



VIRGINIA INITIATIVE FOR
**GROWTH &
OPPORTUNITY**
IN EACH REGION

**A BUSINESS-LED STATEWIDE INITIATIVE
TO GROW AND DIVERSIFY THE PRIVATE SECTOR
IN EACH VIRGINIA REGION**



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What is GO Virginia?

A bipartisan, business-led, game-changing initiative ...

**that will provide a new framework for
strengthening the economy in each Virginia region ...**

**through enhanced collaboration by
business, education, and local government ...**

that is incentivized and encouraged by the State.



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PRESERVING LOCAL AUTONOMY & PROVIDING COLLABORATIVE TOOLS

- Respecting local government authority—using incentives, not mandates.
- *Not* proposing new taxes, changes to existing tax streams, or new layers of government.
- *Not* proposing constitutional or other structural changes.
- *Not* altering local control over schools, land use, or any other governmental function.
- *Not* a “regionalism” agenda:
 - Private sector-focused, market-driven initiative rather than bigger government.
 - No requirement or expectation that every locality will choose to participate in every project in a region.
- Building on existing successes in regional cooperation:
mobilizing greater support and providing additional tools.



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Bottom Line -

**GO Virginia realizes the vision of
the Hahn Commission and the
principles of the Regional
Cooperation Act**



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Focused Mission

**Incentivize collaboration among
localities for initiatives that
create high-paying jobs**

Go Virginia Coalition

The Recession and Recovery: Impacts on the Commonwealth of the Virginia Economy

Stephen S. Fuller, Ph.D.

Dwight Schar Faculty Chair and University Professor

Senior Advisor and Director for Special Projects

Center for Regional Analysis

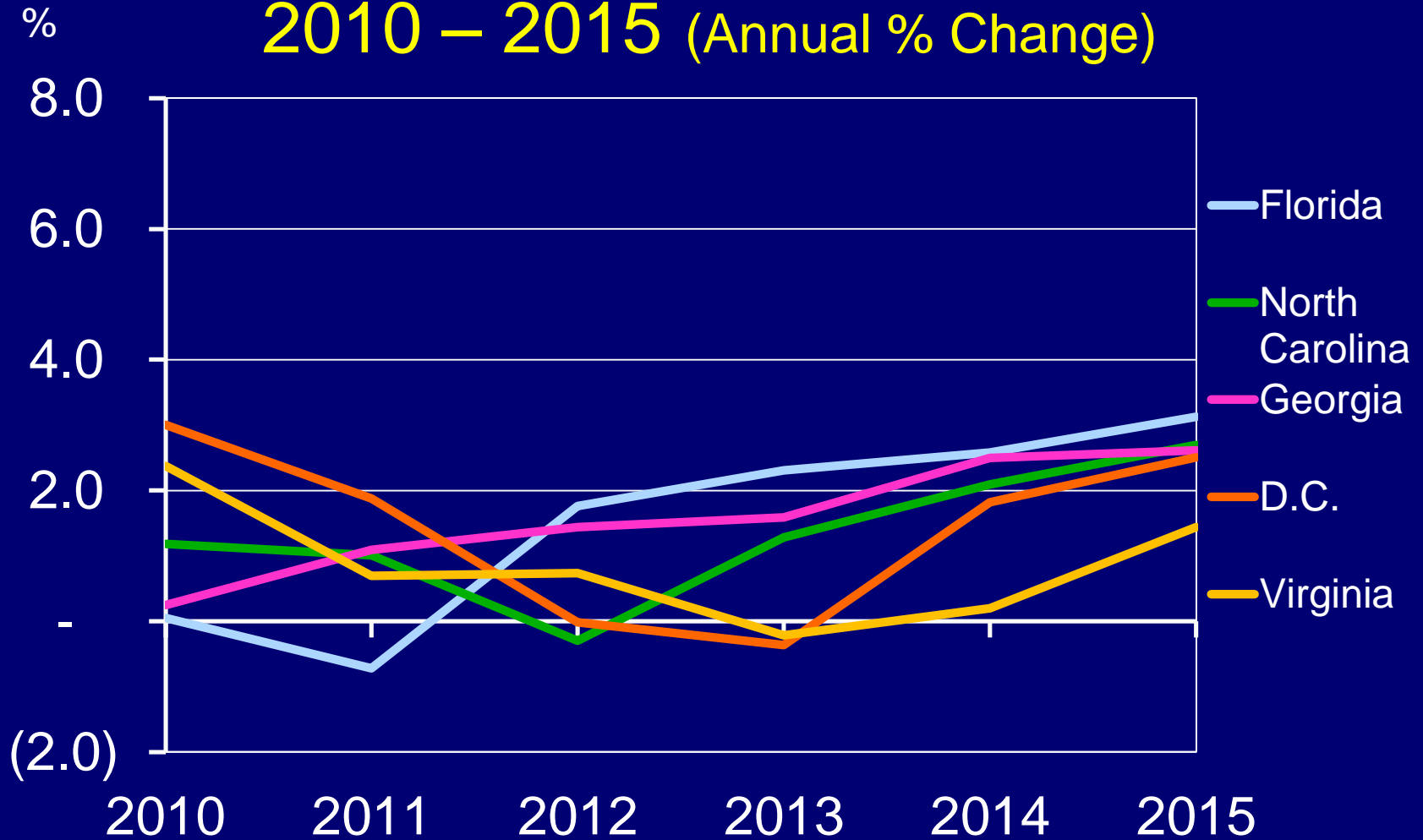
George Mason University

June 29, 2016

Commonwealth of Virginia

Gross State Product: State Comparisons

2010 – 2015 (Annual % Change)



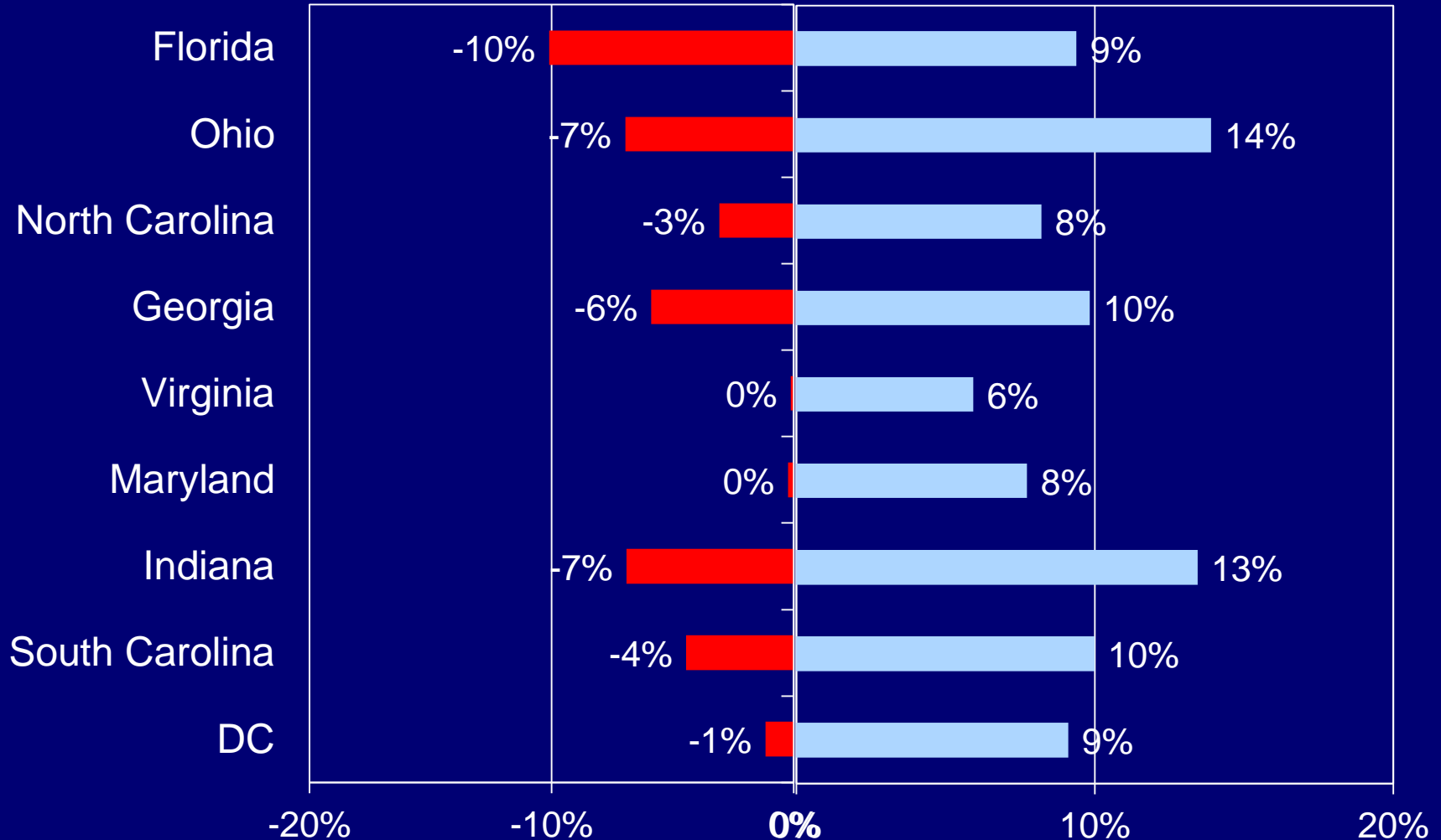
Virginia and State Comparisons

Percent GSP Change: Recession and Recovery

(ranked by GSP in 2015)

(~2007 – 2009)

(2009 – 2015)

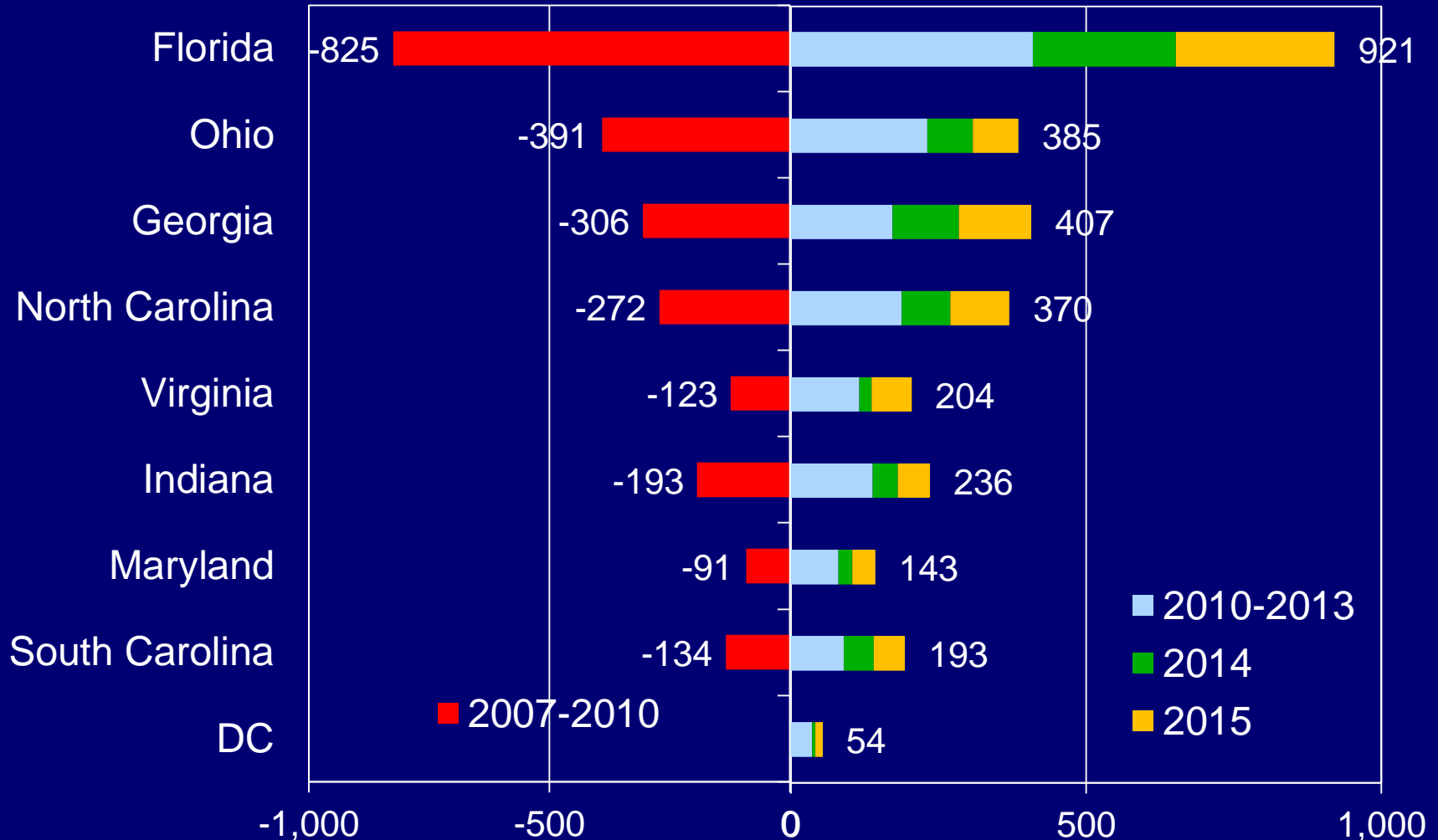


Commonwealth of Virginia

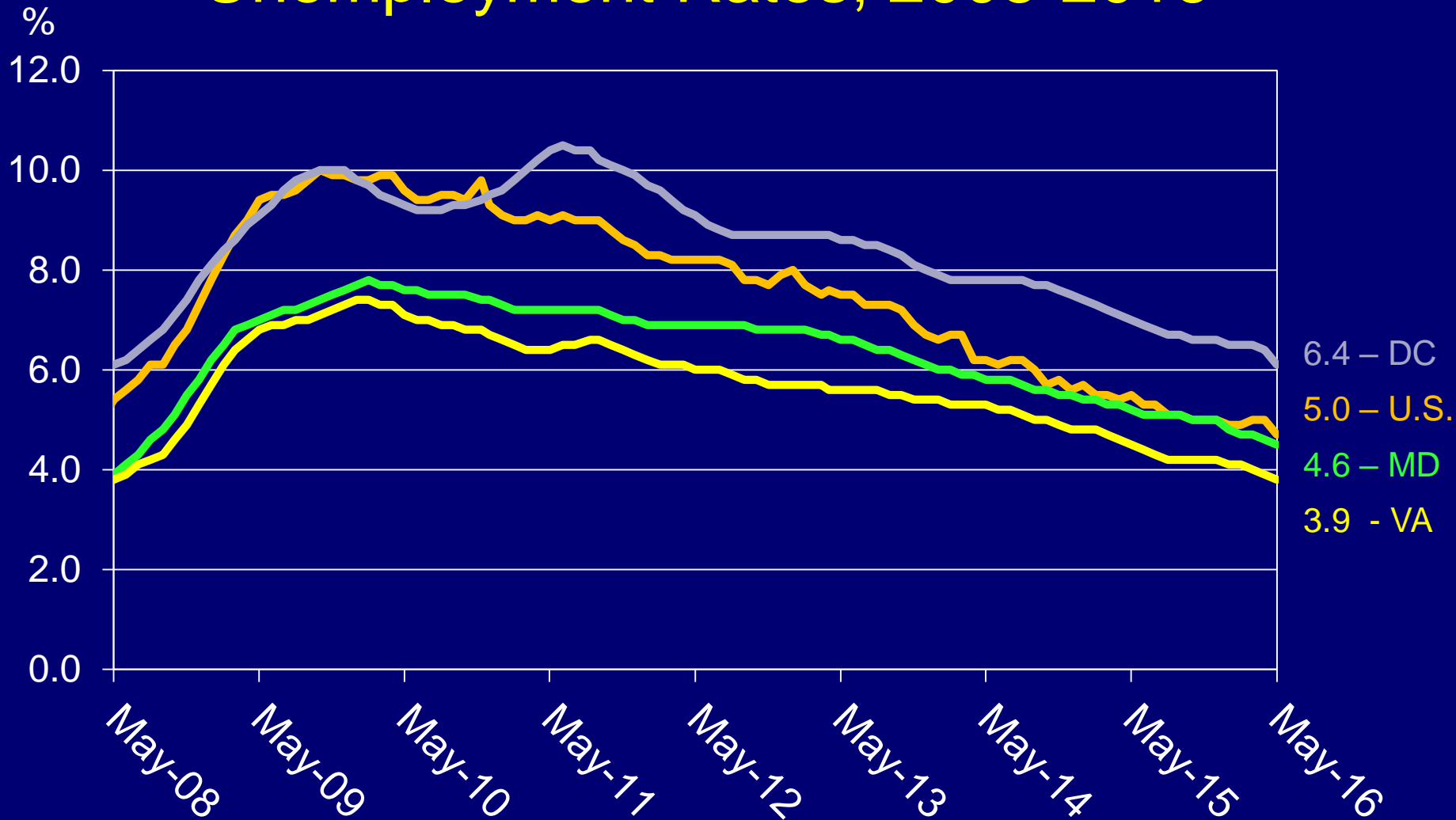
State Comparison: Job Change 2007-2010-2015

(ranked by size in 2015)

(000s)



Commonwealth of Virginia Unemployment Rates, 2008-2016



Source: Bureau of Labor Statistics (Seasonally Adjusted)

The Commonwealth of Virginia Labor Force

	<u>May 2015</u>	<u>May 2016</u>	<u>Change</u>
Unemployment Rate:	4.7%	3.6%	-1.1 pct pts
Unemployed:	<u>199k</u>	<u>153k</u>	-46k
Labor Force:	4,283k	4,217k	-66k

May not sum due to rounding

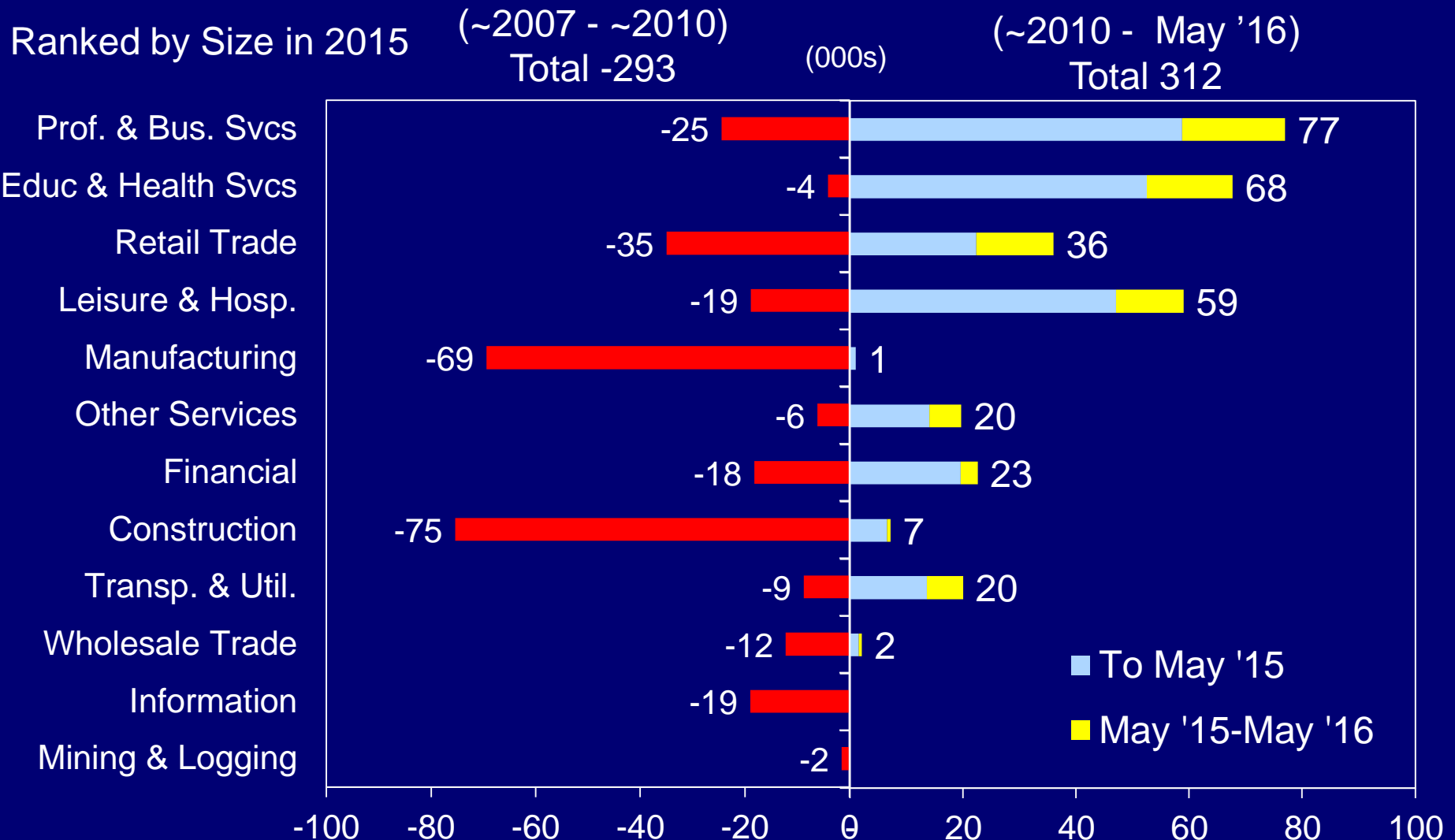
Source: Bureau of Labor Statistics (Not Seasonally Adjusted)

State Growth Rates and Rankings 2010-2015 (annual percent change)

<u>Year</u>	<u>U.S.</u>	<u>Maryland</u>	<u>DC</u>	<u>Virginia</u>	<u>NC</u>
2010	2.5	2.6	3.0	2.4	1.2
2011	1.6	1.5	1.9	0.7	1.0
2012	2.2	0.4	0.0	0.7	- 0.3
2013	1.5	- 0.1	- 0.4	- 0.2	1.3
Ranking		36th	39th	37th	19th
2014	2.4	1.6	1.8	0.2	2.1
Ranking		31st	29th	49th	23rd
2015	2.4	1.5	2.5	1.4	2.7
Ranking		31st	12th	32nd	10th

Virginia Payroll Job Change: Private Sector

The Great Recession and Recovery To May 2016

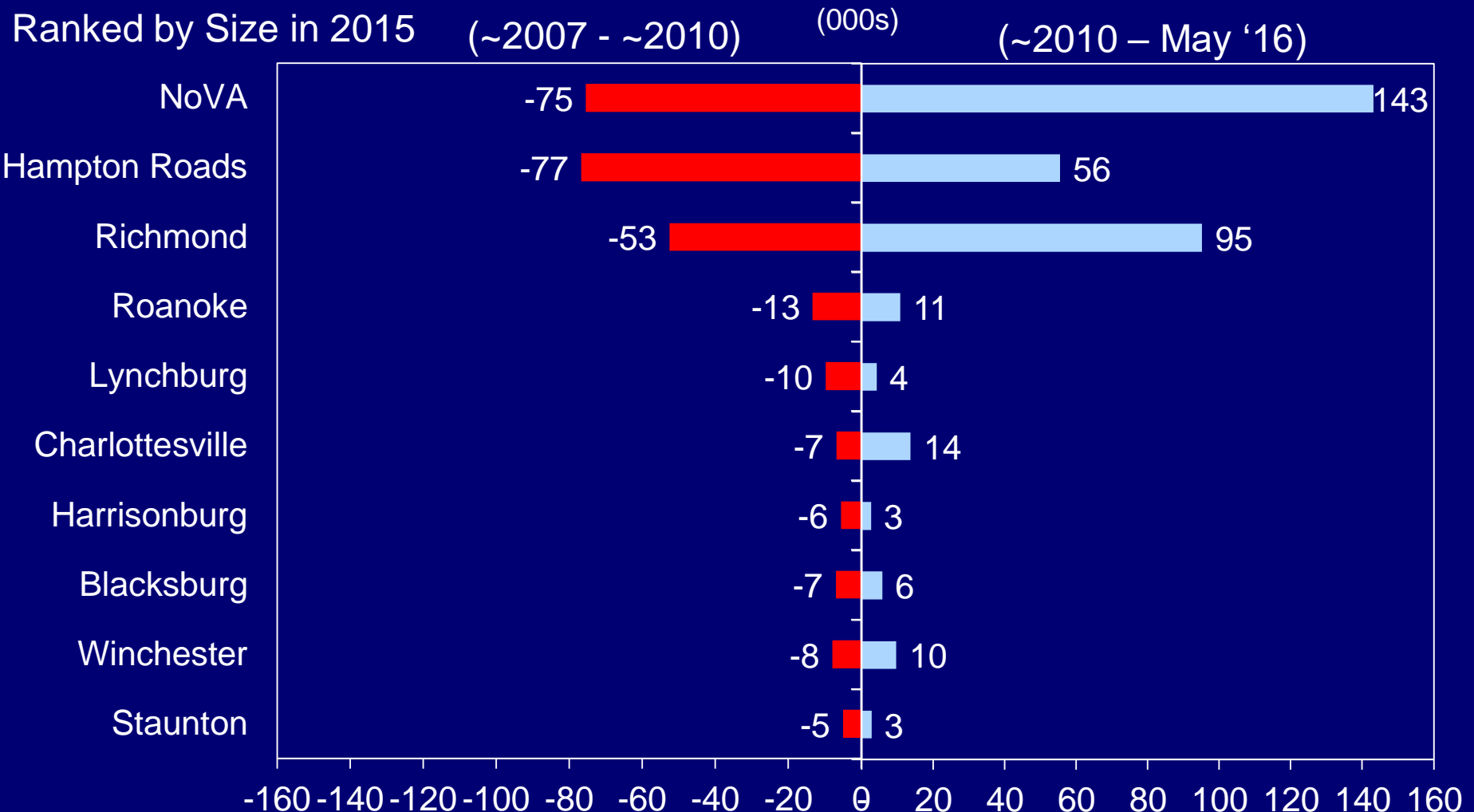


Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis

Virginia Payroll Job Change: Private Sector

The Great Recession and Recovery To May 2016

(Private Sector Totals, Not by Industry)



Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis

Commonwealth of Virginia

Average Job Contribution to Gross State Product By Private Sector in 2015 \$s

<u>Sector</u>	<u>Average Job Contribution to GSP</u>
Leisure & Hospitality Services	\$38,000
Retail Trade	\$61,637
Education & Health Services	\$66,868
State and Local Government	\$69,804
Construction	\$83,100
Transport/Warehousing	\$109,136
Military	\$125,215
Professional & Business Service	\$145,211
Wholesale Trade	\$158,875
Federal Government	\$163,125
Manufacturing	\$186,311
Information Services	\$336,162
Financial Services	\$491,636
All Private Sectors Average	\$127,630
All Government Average	\$117,432

The GSP* Effects of Private Sector Job Change in the Commonwealth of Virginia, March 2008-May 2016 (in 2015\$s)

<u>Job Change</u>	<u>Average GSP Value</u>	<u>Total GSP Value</u>
-293,300	\$154,472	- \$45,306,636,000
<u>+311,800</u>	\$117,343	<u>36,587,487,000</u>
+ 18,500		- \$8,719,149,000

Source: GMU Center for Regional Analysis

*Gross State Product



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General Assembly Budget Action

- **\$35.95 million: GO! Grants**
(\$5.5m FY17 / \$30.0m FY18 / \$450k for staff)
New incentive tool to promote regional collaboration on economic development
- **\$1 million: incentives for finding efficiencies**
- **\$97.5 million: research, labs & equipment**
- **\$2.23 billion: bond package**
- **\$12 million for VCCS credentials effort**



General Assembly Legislative Action

- **Growth and Opportunity Act**

HB 834(Cox/Torian) / SB 449(Norment/Howell)

Legislation to create the Virginia Growth and Opportunity Board and Fund.

- **Collaborative Jobs Act**

HB 846(Hugo/James/Minchew) / SB 459(Ruff/Saslaw)

Legislation to create revenue sharing opportunities for localities when jointly pursuing economic development projects.



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Current Status

- **July 1, 2016: Legislation became law**
Appointments to the GO! Board - pending
- **Guidelines Workgroup named** – meetings start mid-August
- **First GO! Board meeting** – late August/early September, confirm boundaries
- **October 15, 2016: GO! Guidelines Complete, adopted by GO! Board in late October/early Nov.**
- **1Q17 – Certify Regional Councils and Support Organization**
- **2Q17 – Award initial organizational grants**

Division of Responsibilities

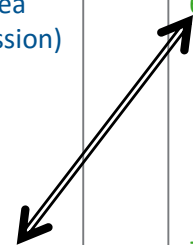
April 2016 – April 2018 Plan

Growth & Opportunity Board State Board

1. Administrative (meetings, etc.)
2. Focused mission, strategic plan and long-term objectives and goals
3. Regional Boundaries Development and Approval
4. Certification of Regional Councils & Support Organizations
5. Certification & Distributions of Funds to Each Region for Development of Economic Diversification and Workforce Gap Analyses of Core Economy and Potential Clusters (immediate)
6. Establishment of Executive Committee and Subject Area Advisory Committees / Responsibilities (Post-2017 Session)
7. Staffing/Agency Collaboration Plan
8. Coordination with Guidelines Workgroup
9. Coordination with Guidelines Workgroup
10. Preparation of Annual Performance Report to the Governor and General Assembly
11. Receive Situational Analyses from Foundation to Shape Board Policy and Decisions
12. Alignment with Virginia Research Investment Fund
13. Capture and Share Regional Best Practices
14. Approval of Projects/Metrics to Evaluate
15. Data Analytics/Metrics to Assess Regional Progress on Identified Priorities & Workforce Gaps
16. Evolve to Ongoing Assistance to Regions
17. Opine on Use of Other State Resources for Regional Collaboration on Economic Development to Leverage Impact

GO Virginia Foundation 501(c3) non-profit

1. Administrative (meetings, fundraising, etc.)
2. Initial Outreach & Assistance to Regions and Stakeholders
 - Briefings for Regional/Stakeholder Groups
 - Technical Start-Up Assistance to Regions
3. Long-Term Political Support
4. Communications/Grassroots/Coalition Maintenance
5. Thought Leadership for GO Virginia
 - Strategic Elements for Success
 - Monitor External Best Practices/Innovations
6. Initial Situation Analyses on Economic Development, Talent and Workforce Development, Start-ups, Entrepreneurship and Commercialized Research and Existing Multi-Regional Sectors and Clusters Pertinent to Success of GO Virginia (Virginia Trended and Comparative to Other States) – Note: Board will Urge Relevant State Agencies to Support Effort)
7. Monitor Pertinent, Independent Data Analytics and Performance of State & Regional Economies to Assess Trended/Comparative Information on Creation of Higher-Paying Jobs from Out-of-State Revenues, Diversification of the Economy and Impact of Entrepreneurship
8. Convene Annual Meeting to Update & Share Information on Progress





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Workplan for GO! Board

- Review of Virginia's economy
- Adoption of mission statement
- Review of national best practices
- Administrative support for regional councils
- Leadership on grant usage



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Workplan for GO! Virginia Foundation

- Recruit business leaders for regional councils
- Prepare template materials for regional councils
- Situational analysis on key economic drivers
- Thought leadership on trends in economic development and regional collaboration
- Political and grassroots support



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Role for PDCs

- **Membership in Regional Councils**
- **Assistance with support organization**
- **Program administration**
- **Identify additional leverage opportunities (particularly federal grants)**
- **Facilitate the local collaboration that is essential to GO Virginia's success**