and Seafood/Aquaculture/Commercial Fishing) and in some cases it involved combining previously identified clusters (*e.g.*, Manufacturing).

Cluster Prioritization

Based on a relative evaluation of economic performance (existing employment footprint, employment and wage performance, exports, and existing regional supply chains), consistency with existing economic development plans, emerging opportunities, and alignment with GO Virginia investment strategies, six of the final list of 12 high-performance industry clusters have been selected as priority clusters. Those six priority clusters are: 1) Seafood

Processing/Aquaculture/Commercial Fishing, 2) Forestry/Wood Products/Paper, 3) Manufacturing, 4) Logistics/Distribution, 5) Information/Data Centers and 6) Professional, Scientific and Technical Services. The following discussion of each Priority Growth Cluster details the rationale, opportunities, and strategies associated with each cluster.

1) Seafood Processing/Aquaculture/Commercial Fishing

Definition - Aquaculture, seafood processing, and commercial fishing are the foundations of the Northern Neck and Middle Peninsula economy. These industries are comprised of small independent watermen as well as the state's largest fishing operation, Omega Protein. This industry cluster has been traditionally under-represented in state employment statistics. However, the over 9,000 commercial fishing and fish processing licenses issued by the Virginia Marine Resources Commission demonstrate the importance of this cluster to the regional economy.

This cluster is one of the higher paying clusters in the region with an average weekly wage of between \$621 and \$917.

The vast majority of the products in this cluster, measured in tonnage, are exported out of state.

Why Region 6 – This industry cluster is unique to coastal Virginia. The industry has suffered from a steady decline in the natural fish and shellfish stock, particularly the oyster population. Other commercial species have been subject to regulatory limits on harvests to protect them from overharvesting. However, the recent introduction of aquaculture practices and disease resistant strains of oysters have resulted in a resurgence in this industry. With these changes in production techniques and an ongoing expansion of both the domestic and international market for oysters, the industry has the potential for significant growth in the future.

Emerging Opportunities – The continued expansion of oyster aquaculture in the Middle Peninsula and Northern Neck is likely to continue. In addition, there is a possibility for the development of scallop aquaculture in those localities close to the Chesapeake Bay. Also, new techniques of harvesting of “blue catfish” being pioneered by VIMS may open up this fishery for commercial fishermen. And new uses of the menhaden products produced by Omega Protein offer additional “value added” possibilities for this fishery. Finally, there is a possibility that the export of seafood to countries in Central and South America may provide additional new markets for the area's seafood.

Collaboration– VMRC and VIMS are the institutions that provide most of the support for the seafood and commercial fishing industry in the region, while Virginia Tech, Old Dominion, VCU, and the Virginia Sea Grant Program also provide support to this cluster. These institutions are instrumental in providing research and technical support to the industry that enable it to expand its product lines and markets. In addition, the Eastern Shore and Hampton Roads regions are potential collaborative partners because these areas also have regional concentrations of seafood and commercial fishing operations.

Potential Development Strategies - The following are examples of strategies that can be deployed to accelerate the growth of this sector:

- Expanded SBDC services to cluster businesses
- Commercialization of research emanating from VIMS
- Export trade assistance
- Expanded tourism potential
- Access to venture capital

2) Forestry/Wood Products/Paper

Definition The forestry, wood products, and paper manufacture industry cluster has a major presence in the Mary Ball Washington Region. A full range of wood processing facilities are present in the region. These include: wood preserving, veneer mill, planing mills, truss and panel manufacturing, mulch manufacturing, window and door manufacture, millwork, cabinet manufacturing, and a paper mill. This cluster is a large regional employer, and encompasses over 60 establishments and 1,000 employees. However, it should be noted that employment within one component of this cluster, the Paper Manufacturing industry, is suppressed due to the presence of a single major employer – WestRock.

This cluster is one of the higher paying clusters in the region with an average weekly wage between \$765 and \$875.

The majority of the products produced in this cluster are ultimately sold to out-of-state markets.

Why Region 6– The region’s forests have historically been a source for wood for a variety of products. As a result, the region has a mature supply chain and support businesses and this significantly increases the regional economic multiplier for the cluster. The strategic location of the region to the port and major east coast markets allows the region’s wood products to be distributed to all corners of our nation and the globe.

Emerging Opportunities - The future of this industry cluster is in expanded markets and product diversification. Some of the firms in this industry cluster already export their products internationally, but more firms could take advantage of this opportunity and there is the possibility of expanding existing international markets to include more countries. In addition, a number of existing firms have the potential to add new or related products to their current product lines. Many of the existing wood products manufacturers could increase production through automation.

Collaboration – This region is not dissimilar from other rural areas of Virginia with vast forest resources. There are collaborative opportunities with these communities to leverage Virginia’s market position. Virginia Department of Forestry, Virginia Tech and VEDP all provide valuable resources for expanding markets, bringing new techniques and products to the marketplace and assisting with increasing the yields from our forests.

Potential Development Strategies - The following are examples of strategies that can be deployed to accelerate the growth of this sector:

- Expanded SBDC service to cluster businesses
- Commercialization of research emanating from Virginia Tech
- Export trade assistance
- Expanded business services, GENEDGE, etc.
- Access to venture capital

3) Manufacturing

Definition - The high-performance industries within this cluster include; 1) Fabricated Metal and Machinery Products, 2) Plastics, Rubber and Nonmetallic Mineral Products, 3) Computer and Electronic Products, and 4) Miscellaneous Manufacturing. In addition, there exist opportunities to expand upon the types of manufacturing industries that are already present within the region. This cluster is more prevalent in the George Washington PDC and Middle Peninsula PDC but there are several firms that operate out of the Northern Neck PDC as well.

The over 100 business establishments in this cluster employ 1,877 workers. In addition, it is the second highest paying cluster in the region with an average weekly wage of between \$765 and \$2,787.

Manufacturing industries are significant exporters and regional manufacturers export 92 percent of their output out of the region.

Why Region 6 - The region has many attributes that contribute to the high performance of its manufacturing cluster. Among these are: strategic location, modest labor cost, good transportation network, and access to natural gas and rail service. The future of this cluster depends to a great extent on the ability of localities to provide the necessary sites, buildings, and other infrastructure that would facilitate the location or expansion of manufacturing within the region.

Emerging Opportunities – The region is well positioned to expand the manufacturing sector. There are a number of potential sites in the region that could be further developed to accommodate expansion of this sector, and recent prospect interest indicates that the region is well positioned to support manufacturing facilities.

Collaboration – The three regional economic development organizations in the region provide a platform for increased collaboration among the localities. There have been a few examples of collaboration among these groups, but as the recommendations of this Plan are implemented additional collaboration will be required. Stronger linkages with VEDP and DHCD will be necessary to improve the marketability of the available sites and buildings in the region and market those assets to out-of-state firms. The resources of VEDP and GENEDGE will be needed to assist existing manufacturers to expand into overseas markets and improve manufacturing processes. The resources of CCAM can also be leveraged to improve manufacturing processes.

Potential Development Strategies - The following are examples of strategies that can be deployed to accelerate the growth of this sector:

- Assess available sites against the VEDP 5-tier “Business Ready” Classification System.
- Encourage all marketable sites to become certified as “Tier 5 Business Ready” sites.
- Encourage the development of Tier 5 Business Ready sites throughout the region.
- Encourage the certification of sites for specific business/industrial use.
- Encourage the development of “regional” business/industrial properties with cost/revenue sharing agreements.
- Assess available buildings against standard industry cluster criteria.
- Develop one or more “spec shell buildings” in the region.
- Establish “business to student” programs in the local school systems.
- Increase the number of training programs for “in demand” occupations.
- Establish tailored occupational training programs on a “as need” basis.
- Expand the SBDC network throughout the entire region.

- Establish an expanded array of existing business services, i.e. GENEDGE services and export programs.

4) Logistics/Distribution

Definition - The Distribution/Logistics cluster is composed of truck and water transportation, sightseeing activities, messengers, warehousing, and wholesale trade. The Distribution/Logistics cluster includes over 600 different companies in the region and employs 7,500 people. The average weekly wage in this cluster is \$945, which exceeds the average weekly wage for the region.

While Logistics/Distribution cluster itself is not a large exporter, it supports industry supply and distribution chains that are. Investment strategies for this cluster should also target those supply and distribution chains.

Why Region 6 – The attributes of the region that contribute to the high performance of the Logistics/Distribution cluster are: strategic location, access to major metro areas, modest labor cost, and a good regional transportation network. The future of this cluster depends on the localities being able to provide the sites with all necessary facilities.

Emerging Opportunities – The local economic development directors indicate that they have seen significant interest from out-of-state companies in locating distribution/logistics facilities in the region, particularly along the I-95 corridor. There are also opportunities for smaller distribution facilities serving more localized sub-markets in the rural areas of the region.

Collaboration - The three regional economic development organizations in the region provide the platform for increased collaboration among the localities. There have been a few examples of collaboration among these groups, but as the recommendations of this Plan are implemented additional collaboration will be required. Stronger linkages with VEDP and DHCD will be necessary to improve the marketability of the available sites and buildings in the region and market those assets to out-of-state firms.

Potential Development Strategies - The following are examples of strategies that can be deployed to accelerate the growth of this sector:

- Assess available sites against the VEDP 5-tier “Business Ready” Classification System.
- Encourage all marketable sites to become certified as “Tier 5 Business Ready” sites.
- Encourage the development of Tier 5 Business Ready sites throughout the region.
- Encourage the certification of sites for specific business/industrial use.

- Encourage the development of “regional” business/industrial properties with cost/revenue sharing agreements.
- Assess available buildings against standard industry cluster criteria. .
- Establish “business to student” programs in the local school systems.
- Increase the number of training programs for “in demand” occupations.
- Establish tailored occupational training programs on a “as need” basis.
- Expand the SBDC network throughout the entire region.
- Establish an expanded array of existing business services, i.e. GENEDGE services and export programs.

5) Professional/Technical/Scientific Services

Definition – The Professional, Scientific, and Technical Services cluster includes a large array of professional services industries. Among those industries are: 1) architectural and engineering services, 2) computer programming services, 3) computer systems design, 4) computer facilities management, 5) management consulting, 6) environmental consulting, 7) scientific research and development, 8) advertising and public relations, and 9) corporate headquarters. Firms in this cluster are present throughout the region, but are highly concentrated in the George Washington PDC. This cluster is one of the region’s largest employers, with over 1,000 enterprises and providing over 9,000 jobs. Most enterprises in this cluster tend to be small to medium in size. The large presence of government contractors and companies supporting these contractors has fueled the growth of this cluster.

At \$1,657 per week, this cluster provides the highest average weekly wages of any cluster in the region.

Although the Professional, Scientific, and Technical Services cluster is a major economic driver within the Mary Ball Washington Region in terms of employment and wage, it is not a large export cluster.

Why Region 6 – The Professional, Scientific and Technical Services cluster is well established in the region and has significant connections to the federal facilities in the region and in the greater Washington DC area. The businesses in this cluster have strong ties to the federal contracting pipeline or connections to prime federal contractors, particularly within the Department of Defense space. The presence of several HUB Zones provides a preference to this sector when competing for federal contracts. There are facilities and services in the region that can support the expansion of this cluster but these services and facilities have limited capacity.

Emerging Opportunities – The potential for additional military spending by the federal government will provide significant opportunities for defense related contractors in the region. The commercialization of some of the military research at Dahlgren and the other military bases in the region may also provide a significant opportunity for growth in this cluster. In addition to the commercialization of military research there is also significant potential for business development related to non-military research emanating from VIMS, NASA and federal research facilities in the Washington DC area. In recent years contractors in the region have been shifting from strictly defense related work to private sector contracting. This trend is likely to continue and may facilitate additional growth within the sector.

Collaboration – The commercialization of research will require close collaboration between the region and the various research institutions where the patents originate, such as VIMS, Dahlgren, and NASA. In addition to these institutions, the resources of a number of state organizations, such as CIT, the Sea Grant Program, and other state universities can be harnessed to support the commercialization process. The resources of the regional economic development organizations, such as the Economic Development Office of the University of Maryland, REDCO and local business accelerators can also be employed to support the commercialization process.

Potential Development Strategies - The following are examples of strategies that can be deployed to accelerate the growth of this sector:

- Assess available buildings against standard industry cluster criteria.
- Expand incubator/accelerator facilities throughout the region.
- Develop office buildings with “small offices” with amenities and services.
- Establish a series of telework/co-work facilities in the region.
- Establish “business to student” programs in the local school systems.
- Increase the number of training programs for “in demand” occupations.
- Establish tailored occupational training programs on a “as need” basis.
- Expand the SBDC network throughout the entire region.
- Create innovative business jump-start programs (e.g., shark tank and business plan competitions).
- Establish a program(s) that facilitate the commercialization of research, military and non-military.
- Expand the entrepreneurship programs offered in the local school divisions.
- Establish an expanded array of existing business services.
- Create ready sources of equity capital (e.g., venture capital and angel investors).

- Create unique debt capital programs (*e.g.*, micro-loan program(s), contract financing, receivable lines of credit and leasehold improvement loans).
- Support deployment of broadband service to the underserved areas of the region.
- Support increasing bandwidth supporting target sector businesses growth

6) Information/Data Centers

Definition – The Information cluster includes a broad range of industries ranging from publication to ISPs and data centers. The businesses in this cluster are present in all three sub-regions but cluster wages are significantly higher in the George Washington PDC. The shift from print media to digital media has brought significant changes to this cluster over the recent years as digital media has gained in prominence and print media has diminished. These trends are likely to continue.

At \$913, the average weekly wage for this cluster exceeds the average weekly wage for the region. The cluster currently includes 59 regional enterprises and 447 employees. The future of conversion of this industry to digital media content and the potential of data center locations within the region should raise the average wages in this cluster.

Why Region 6 – The proximity of key properties to a major data trunk line that goes directly to Loudon County’s “Data Center Alley”, proximity to redundant trunk lines, proximity to the proposed overseas data trunk line coming up from Virginia Beach and a “certified” data center site all contribute to a locational advantage for the region. The availability of skilled workers in prominent occupations within this cluster and modest regional real estate prices provide the region with a competitive advantage in attracting new companies and enterprises within this cluster.

Emerging Opportunities - During discussions with the local economic development directors, data centers were identified as an industry within this sector that has shown considerable interest in establishing a significant presence in the region, and local economic development organizations are actively recruiting this industry. With the higher and increasing costs of urban real estate for data centers, potential locations in the George Washington area have become very competitive and attractive. The conversion of traditional print media to digital information also provides new opportunities for business growth in this sector.

Collaboration – The recruitment of additional data center facilities and operations to the region will require close coordination between VEDP, electric power providers and the local/regional economic development organizations. The Dominion Energy data center certification of

additional sites will enhance the potential for marketing of the region to this industry. In addition, access to the major data trunk lines traversing the area is critical to the location of these facilities and will necessitate close coordination with the companies that own these trunk lines. Opportunities exist for the localities to jointly develop and market several certified sites in the region.

Potential Development Strategies - The following are examples of strategies that can be deployed to accelerate the growth of this sector:

- Assess available sites against the VEDP 5-tier “Business Ready” Classification System.
- Encourage all marketable sites to become certified as “Tier 5 Business Ready” sites.
- Encourage the development of Tier 5 Business Ready sites throughout the region.
- Encourage the certification of sites for data center certification.
- Encourage the development of “regional” business/industrial properties with cost/revenue sharing agreements.
- Increase the number of training programs for “in demand” occupations.
- Establish tailored occupational training programs on a “as need” basis.
- Establish an expanded array of existing business services, i.e. GENEDGE services and export programs.

Workforce Analysis and Alignment with Bay Consortium

Analysis

In general, the analysis showed that the Mary Ball Washington Region has a sufficient available regional labor pool to support the identified high-performance industry clusters. However, potential bottlenecks exist in some “middle skill” occupations such as Electricians and Industrial Mechanics.

The analysis of regional occupational employment, showed that the available regional labor pool exceeded current employment in each of the identified high-performance industry clusters. However, there were two cases where that margin was noticeably narrower.

- In the *Professional, Scientific, Technical Services, and Management of Companies* cluster, there were limitations in the regional labor pool available to certain industries within the cluster, specifically, the Custom Computers Programming Services, Computer System Design Services, and Other Computer Related Services industries.
- In the *Transportation and Warehousing* cluster, there were limitations in the regional labor pool available to certain industries within the cluster, specifically, the Truck Transportation industry.

A “gap analysis” was conducted for each of the 16 high-performance industry clusters. The “gap analysis” of potential shortfalls in the pipeline of completers graduating from regional post-secondary education programs in the Mary Ball Washington Region relative to the occupation-driven demand for trained workers from those programs showed that:

- Many of the identified gaps pertained to occupations that typically require a baccalaureate degree and this is largely attributable to the fact that there is only one four-year degree granting post-secondary education institution in Region 6 – University of Mary Washington.
- However, in some instances, particularly in “middle-skill” occupations that require a less than two-year post-secondary certificate, there were identified gaps could potentially be problematic. The occupations most impacted by those gaps were as follows:
 - Bus and Truck Mechanics and Diesel Engine Specialists
 - Electrical Power Line Installers and Repairers
 - Electricians
 - Emergency Medical Technicians
 - Heavy and Tractor Trailer Truck Drivers
 - Heating, Air Conditioning, and Refrigeration Mechanics
 - Industrial Machinery Mechanics
 - Mobile Heavy Equipment Mechanics
 - Motorboat Mechanics and Service Technicians

Alignment with Bay Consortium WDB Strategic Plan

The “Bay Consortium (LWDA XIII) Local Plan 2017-2021” lists two target industry sectors “High-Tech” and “Health Care and Social Assistance.” Although the “Health Care and Social Assistance” sector was not selected as a high-performance industry cluster by the Mary Ball Washington Region because it is not an export sector, the Bay Consortium’s “High-Tech” sector does contain many industries that were identified a driver industries within the high-

performance industry clusters that were selected by the Mary Ball Washington Region. Those are:

Bay Consortium “High-Tech” Industry Cluster	Mary Ball Washington High Performance Cluster
Computer Systems Design and Related Services	Professional, Scientific, Technical Services
Architectural, Engineering, and Related Services	Professional, Scientific, Technical Services
Management, Scientific, and Technical Consult	Professional, Scientific, Technical Services
Management of Companies and Enterprises	Professional, Scientific, Technical Services
Scientific Research and Development Services	Professional, Scientific, Technical Services
Other Information Services	Information/Data Centers
Electric Power Generation, Transmission, and Distribution	Utilities
Semiconductor and Other Electronic Component	Manufacturing
Communications Equipment Manufacturing	Manufacturing

In addition, the “Bay Consortium (LWDA XIII) Local Plan 2017-2021” specifically identifies twenty occupations as having significant potential annual workforce supply gaps. Those are:

SOC Code	SOC Title
291140	Registered Nurses
119190	Miscellaneous Managers
151130	Software developers and Programmers
472030	Carpenters
411010	First-Line Supervisors of Sales Workers
291120	Therapists
131110	Management Analysts
151120	Computer and Information Analysts
291060	Physicians and Surgeons
131160	Market Research Analysts and Marketing Specialists
471010	First-Line Supervisors of Construction Trades and Extraction Workers

SOC Code	SOC Title
311010	Nursing, Psychiatric, and Home Health Aides
319090	Miscellaneous Healthcare Support Occupations
132010	Accountants and Auditors
472140	Painters and Paperhangers
472110	Electricians
253020	Self-Enrichment Education Teachers
119020	Construction Managers
119140	Property, Real Estate, and Community Association Managers
319010	Massage Therapists

Although the gap analysis conducted for the Mary Ball Washington Region was done at the more granular six-digit SOC (Standard Occupation Code) level, there are commonalities. Specifically, the following occupations were identified in both studies as exhibiting significant potential workforce supply gaps:

SOC Code	SOC Title	percent of Need Met
132010	Accountants and Auditors	0
472030	Carpenters	0
472110	Electricians	0
291060	Family and General Practitioners	0
471010	First-Line Supervisors of Construction Trades and Extraction	0
411010	First-Line Supervisors of Non-Retail Sales Workers	0
411010	First-Line Supervisors of Retail Sales Workers	0
319090	Healthcare Support Workers, All Other	0
311010	Home Health Aides	0
151120	Information Security Analysts	0
131160	Market Research Analysts and Marketing Specialists	0
319090	Medical Assistants	0
311010	Nursing Assistants	0

291120	Occupational Therapists	0
472140	Painters, Construction and Maintenance	0
291120	Physical Therapists	0
253020	Self-Enrichment Education Teachers	0
151130	Software Developers, Systems Software	0

Recommendations for Funding and Collaboration

The following is the list of recommendations from the Growth and Diversification Plan with a discussion of opportunities for collaboration and potential funding sources for each recommendation.

Site Recommendations:

- Assess available sites against the VEDP 5-tier “Business Ready” Classification System.
- Encourage all marketable sites to become certified as “Tier 5 Business Ready” sites.
- Encourage the development of Tier 5 Business Ready sites throughout the region.
- Encourage the certification of sites for specific business/industrial use, i.e. data center certification.
- Encourage the development of “regional” business/industrial properties with cost/revenue sharing agreements.

Collaboration/Cooperation

There are numerous examples across Virginia of localities coming together to develop an industrial site. Regional industrial development authorities (RIDA) and regional industrial facility authorities (RIFA) are often the institutional mechanisms that are used to formalize these cooperative relationships. The Duffield Development Authority and the MAMaC RIFA in Greensville County are examples of these institutional arrangements. Often these authorities have cost/revenue sharing agreements associated with these regional institutions. In addition to these examples of localities coming together, there are also a number of localities that have partnered with the private sector to develop industrial properties. The partnership between the Hollingsworth Company and King George County is a good example of this type of partnership. In addition, most Virginia localities are members of a regional marketing organization that conducts outreach marketing of the sites. Often there are also

partnerships created with various state agencies, most notably VEDP, related to the marketing, design, and funding of the sites.

Potential Funding Sources:

- VEDP – Business Ready Sites Program
- DHCD – Industrial Revitalization Fund
- USDA – Rural Development
- VDOT – Industrial Access Road Program
- EDA
- Local government
- Private developer

Building Recommendations:

- Assess available buildings against standard industry cluster criteria.
- Develop one or more “spec shell buildings” in the region.
- Expand incubator/accelerator facilities throughout the region.
- Develop office buildings with “small offices” with amenities and services.

Collaboration/Cooperation

The opportunities for regional cooperation in the development of speculative buildings in the region are similar to the examples provided for site development. While there are fewer examples of localities coming together to build a spec building, there are numerous examples of public private partnerships to construct spec buildings. Again, the Hollingsworth Company – King George County partnership is a good example. The marketing of these facilities is often carried out by a regional marketing organization and frequently there are partnerships created with various state agencies, most notably VEDP, related to the marketing, design, and funding of the sites.

Potential Funding Sources:

- DHCD – Industrial Revitalization Fund
- USDA – Rural Development
- EDA
- Local government
- Private developer

Workforce Recommendations:

- Establish a series of telework/co-work facilities in the region.
- Establish “business to student” programs in the local school systems.
- Increase the number of training programs for “in demand” occupations.
- Establish tailored occupational training programs on a “as need” basis.

Collaboration/Cooperation

A company’s employees seldom come from just the locality where the company is located. As a result, workforce development is a regional issue that requires regional solutions. Strong alignment between the needs of the private sector for skilled worker training, and the providers of that training, is essential for the workforce development system to function efficiently. The Bay Consortium Workforce Development Board and the two community colleges in the region provide the best platform for addressing alignment issues between employer needs and training providers. The local school divisions also have an important role to play in preparing students to be work-ready and the implementation of career pathways programs in the high schools.

Potential Funding Sources:

- VEDP – Workforce Services
- Virginia Community Colleges
- DRPT
- Bay Consortium
- Local government
- Private employers

Cost of Doing Business Recommendation:

- Create ready sources of equity capital, i.e. venture capital, angel investors.
- Create unique debt capital programs, i.e. micro-loan program(s), contract financing, receivable lines of credit and leasehold improvement loans.

Collaboration/Cooperation

Ensuring that businesses have adequate access to capital to fund growth and expansion will require close coordination between the providers of business development services (such as the University of Mary Washington Small Business Development Center, REDCO, Quantico Innovation Center, and local economic development professionals) and potential private sector sources of capital. The public sector can establish special loan pools to meet these needs, but a collaborative public/private model would be more

sustainable. Typically the deal flow and number of potential borrowers from a single locality is insufficient to sustain a local capital program. For these reasons, regional solutions are generally required. The potential for state and federal funding of these specialized business capital programs would provide additional opportunities.

Potential Funding Sources:

SBA
EDA
USDA – Rural Development
Community Foundations
DHCD – BEE Program
VCC
Local government
Private developer

Innovation Support Recommendations:

- Expand the SBDC network throughout the entire region.
- Create innovative business jump-start programs, i.e. shark tank, business plan competitions, etc.
- Expand the incubator/accelerator facilities and services.
- Establish a program(s) that facilitate the commercialization of research, military and non-military.
- Expand the entrepreneurship programs offered in the local school divisions.
- Establish an expanded array of existing business services, i.e. GENEDGE services and export programs.
- Expand the tourism promotional and development programs.

Collaboration/Cooperation:

The commercialization of research from federal and state research institutions, such as VIMS, Dahlgren, and NASA, will require new partnerships between these institutions and the regional institution(s) established to facilitate the commercialization processes. As a part of the commercialization process, a future business entity will likely require access to a variety of business assistance services provided by local, regional and state organizations. Some of these organizations may include the potential funding partners listed below.

Expansion of business development services to existing employers provides the opportunity to engage a range of state agencies, such as the VEDP International Trade Division, GENEDGE, SBDC, and VTC, in the provision of services that may have been underutilized in the past. Expansion of business development services will also increase the collaboration between public sector providers and business sector organizations such as local chambers of commerce.

Potential Funding Sources:

- VEDP – International Trade
- GENEDGE
- CIT
- SBDC
- SBA
- DHCD – Community Business Launch, Building Entrepreneurial Communities
- USDA – Rural Development
- VA Department of Education
- Local government
- Community Foundations

Broadband Recommendations:

- Identify the “limited access” to broadband service areas within the region.
- Support deployment of broadband service to the underserved areas of the region.
- Support increasing bandwidth supporting target sector businesses growth

Collaboration/Cooperation

The build-out of the King and Queen broadband system is an example of a public initiative to address broadband deficiencies in a rural area. There is the opportunity to expand upon this initiative in other localities with the addition of new partners. Addressing broadband needs and deficiencies on a regional basis requires close collaboration among the participating localities and potential private sector providers/vendors of broadband service. CIT, the Secretary of Technology and several other state agencies can be instrumental in assisting in bridging the last-mile and middle-mile gaps in broadband service to businesses. The exploration by the Pamunkey Tribe of an initiative that would provide broadband service in the region may offer new collaborative opportunities between the localities and the Tribe. Also, community partnerships with major technology companies, such as Microsoft and Google, have brought innovative solutions to other rural communities. These

types of partnerships and cooperative ventures may offer potential solutions to the region's broadband needs.

Potential Funding Sources:

- CIT
- DHCD – Broadband
- Private Foundations
- Local government
- Private business

Plan Sustainability

Organizational Funding and Capacity Building Mechanisms for Plan Implementation

- Develop a sustainable funding mechanism that will give the Mary Ball Washington Regional Council support organization, the George Washington Regional Commission, the financial resources needed to address emerging challenges and opportunities, and Plan execution. Such activities would include: 1) updating the plan periodically, 2) monitoring the success of the region in meeting the objectives of the plan based on specific performance metrics 3) monitoring the progress of the projects that receive GO Virginia grant funding, and 4) reporting progress to the GO Virginia State Board.

The Mary Ball Washington Region's current support organization, the George Washington Regional Commission, does not have the capacity to support the ongoing needs of the Mary Ball Washington Regional Council without financial support to match resources that may be available from the GO Virginia State Board. A growing number of Virginia's regional economic development organizations now have formal funding campaigns designed to support a wide array of economic development challenges and initiatives. The Mary Ball Washington Regional Council should explore the feasibility of developing a sustained funding campaign that would provide the financial resources for implementation of the GO Virginia Economic Growth and Diversification Plan, as well as provide new financial resources to leverage resources from GO Virginia and other economic initiatives. The Council should also leverage GO Virginia grant funds with other regional stakeholder funds like private foundations and non-profit charities that are aligned with the programs or tasks proposed.

One source of continued funding for the administration of the GO Virginia initiative would be a modest contribution from the localities in the region.

- Develop a corporate structure that will allow for the longevity of the GO Virginia framework.

The ability of the Mary Ball Washington Regional Council to undertake independent initiatives beyond the strict confines of the GO Virginia structure will require an independent corporate structure. Initiatives such as the reduction of out-commuting are beyond the scope of GO Virginia but are opportunities to build collaborative relationships among the Region's localities and achieve progress towards the goals of this Growth and Diversification Plan.

A formalized corporate structure will help facilitate the recruitment of funding from a variety of potential sources to match GO Virginia funding and carry out independent initiatives by the Mary Ball Washington Regional Council.