



GO VIRGINIA REGION 8: ECONOMIC GROWTH AND DIVERSIFICATION PLAN



In collaboration with:



THOMAS P. MILLER & ASSOCIATES



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GO Virginia Region 8 Council:

George Pace, <i>Chair</i>	Connie Loughhead
Chris Kyle, <i>Vice Chair</i>	John King
Mike Keyser	Keith May
Gwen Malone	John Downey
Mark Merrill	Kathlynn Brown
J.J. Smith	Jeff Stapel
Jon Alger	Joanie Eiland
Judith Trumbo	Dennis Morris
Mike Goertzen	Fulton Sensabaugh
John Neff	Kathy Moore
Jill McGlaughlin	Devon Anders
Robin Sullenberger	Tracy Fitzsimmons
Frank Friedman	Stacy Barrett
Rick Till	Dilton Gibbs

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IN EACH REGION

The report serves as a foundation for formulating the Economic Growth and Diversification Plan for Region 8 of the GO Virginia Initiative. The information provided herein will serve as a foundation for more in-depth planning and coordination to promote the growth of high-income jobs within the Commonwealth of Virginia.

The Project Team

The following consultant teams collaborated in assembling the data provided in this report:

Camoin Associates

Project Coordination; Economic Base Analysis



Thomas P. Miller & Associates

Occupational Analysis; Business Survey Administration



Innovation Policyworks

Innovation and Entrepreneurship Assessment



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Executive Summary

Introduction

The Economic Growth and Diversification Plan is a guiding document that the Region 8 Council will use to:

1. Identify economic opportunities, needs, and challenges,
2. Establish priorities among identified opportunities, and
3. Outline needed enhancements where GO Virginia funds can support collaborative programs among at least two or more localities.

The plan is a pre-requisite for establishing regional priorities for the use of Go Virginia project funds.

Based on extensive data collection and analysis, including an Economic Base Assessment, Innovation and Entrepreneurial Asset Inventory and Workforce Analysis (See Appendices I-V), five targeted industry sectors were identified for Region 8. These sectors will be the focus for creation of higher paying jobs for the region that will bring new investment, enhance the competitiveness of the region, and diversify the economy of the region, in turn spurring growth of Virginia's economy.

In addition, a set of framework initiatives was developed around four broad areas:

- Recruit and/or retain the talent needed in the region,
- Grow existing businesses, develop existing clusters, and scale-up small and mid-size companies,
- Establish start-ups from commercializing university-based research and supporting entrepreneurs, and
- Support potential joint economic development activities such as site development and training initiatives.

About Region 8

Region 8 spans the Shenandoah Valley of Virginia and is comprised of 16 cities and counties, shown in the map to the right.

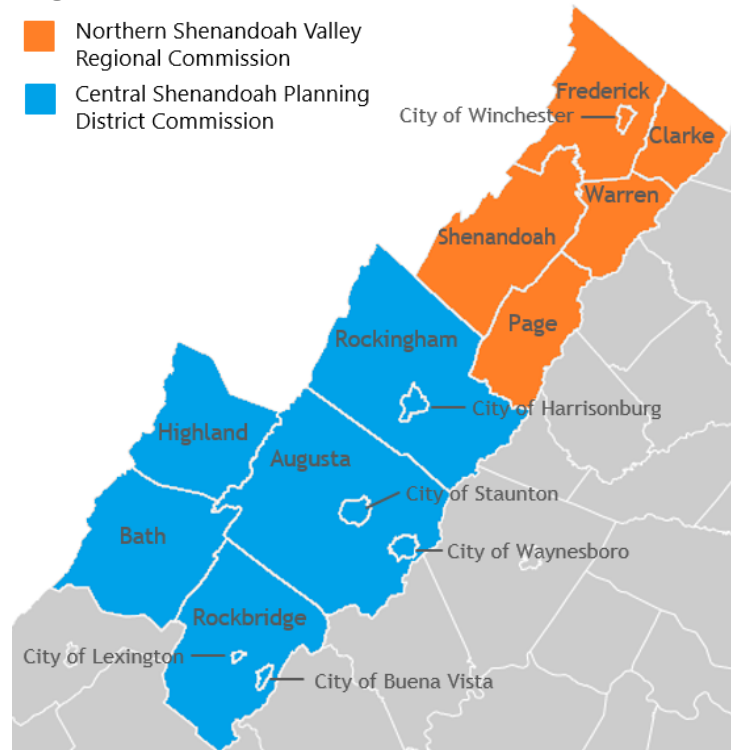
Region 8 is home to two planning district organizations: the Central Shenandoah Planning District Commission (CSPDC) and the Northern Shenandoah Valley Regional Commission (NSVRC). The Central Shenandoah Planning District Commission is comprised of Rockingham County, City of Harrisonburg, Highland County, Augusta County, City of Staunton, City of Waynesboro, Bath County, Rockbridge County, City of Lexington, and City of Buena Vista. The Northern Shenandoah Valley Regional Commission is comprised of Frederick County, City of Winchester, Clarke County, Shenandoah County, Warren County and Page County.

The regional geography encompasses shining examples of American countryside in the Shenandoah National Park and George Washington & Jefferson National Forest, along with an abundance of historical properties. This area is also famed for its agricultural legacy and the industry continues to generate significant economic activity within the region.

As of 2017, Region 8 is home to a population of approximately 535,000 and 206,000 households. By 2022, the region is projected to add an additional 20,000 inhabitants and 8,000 households. Currently, the average household is made up of 2.5 individuals and the median age is 39 years.

Region 8 Localities

- Northern Shenandoah Valley Regional Commission
- Central Shenandoah Planning District Commission



About GO Virginia



To enhance, reinforce, and complement its existing economic assets, the Commonwealth of Virginia introduced an effort to promote regional economic identity and cooperation. This effort, called the GO Virginia Initiative, is a collaboration designed to promote private-sector economic growth and diversification across the Commonwealth of Virginia through the creation of nine economic development regions to assess and target new investment and innovation in high-income and export-oriented industry sectors. The nine regions, established in the Spring of 2017, must assess current gaps in economic

development resources in both an intraregional and interregional capacity, and successfully put forth potential projects that can fill in these gaps with the aid of state funding.

The GO Virginia Initiative is an opportunity for economic regions around Virginia to develop a deeper understanding of their current capacities and find innovative solutions to leverage their existing strengths to promote economic development. As described by the Virginia Department of Housing and Community Development (DHCD), the initiative “supports a voluntary, incentive-based approach as the best way to encourage regional cooperation on private-sector growth. To fund state incentives, the coalition favors use of growth revenues, re-purposed dollars, and efficiency savings...GO Virginia proposes NO new taxes, mandates, layers of government, or changes in local authority.”

Targeted Industries

The following industry sectors were selected based on quantitative and qualitative information, to be the future focus for economic development initiatives in Region 8. The targeted industries were compiled from related subsectors (a full list of those subsectors can be found in the Targeted Industry Appendix V). The sectors were chosen based on a wide list of criteria with a heavy emphasis on the following criteria outlined in the GO Virginia Initiative:

- Industries in the sector demonstrate strong current or projected employment growth.
- Industries in the sector have high earnings potential for workers.
- Industries in the sector are export-oriented.

The sectors chosen consist of industries that are already strong in Region 8, as they build upon assets including economic base, workforce, infrastructure, innovation, and entrepreneurship. Region 8's economy is already quite diversified, but needs to grow.

The five targeted industry sectors for Region 8 are:

- Financial and Business Services
- Health Care
- Information Technology/Communications
- Light Manufacturing
- Transportation and Logistics.

Summary jobs data is shown below for each of these sectors.

Targeted Industry Sectors as a Percentage of Region 8 Total Jobs				
Sector	2016 Sector Jobs	2026 Sector Jobs	2016 Percentage of Total Jobs	2026 Percentage of Total Jobs
Health Care	47,354	53,371	19.9%	20.4%
IT/Communications	5,066	6,533	2.1%	2.5%
Transportation and Logistics	13,017	15,246	5.5%	5.8%
Finance and Business Services	17,912	21,190	7.5%	8.1%
Light Manufacturing	19,974	19,325	8.4%	7.4%
Other Sectors	134,764	146,147	56.6%	55.8%

Source: EMSI

Each is profiled briefly below and described more fully in Appendix V.

Financial and Business Services

The Finance and Business Services sector represents industries that provide finance, insurance, real estate, accounting, and consulting services. The core subsectors for Region 8 are **Depository Credit Intermediation (NAICS 5221)**, **Computer Systems Design and Related Services (NAICS 5415)**, and **Management, Scientific, and Technical Consulting Services (NAICS 5416)**.

As of 2016, 17,912 workers were employed by the Financial and Business Services industry sector in Region 8, spanning 2,108 establishments. Employment within this sector increased by 17% over the last decade, adding nearly 1,600 new jobs. Industries that are particularly concentrated within Region 8 include **Printing and Related Support Activities (NAICS 3231)** with a location quotient (LQ) of 4.20, **Insurance and Employee Benefit Funds (NAICS 3231)** with an LQ of 1.53, and **Depository Credit Intermediation (NAICS 5221)** with an LQ of 1.34. (Location Quotients measure the concentration of a given industry in a specific region relative to the United States. An LQ above 1.2 is considered significant.)

Regional job growth in the Finance and Business Services sector has historically outpaced that of the state and nation. Regional factors have propelled job growth at a greater rate than expected over the last decade, making this industry highly competitive. **Depository Credit Intermediation (NAICS 5221)** is projected to be the most competitive industry in Region 8 by 2026.

Major Products and Services in Region 8:

- Printing and related services
- Insurance and wealth management
- Accounting and bookkeeping
- Real estate leasing
- Information and data processing
- Legal and consulting services
- Depository credit intermediation

Health Care

The Health Care sector represents industries that provide health care and social assistance for individuals. Industries in this sector cooperate in the process to serve patients through health care providers, technology, and research.

Establishments include hospitals, doctors' offices, nursing homes, surgery centers, laboratories, and medical research centers. The core subsector for Region 8 is **General Medical and Surgical Hospitals (NAICS 6221)**, which employs over 8,600 workers and is projected to add an additional

890 jobs over five years. This addition will make it the second most competitive industry in the Region by 2026. Other core subsectors include **Continuing Care Retirement Communities (NAICS 623311)** and **Nursing Care facilities (NAICS 623110)**.

As of 2016, 47,352 workers were employed in the Health Care sector in Region 8. From 2011 to 2016, employment in the Health Care sector declined by 0.5%, a total of 222 jobs. Looking forward, Region 8 is projected to add over 3,500 Health Care jobs by 2021, for a 7% job growth from 2016 to 2021.

Major Products and Services in Region 8:

- General health care
- Surgeries
- Assisted living
- Medical research
- Medical equipment and pharmaceuticals
- Dentistry

The Health Care sector plays a vital role in supporting the quality of life for residents in Region 8. As the population ages, an increased demand for health care services will require strategic planning by educational institutions and training providers to deliver an adequate number of health care workers who can perform a variety of medical specialties. The need is especially acute for nurses as the current workforce cohort continues to retire. Taking stock of existing retirement communities and assisted living facilities will also help localities understand how to retain individuals who want to age in place instead of leaving their community if they are not able to find sufficient care.

Information Technology/Communications

The Information Technology/Communications (ITC) sector represents industries involved in the development, manufacturing, and usage of IT and communications-related products and services. Establishments within this sector are primarily in research and development, electrical component manufacturing, or computer systems design. The core subsectors for Region 8 are **Software Publishers (NAICS 511210)**, **Computer Systems Design Services (NAICS 541512)**, and **Security System Services (NAICS 561621)**.

Major Products and Services in Region 8:

- Software design
- Computer systems design
- Engineering research and development
- Fiber optic cable
- Cybersecurity
- Data processing

Currently, the ITC sector in Region 8 employs over 5,000 employees in over 570 establishments. From 2011 to 2016, there has been a 9% growth in ITC jobs and a 11% growth in ITC establishments. Projections show an additional 922 ITC jobs by 2021, for a growth rate of 18% from 2016 to 2021. Regional growth in this sector has largely been driven by activity from the federal government, especially in the northern portion of Region 8. The region's proximity to Washington, DC presents opportunities to locate firms that are delivering products and services that are evolving to meet the changing demands of consumers and businesses. The ITC sector benefits from high demand across nearly every industry sector, as virtually every firm relies on some form of information technology, data hosting, or cybersecurity system.

Light Manufacturing

Light Manufacturing encompasses the range of processes in which materials are mechanically, physically, or chemically transformed into new products. Unlike heavy manufacturing, which is associated with continuous processes, light manufacturing is often associated with batches or isolated production runs. Light Manufacturing is less capital intensive than traditional manufacturing and is more oriented towards consumer-facing products. Establishments are mainly comprised of mills, plants, and factories.

Major Products and Services in Region 8:

- Plastics
- Medical devices and equipment
- Snack foods and chocolate
- Pharmaceuticals
- Textiles
- Electronic devices

In 2016, Region 8 was home to 419 Light Manufacturing establishments, which employed nearly 20,000 workers. Since 2011, the number of establishments and workers have decreased by 2% and 4% respectively. Despite this decline, manufacturing is still a significant source of employment for the region and provides above-average wages. While a decline in the number of employees needed in Light Manufacturing is being seen across the nation, Region 8 is competitively positioned to outperform similar

markets in this subsector. In general, the jobs that are in demand in this sector are higher skill, and therefore higher wage positions. So, while employment may continue to decrease on a national scale, Region 8 is poised to shed jobs at a rate slower than competitors, and the remaining jobs will be more likely to provide a living wage.

Manufacturing has a strong legacy in the Shenandoah Valley and throughout Region 8. While this industry continues to experience major upheavals from technological advancements and increased productivity levels, Region 8 has valuable assets on which it can capitalize to ensure that local operators have the resources to be successful. Subsectors in this industry are supported by ancillary infrastructure in the transportation and warehousing sector, helping to move manufactured goods throughout the region's major road networks, rail systems, and ports.

Transportation and Logistics

The Transportation and Logistics sector represents industries that link producers and consumers through interconnected supply chains and an array of transportation modes. Logistics industries provide detailed coordination to increase efficiency in multi-modal transportation systems. Establishments in these industries use transportation equipment or transport-related facilities as a productive asset. Equipment varies based on mode of transportation, which includes air, rail, water, and road. Services within this sector primarily include transportation of passengers and goods, storing and warehousing products, and providing service and facilitating distribution to these establishments.

The core subsectors for Region 8 include: **Charter Flights (NAICS 48121)**, **General Warehousing and Storage (NAICS 493110)**, and **General Freight Trucking, Long-Distance, Truckload (NAICS 484121)**, which have all shown significant growth within the past five years.

Major Products and Services in Region 8:

- Ground transportation of passengers and goods
- General freight trucking
- Warehousing and distribution of goods
- Commercial and passenger air service

The Transportation and Logistics sector encompasses 614 establishments and employs just over 13,000 people in Region 8. In the five-year period from 2011 to 2016, Region 8 industries in this sector have grown by 23%, compared to a 17% growth at the national level. The region's transportation assets render it a prime location for companies moving goods throughout the country. From extensive interstate and state road networks to a regional airport and an inland port, capitalizing on assets throughout Region 8 localities will help improve overall connectivity.

Framework Initiatives

The Region 8 Economic Growth and Diversification Plan is not a typical strategic plan, but rather, a framework for the types of projects the Region 8 Council will consider pursuing applications for as part of GO Virginia's grant program. Initiatives that comprise the framework are divided into the following categories:

- Talent Development
- Growing Existing Businesses
- Startups/Innovation/Commercialization

- Sites
- Other Opportunities

Based on the quantitative and qualitative analysis of Region 8's economy, issues pertaining to each of the categories were identified, and framework initiatives proposed. Each category below highlights how Region 8 can leverage its assets to improve upon existing networks, while also pursuing new collaborations to support inter-jurisdictional collaborative programs that will lead to job creation, economic diversification and knowledge transfer.

The following opportunities are described in greater detail in the Framework Initiative section that follows.

I. Talent Development Opportunities

a. Encourage Earn and Learn Programs

Providing on-the-job and incumbent worker training and services can allow businesses to upskill current employees into difficult to fill middle-skill positions.

b. Expand Employability Skills Training

Employability training programs can help to prepare entry level candidates with the life and soft skills demanded by businesses and needed for candidates to succeed in the workplace.

c. Engage Businesses with Sector Partnerships

Sector partnerships can offer an opportunity to engage businesses with their peers, hear about collective industry needs, and offer collaborative solutions.

d. Increase K-12 Educator Engagement with Industry

Increasing the opportunities for K-12 teachers and staff to engage with local industry will help to change the culture around the local career opportunities available for students.

e. Increase Talent Attraction

Talent attraction efforts can help to expand the talent pool by bringing new people into the region from other states or countries.

II. Growing Existing Businesses Opportunities

a. Create a Public-Private Training Loan Pool

As an offshoot to the sector partnership initiative, Region 8 should help create a fund that employees and employers would use to fund training programs for incumbent workers.

b. Develop a Business Retention and Expansion Program

Communities within Region 8 should form a partnership to create and implement a formal business retention and expansion program.

c. Create Additional Regional Tourism Destination Sites

Region 8 should help in the creation of one or more tourism destination sites to draw in and retain more outside tourism spending dollars.

d. **Deploy Broadband Partnerships**

Communities can join together to help extend quality broadband to unserved and underserved areas by entering into public-private partnerships to solve infrastructure shortcomings.

e. **Expand Marketing and Promotion**

This initiative would support efforts to promote the region externally to potential residents and businesses as being a great place to live, work, play, and visit.

III. Startups/Innovation/Commercialization Opportunities

a. **Increase Regional Research and Development Expenditures**

By increasing R&D expenditures, it is likely that increased discovery, intellectual property, and spin-off companies could result.

b. **Increase the Breadth and Depth of the Entrepreneurial Ecosystem**

Supporting the development and operations of strong entrepreneurial assistance programs throughout the region will increase the success of startups and help entrepreneurs stay in the Shenandoah Valley as they grow.

c. **Attract and Retain Entrepreneurial Companies as They Scale-Up**

The scale-up stage offers the greatest opportunity for economic impact as early-stage companies transition from product development to production and market expansion.

IV. Site Opportunities

a. **Site Readiness Investigation**

Many sites in the region would benefit from some additional preliminary investigation work to determine levels of needed investment and timeline to readiness.

b. **Enhance Visibility of Existing Sites**

Existing sites need to be properly characterized and promoted at the state level and can benefit from a designation in the Commonwealth's Site Readiness Program.

c. **Complete General Site Improvements: Northern Sub-region**

Improvements can be made to business and industrial parks in the northern portion of the region to focus particularly on Northern Virginia expansions in the technology, communications, business services, and banking sectors.

d. **Complete General Site Improvements: Southern Sub-region**

Improvements can be made to business and industrial parks in the central and southern portion of the region to focus particularly on light manufacturing, food and beverage, and transportation and logistics growth.

e. **Create Industrial Mega Site**

This initiative would create a "Mega Site" to help attract a large new industrial prospect.

V. Other Opportunities

a. Identify Leadership for Plan Implementation

Shenandoah Valley Partnership (SVP) can provide leadership for the GO Virginia plan implementation by supporting communities with additional site readiness initiatives and coordination between regional stakeholders.

b. Develop Organizational Funding & Capacity Building Mechanisms for Plan Implementation

Develop a sustainable funding mechanism that will give SVP the financial resources needed to address emerging Region 8 challenges and opportunities and execute on the plan.

Implementation and Funding

The Economic Growth and Diversification Plan is a road map to help the Region 8 Council and their localities build resilient economies by leveraging existing assets, while also developing ambitious goals about possibilities for the future. A collaborative approach across the public and private sectors will be imperative to the successful implementation of this plan. The Framework Initiatives were developed with the understanding that the successful implementation of the initiatives will hinge on adequate organizational capacity and appropriate resources. The Region 8 Council recognizes that while state funds can be the catalyst to economic activity, additional funds will be required to realize the initiatives listed in this plan. Specific details on potential funding partners are listed throughout the Framework Initiatives and Performance Metrics sections. This plan will be reassessed on an annual basis to account for variations in factors driving the economy of Region 8.

Performance Metrics

Performance metrics were established to guide the successful progression of each framework initiative. The metrics provide concrete examples and timelines for how initiatives could advance in Region 8 with the aid of GO Virginia funds. While the metrics are defined to help establish benchmarks for the initiatives, it is anticipated that timelines and goals may change as new information or funding is acquired. The metrics will be documented in an Excel file that can be adjusted over time to reflect the changes in each initiative.

Framework Initiatives

Introduction

This section comprises the framework under which Region 8 will prioritize projects seeking GO Virginia funding assistance. Each category below highlights how Region 8 can leverage its assets to improve upon existing networks, while also pursuing new collaborations to support inter-jurisdictional collaborative programs that will lead to job creation, economic diversification, and knowledge transfer. The foundation for this framework is based on extensive stakeholder consultation, quantitative data collection, and feedback from the Region 8 Council.

Work Completed

The scope of work for this project was designed to collect a diverse range of information from a cross-section of stakeholders that represent the many facets of Region 8. The consultants of the Project Team focused their research efforts on identifying Region 8's competitive factors and exploring how to enhance opportunities for job growth in industries with high paying wages. Consideration was also given to building stronger industry clusters by actively supporting the resources, in terms of physical space and human capital, that will not only retain businesses in the region, but will elevate them towards a growth trajectory.

The following is a summary of the work that was completed as part of the Economic Growth and Diversification Plan. The Region 8 Council was actively engaged in providing feedback for individual deliverables and was consulted throughout the process to ensure the proposed framework aligns with and advances existing goals for Region 8.

- Review of existing planning and policy documents from within Region 8 localities
- Business/industry survey distributed across the region that garnered 156 responses
- Economic base analysis
- Workforce data analysis
- Innovation and entrepreneurial asset inventory
- Targeted industry determination and profiles
- Stakeholder interviews and focus groups
- Ongoing communication with Region 8 Council and four site visits

GO Virginia Framework Initiatives

The Framework outlined below was established based on the organizational and funding capacity within the Region 8 Council and its localities. While the initiatives are ambitious, the Project Team understands that the implementation phase is often where planning efforts can fall short. Therefore, each category offers potential partners for collaboration, presents cost estimates, and includes timelines for advancing the initiatives. Further details on measuring the success of the initiatives can be found in the Performance Metrics section.

The Framework is broken down into the following sections:

- **Talent Development** – A talented workforce is critical for employers and communities to achieve long term success and growth. Communities that struggle to attract and retain a highly skilled workforce will exhibit hindered growth. Talent development opportunities aim to attract, develop, and retain a productive workforce that aligns with the demands of the region's businesses.

- **Growing Existing Businesses** –Assessing the needs of current Region 8 business is instrumental in catalyzing regional growth. Opportunities in expanding existing businesses seek to further develop regional assets in order to encourage additional economic activity.
- **Startups/Innovation/Commercialization** – Research, innovation, and a business environment geared towards new business startups enables the region to stay on top of industry and economic changes. Opportunities in startups/innovation/commercialization focus on policies that support resources that are most crucial to building a strong entrepreneurial ecosystem.
- **Sites** – Site improvements coupled with new site development ensures the physical capacity necessary to accommodate business expansion and new industry.
- **Other Opportunities** – These opportunities seek to develop organizational capacity and funding mechanisms to ensure successful implementation of the framework initiatives.

I. Talent Development

a. Opportunity: Encourage Earn and Learn Programs

Providing on-the-job and incumbent worker training and services can allow businesses to upskill current employees into difficult to fill middle-skill positions.

Through focus groups and the regional business survey, employers indicated that it is relatively easy to find candidates to fill entry level positions. However, finding more experienced workers with specific technical skills is very difficult. The Shenandoah Valley Workforce Development Board had a grant that recently ended to provide on-the-job training resources to employers, so the resources available to support businesses in training new employees based on the needs of individual businesses have decreased.

Incumbent worker training programs help employers fill middle-skill positions by upskilling promising employees at lower levels of the company, promoting internal career pathways and career advancement for employees who have already proven to be hard workers and shown commitment. By opening up advancement opportunities, companies can retain high-quality workers who are outgrowing their current positions, but may still need a little bit of training to take the next step. The availability of these opportunities can also help companies in recruiting for entry-level positions, showing that if new employees put in their time and effort, there are opportunities for advancement.

Training can take the form of individual on-the-job training or customized courses for cohorts through local training providers such as:

- | | |
|---|--------------------------------------|
| ■ Blue Ridge Community College | ■ Massanutten Technical Center |
| ■ Lord Fairfax Community College | ■ Triplett Tech |
| ■ Dabney S. Lancaster Community College | ■ Valley Career and Technical Center |

The Workforce Development Board does offer limited incumbent worker training, but this can be expanded and enhanced to reach additional employers. The Board can utilize its business services staff to connect with companies to determine where there is need, and education and training providers at all levels are key to ensuring the right training is available to meet those needs.

b. Opportunity: Expand Employability Skills Training

Employability training programs can help to prepare entry level candidates with the life and soft skills demanded by businesses and needed for candidates to succeed in the workplace.

Because of the low unemployment rate throughout the Region, there is a limited availability of talent. With the addition of demand for talent from the new Amazon and Navy Federal Credit Union, the burden will only be exacerbated, especially for warehousing and finance, respectively. The need to access alternative talent groups will become even more vital.

It is imperative that the Region focus talent development not only on technical skills but employability skills. While employers reported finding higher numbers of applicants for entry-level positions than higher skilled positions, they also reported that those applicants often do not have the soft skills necessary to be employed. An important source of talent can be found by accessing and leveraging additional populations (i.e. ex-offenders, individuals with disabilities, young adults, foreign born talent, etc.) Some of these individuals may need more training in both employability skills and technical skills either through traditional education or work based learning, but simply engaging them can lay the foundation for a sustainable workforce to support the growth and diversification of the regional economy.

Addressing these skills includes addressing issues of motivation, the value of work, and life skills, as well as setting expectations for the workplace. While these issues go beyond specific training and are dependent on individuals' experiences within schools or their homes, dedicated training programs can provide one avenue for jobseekers to understand and build these skills. A training program completion can indicate to employers that an applicant is motivated and committed to coming to work and learning how to be successful on the job. Knowing a candidate can learn and be trained provides business with a value-added workforce.

For this to be a valuable signal to employers, they must be involved in the creation of the training, specifically in identifying exactly what employability, or "soft", skills are needed in the work place. Ideally, this training would be created through a collaboration of community partners so that multiple organizations are involved in its implementation, providing the greatest number of jobseekers the opportunity to participate. Important partners to engage include the K-12 school system, community colleges, technical schools, the Workforce Development Board, and other community organizations, specifically those working with targeted populations.

c. Opportunity: Engage Businesses with Sector Partnerships

Sector partnerships can offer an opportunity to engage businesses with their peers, hear about collective industry needs, and offer collaborative solutions.

Supporting businesses in their talent development needs is critical to helping them grow and ultimately boost the regional economy. Sector partnerships provide an opportunity to hear from industry representatives about their common needs and create solutions that will benefit multiple employers. Sector partnerships can begin to identify industry-specific needs. For example, one concern that may arise is the impact of Amazon or Navy Federal Credit Union scaling up operations and the strain that will cause on the talent pool. By business and industry working collaboratively and with the support of public and private resources, partnerships can create customized solutions.

The Region should focus in on a couple key industries to start to ensure adequate attention is available to getting the partnerships up and running. Manufacturing and Health Care are logical candidates to be starting points because of the size of their presence in the region and their importance to the regional economy. Earlier this year, the Workforce Development Board completed a study on the manufacturing industry – *The Changing Manufacturing Workforce in the*

Shenandoah Valley – that provides a strong foundation for discussion among employers to take the next step in meeting the needs identified in the report.

Business representatives must drive the initiative in order to get buy-in from their peers and to ensure that the needs are coming directly from industry. One of the first steps to convening these sector partnerships should be to identify and recruit industry champions to lead the effort. They should be individuals who take personal interest and responsibility for the success of the partnership, understanding that the long-term success of their business is linked to broader community prosperity. The foundation of a sector partnership must be laid by industry representatives if the partnership is going to be effective and sustainable.

Though businesses should drive the agenda of a partnership, they must be supported and facilitated by a group of community partners who are willing to work together to create collaborative solutions in response to those business leaders. This includes the Workforce Development Board, education institutions of all levels, economic development, chambers of commerce, and other business and workforce development-related community organizations. These partners would act as the “staff” to the partnership to implement, support, and execute the partnership’s agenda. As the partnership grows and becomes more self-sufficient, the need for community partner staff support could be replaced by actual sector partnership staff and the community partners would be free to foster the development of additional sectors.

d. Opportunity: Increase K-12 Educator Engagement with Industry

Increasing the opportunities for K-12 teachers and staff to engage with local industry will help to change the culture around the local career opportunities available for students.

Focus group and interview participants recognized the issue that most high school students still have the impression that they have to go to a 4-year institution after graduation to be successful. Many students, parents, and even teachers do not have a full understanding of the great career opportunities that are available and the education that is required to pursue them. They either do not realize that there are high-skilled, high-paying opportunities that require less than a four-year degree, or they have a false impression of the work environment (e.g. dark, dirty, unsafe manufacturing facilities rather than the highly technical and sophisticated processes of today). Educating students about local industries and future opportunities not only helps those who decide not to go to college, but it may also plant seeds in the minds of those students who choose to leave the area for education to want to come back for work once they complete their degrees. This is important for all industries, and can be an opportunity to highlight and recruit for each of the region’s targeted industries.

Students need to see that there are multiple paths to success. After graduating, some may go to post-secondary education, some may go straight to work and may pursue further education later in their careers. All of these paths can equally lead to successful outcomes, and there is no one right way to pursue a career. Schools should celebrate post-graduation employment the same way they celebrate students getting into college.

Some of the high schools are creating opportunities to expose students to local industries. It is also critical to get the teachers and school staff who work with the students every day to be a part of the messaging in order to begin to change the culture around post-secondary education and careers. School personnel should participate in facility tours, job shadowing, educator externships, or other opportunities to be able to experience firsthand the demands of the industries that they can share with students.

These opportunities will be a partnership between K-12 schools and businesses, or other organizations who work with businesses, including the Workforce Development Board and local and regional economic development organizations and chambers of commerce.

e. **Opportunity: Increase Talent Attraction**

Talent attraction efforts can help to expand the talent pool by bringing new people into the region from other states or countries.

Because of the low unemployment rate within Region 8, the available talent pool is shrinking. Employers are recognizing that there is a limited amount of skilled talent available and are seeing fewer and fewer applicants for open positions. When the available talent pool is too small, employers are either forced to find their talent among those who are already employed with their competitors or to import talent from outside of the region.

To avoid poaching among employers, the region should focus on efforts to expand the talent pool through talent attraction. One target for attraction may be foreign-born talent. Community members indicated that the region is already an immigrant- and refugee-friendly area, and community organizations can maximize the talent within that population that is not currently utilized as well as create programs to support these individuals as the population grows, including ESL classes, employability skills training, career coaching to identify transferable skills, etc. This will help to create a pipeline for entry level workers, and because many of these individuals may have held skilled positions prior to their migration, they may also be a source for some higher-skilled talent with some help with licensing and certifications.

Region 8 can also focus on attracting middle-skill jobseekers based on the quality of life in the region. Quality of life was identified as both an asset and a challenge to talent attraction, but marketing the assets of the region, such as outdoor opportunities and small town living with proximity to larger metro areas, will speak to individuals who are seeking an active lifestyle in an area with quality job opportunities.

Regional economic development organizations or chambers of commerce are likely best positioned to lead talent attraction efforts. However, partners from across the talent development system must be engaged and supportive to ensure the Region has a common message and is attracting the appropriate talent.

II. Growing Existing Businesses

a. **Opportunity: Create Public-Private Training Loan Pool**

As an offshoot to the sector partnership initiative, Region 8 should help create a fund that employees and employers would use to fund training programs for incumbent workers.

Employers often hesitate to invest significant funds into employees who may then leave to work elsewhere. This loan pool would therefore be directed towards individual employees, who would borrow from the fund to pay for a specific training. At the same time, the employer would "sponsor" the employee by agreeing to pay the debt service on the loan as long as the employee continues his/her employment with the company. If the employee leaves, he/she would have to assume that debt service. Debt repayment would replenish the loan fund for the next recipient.

b. Opportunity: Develop Business Retention and Expansion Program

Communities within Region 8 should form a partnership to create and implement a formal business retention and expansion program.

Retaining and growing local businesses is the highest value economic development activity a community can undertake, for it is far easier to grow what you have than to attract a new prospect. Fortunately, the Shenandoah Valley appears to be a place where home grown businesses stick around and expand on a regular basis. The region can promote this trend by encouraging communities to come together and implement a formal BR&E program. This requires staff time to conduct periodic interviews with major employers to assess what is working and not working for them in the Region. Not only do these interviews identify potential expansion plans and concerns, they also serve as an early-warning system to industry sectors that are experiencing headwinds and may need assistance.

The cost of such a program would vary based on the size of the geography covered and the number of businesses that would be involved. However, if the BR&E program were limited to just the top employers, one to one-and-a-half FTEs could be sufficient, plus the cost of a one-time database setup to track visits and report findings.

c. Opportunity: Create Additional Regional Tourism Destination Sites

Region 8 should help in the creation of one or more tourism destination sites to draw in and retain more outside tourism spending dollars.

Tourism is an important industry for the region and brings in substantial outside dollars into the local economy. As new tourists are attracted, the entire region benefits from additional hotel, restaurant, entertainment and retail spending. There are several potential destination projects that, while located in a specific municipality, could serve the region as a whole. Such projects could include a new, large conference center, a satellite location of the Museum of National History, or a significant visitor's center focused on the Shenandoah Valley.

Several jurisdictions could join together to help co-fund one such destination project and may be able to leverage such funds to bring in private sector dollars. The public investment required will vary depending on the size and complexity but is assumed to be in excess of \$1 million in most cases.

d. Opportunity: Deploy Broadband Partnerships

Communities can join together to help extend quality broadband to unserved and underserved areas by entering into public-private partnerships to solve infrastructure shortcomings.

Within Region 8, there are areas well served by high speed internet, particularly the more urbanized communities. However, some areas within Region 8 do not have access to quality broadband services. Since broadband is an essential element of infrastructure in the modern economy, this impedes business growth, talent attraction, and remote working opportunities as well as the ability to access education, training, and health care.

The region already has access to a "backbone" of fiber optics but is missing certain critical "middle-mile" and "last-mile" infrastructure that could tap into the backbone. Solving this issue is a difficult proposition for any one business or community to undertake because such connections are quite expensive and require a large customer base to amortize the upfront costs. In particular,

last-mile costs can be prohibitively expensive in less dense areas. This issue, however, could be solved through public-private partnerships that would help pay for certain parts of the network and allow multiple providers to offer services to customers.

e. **Opportunity: Expand Marketing and Promotion**

This initiative would support efforts to promote the region externally to potential residents and businesses as being a great place to live, work, play, and visit.

Region 8 offers a quality of life premium to its residents and businesses that differentiate it from more urbanized areas like Washington D.C., Baltimore and Northern Virginia (NOVA), which suffer from serious congestion and a high cost of living. Already, businesses and residents from NOVA are pushing into the northern areas of Region 8. The region also offers incredible recreational and tourism opportunities and attracts visitors from across the country. This brings in new dollars to the economy and grows jobs in the various hospitality sectors. Furthermore, the Shenandoah Valley already has a solid “brand” and name recognition. Therefore, further amplifying these qualities in existing and new markets will help to boost visitors.

The opportunity is for Region 8 to coordinate a marketing campaign to these two target markets, namely businesses/residents in NOVA and tourists from within and outside the state. On the former, Roanoke provides an interesting case study, as that region is heavily promoting its recreational amenities as a way to attract talent (particularly Millennials) entrepreneurs, and businesses. Arguably, Region 8 has as good or better natural resources, beauty and historic sites that could be leveraged in the same way.

The region could consider using a public relations marketing firm to design a logo, collateral material, and a marketing campaign that would place the brand in appropriate media channels.

III. Startups/Innovation/Commercialization

Innovation is important to Region 8 because it is a building block for economic growth. Economists believe that up to 80 percent of economic growth is rooted in new knowledge – innovation.

Entrepreneurship is important because it is often the carrier for innovation; many new ideas come to the market through entrepreneurial firms.

For these reasons, innovation and entrepreneurship have a public benefit and are widely supported by the public sector. Best practice for the public support is generally in one of three forms:

- Support for research and development and access to markets, such as through translational research, proof of concept centers and building research capacity;
- Support for building and maintaining the entrepreneurial ecosystem; and
- Increasing access to capital.

Region 8’s opportunities reflect two of these approaches.

a. **Opportunity: Increase Regional Research and Development Expenditures**

By increasing R&D expenditures, it is likely that increased discovery, intellectual property, and spin-off companies could result.

Region 8’s academic and non-profit research organizations are constrained by their missions and their scale. Most are dedicated to teaching and award primarily undergraduate and master’s degrees. Their missions do not include economic development. Scale is also a challenge, as the

largest research budget, \$3.7 million at James Madison University (as of 2015), is roughly 1 percent of the budget of the Commonwealth's primary research institutions.

While converting any of these institutions into a research powerhouse seems unlikely, targeted expenditures could be focused on R&D related to sectors of strength in the region. Experience in other states (Georgia and the Georgia Research Alliance is an excellent example) shows that increased research investment leads to economic development outcomes when focused and sustained.

One approach is to start a Center of Excellence, using the public funds to recruit several mid-career faculty, and helping them apply for and win competitive federal R&D grants. This will lead to 1) a better educational experience for students and 2) increased opportunity for the discovery and protection of intellectual property that could lead to the formation of early-stage companies with roots in Region 8. Both will lead to higher-paying jobs in the region, and diversification of the economy. Funding for a center would be roughly \$1 million a year for 3-5 years.

Currently the State Council of Higher Education of Virginia (SCHEV) is finalizing guidelines for the Virginia Research Investment Fund (VRIF). To qualify for this funding, academic institutions in Virginia should identify areas of research that leverage their current institutional expertise, the regional ecosystem and commercial potential.

The consultant team believes that cybersecurity is the best choice for Region 8, as James Madison University (JMU) already has significant faculty and educational programs in the field, the market for cybersecurity is growing rapidly and the region already has some firms in the ecosystem. A second choice, although less attractive, is agricultural-bio, based on some existing research expertise and the agricultural heritage of the region.

b. Opportunity: Increase the Breadth and Depth of Entrepreneurial Ecosystem

Supporting the development and operations of strong entrepreneurial assistance programs throughout the region will increase the success of startups and help entrepreneurs stay in the Shenandoah Valley as they grow.

Currently, Region 8's entrepreneurial ecosystem is strong with regard to student innovations at JMU, but thin and fragmented elsewhere in the region. It does not adequately support new businesses or help existing businesses to scale. Most programs are operated on limited budgets that constrain their capacity to assist entrepreneurs. Often managers of these programs lack the background to provide meaningful assistance to fast growing companies.

The goal of this opportunity is to provide grants and technical assistance to existing incubators, accelerators and co-working spaces in the region, and fund and assist the establishment of new ones. The funding would emphasize the sharing of personnel with targeted sector expertise (e.g., food and beverage manufacturing, cybersecurity), training events, networks, and access to capital among all the partners. The goal would be to have at least a co-working space (or better) within 45 minutes of everyone in the region, and an active schedule of learning opportunities and support for entrepreneurs and companies looking to expand and grow.

This opportunity should encompass all existing and new programs, as well as the Small Business Development Center (SBDC), JMU, Shenandoah Valley Innovation Council (SVIC) and economic development entities. It would be coordinated by a single intermediary organization, such as the SVIC. Approximate budget would be \$500,000/year. Region 8 could potentially work with Go

Virginia Region 9 on this opportunity to expand its reach and acknowledge the existing overlaps in the ecosystems.

c. **Opportunity: Attract and Retain Entrepreneurial Companies as They Scale-Up**

The scale-up stage offers the greatest opportunity for economic impact as early-stage companies transition from product development to production and market expansion.

When startup and early stage companies move from ideation to product development and into production and market expansion, their needs change. Often, they need space for assembly or light manufacturing, back office operations, fulfillment or other non-research related activities. They are often facing new challenges in the expansion of their companies, unrelated to those they have faced as a startup. These companies may currently be located near major universities with high cost structures and/or in urban areas with restrictions on how much space is available.

Because of its expertise in light manufacturing, back office (IT) and logistics, Region 8 is well positioned to offer support to early stage companies from outside of the region, at the same time retaining local entrepreneurs. Support could take the form of technical assistance, e.g., mentoring; site availability at an appropriate scale (e.g., a manufacturing incubator or park with small- and mid-sized suites), capital, and connections (e.g., sector networks).

IV. Sites

a. **Opportunity: Site Readiness Investigation**

Many sites in the region would benefit from some additional preliminary investigation work to determine levels of needed investment and timeline to readiness.

The lack of available sites that are fully “shovel ready” is hampering economic development across the Region and was ranked as the second highest priority by local economic developers in a recent survey of the SVP membership. Furthermore, some sites even lack information on what would be necessary to bring the site to shovel-ready status, in terms of cost, feasibility and timeline.

The Region could address this issue by funding site investigations and characterizations on a regional basis with a GO Virginia match. These types of investigations would include Phase I ESA's as well as infrastructure engineering to determine probable cost to get appropriate services in place. There may be other work such as wetlands delineation and soil testing that would help characterize the site and would provide valuable information to prospects. SVP could provide in-kind services in matching existing sites to the most appropriate targeted industries based on industry-specific site requirements.

Such a program would need to be funded by local governments and private property owners in large part, with a match possible from GO Virginia. Each site would require between \$10,000-\$40,000 for basic investigation work. (Note: If that initial work indicates the need for more testing or engineering, the cost for that site could be much greater than the range provided.)

b. **Opportunity: Enhance Visibility of Existing Sites**

Existing sites need to be properly characterized and promoted at the state level and can benefit from a designation in the Commonwealth's Site Readiness Program.

After the Site Readiness Investigation initiative described above, the second step would be to submit the Region's premier sites to the Commonwealth's Site Readiness Program to be classified from Tier 1-Tier 5 based on readiness, raising their profile and enhancing transparency and marketability to site selectors.

A second aspect of this initiative would be to coordinate efforts across the Region to keep the state's database of sites (YesVirginia.org) current. A review of that database by the consultants revealed that some of the Region's sites are not listed at all and others are missing critical information. Not only will this data task help improve access to information, but can be used by the Region to raise visibility of what it has to offer to the Commonwealth's economic development community.

c. **Opportunity: Complete General Site Improvements: Northern Sub-region**

Improvements can be made to business and industrial parks in the northern portion of the region to focus particularly on Northern Virginia expansions in the technology, communications, business services, and banking sectors.

If a site's investigations and characterizations are complete, there will likely be a number of physical investments that will need to be made, potentially including improvements to roads, water/sewer, natural gas, electric and telecommunications infrastructure. Other major improvements could include site clearing and grading to make the site fully "pad-ready." In the northern portions of the Region, those kinds of improvements could be geared towards the targeted industries of IT/Communications (ex: Software design, Computer systems design, Engineering research and development, Cybersecurity and Data processing) and Business/Professional services (ex: Printing and related services, Insurance and wealth management, Accounting and bookkeeping, Information and data processing, Legal and consulting services, and Depository credit intermediation). This focus is in response to the development demand opportunities already present in the Region from Northern Virginia businesses looking to expand.

d. **Opportunity: Complete General Site Improvements: Southern Sub-region**

Improvements can be made to business and industrial parks in the central and southern portion of the region to focus particularly on light manufacturing, food and beverage, and transportation and logistics growth.

Likewise, physical improvements to sites in the southern sub-region can be focused on the most appropriate sectors, such as light manufacturing (ex: Plastics, Medical devices and equipment, Foods and beverage, Pharmaceuticals, Textiles, Electronic devices, Aerospace), as well as transportation and logistics.

e. **Opportunity: Create Industrial Mega Site**

This initiative would create a "Mega Site" to help attract a large new industrial prospect.

The Commonwealth of Virginia currently lacks "mega sites" at a high level of readiness. The term "mega site" does not have a precise definition, but typically encompasses at least 500 acres and often 1,000 or more acres, with a significant portion of those acres being both buildable and contiguous. The idea is that the mega site could form a future industrial "campus" for a major manufacturer or other end user.

There are only a small number of sites in the Region that could potentially become a mega site, including (but not limited to):

- The Blue Mountain site near the Shenandoah Valley Regional Airport that was under consideration at one point by Toyota. However, the site has shortcomings with water/sewer/gas that would require a significant investment as well as improvements to the I-81 interchange.
- Staunton Crossing with 300 acres, but it is constrained somewhat by existing buildings.
- The 512-acre Turkey Knob site, which requires a zoning change and certain transportation enhancements.

Because of the sheer size and potential impact of such an initiative, the Region could come together to pool resources for site improvements. This could also be matched by a tax-base sharing agreement so that all parties would benefit from both the jobs and the tax revenue. Improvements could easily run into the tens of millions of dollars depending on the extent of infrastructure investments required.

V. Other

a. Opportunity: Identify Leadership for Plan Implementation

Shenandoah Valley Partnership (SVP) can provide leadership for the GO Virginia plan implementation by supporting communities with additional site readiness initiatives and coordination between regional stakeholders.

The last recession had a significant impact on how many states and regions now deliver economic development services. Financial considerations forced states to regionalize their economic development efforts and investment decision making. This forced smaller local EDOs to relinquish programs, while conversely, regional EDOs have expanded their toolbox of programs and initiatives beyond lead generation and attraction. As a result, it is now common for multi-county regional organizations to provide leadership, funding and capacity in support of multi-pronged economic development initiatives across large geographic areas.

The GO Virginia program is designed to get regions to consider economic development initiatives in areas of innovation/startups, existing business expansion, workforce and site readiness. Until now, counties and communities within regions were handling their own efforts with regional EDOs primarily focused on marketing and attraction and workforce development being led by Workforce Development Boards. The eventual implementation of these broader economic development efforts within Region 8 will require leadership and additional capacity and funding. To ensure that the most effective management structure is in place, SVP is the logical organization to be charged with this responsibility. The organization already covers a majority of the geography, is considered the lead regional EDO by stakeholders and has the business and government network/relationships in place needed for continued collaboration and cooperation.

b. Opportunity: Develop Organizational Funding & Capacity Building for Plan Implementation

Develop a sustainable funding mechanism that will give SVP the financial resources needed to address emerging Region 8 challenges and opportunities and execute on the plan.

Like many of the Commonwealth's regional EDOs, the Shenandoah Valley Partnership does not currently have the capacity to comprehensively address the current and emerging challenges and opportunities identified in this GO Virginia framework. Based on research conducted by International Economic Development Council (IEDC), a growing number of economic development organizations now have formal multi-year funding campaigns designed to support a wider array of economic development challenges and initiatives. Where the public sector once provided the lion's share of financial resources for economic development organizational capacity, many EDOs are now primarily funded through a private-public mix. The SVP should explore the feasibility of developing a sustained funding campaign that would provide the financial resources for implementation of the GO Virginia Economic Growth & Diversification Plan, as well as provide new funding to leverage GO Virginia and other initiatives.

Implementation of Framework Initiatives

The Economic Growth and Diversification Plan is a road map to help the Region 8 Council and their localities build resilient economies by leveraging existing assets, while also developing ambitious goals about possibilities for the future. A collaborative approach across the public and private sector will be imperative to the successful implementation of this plan. Capitalizing on cross-jurisdictional efforts will help to maximize resources and allow initiatives to operate on a wider scale, as opposed to tackling tasks on a piecemeal basis. Each initiative was developed with potential partners in mind, along with opportunities to cooperate with existing state initiatives where appropriate, including the Virginia Research Investment Committee, Collaborative Jobs Act, The Virginia Plan for Higher Education, and other statewide programs. This plan will be reviewed on an annual basis to identify economic factors that may change the priorities of the framework initiatives. Additionally, the Performance Metrics document is intended to be used frequently and can be updated as necessary to accommodate priority shifts based on organizational or funding capacity.

Funding Mechanisms

Region 8 is proposing to use all \$250,000 of its supplemental GO Virginia Funds for project work, as opposed to capacity building activities. Therefore, an appropriate source of matching funds will be identified when actual projects are proposed for funding. The Region 8 Council will seek a 1:1 match to partner with GO Virginia funds when moving forward in identifying viable projects based on the framework above. Matching funds will be derived from a variety of organizations, including public and private sector sources. Funds from localities, cross-jurisdictional groups, and other regional entities will be utilized as necessary. The Region 8 Council will also leverage GO Virginia grant funds with other regional stakeholders like the private foundations and non-profit charities that suit the programs or tasks proposed by the project.

Performance Metrics

Introduction

Performance metrics reflect the range of components that go into each framework initiative to ensure a project's successful completion. Establishing performance metrics at the outset of a project is essential for ensuring that all stakeholders maintain the same vision of a successful outcome. The performance metrics listed below will be used to assess Region 8's performance in achieving each framework initiative, each metric is not a definitive assessment but rather a representation of the types of specific milestones to measure success for projects undertaken with GO Virginia assistance.

Note: All timeline references provided below are from the date an individual project commences and not from the date this plan is approved.

I. Talent Development	
Framework Initiative	Performance Metrics
a. Encourage Earn and Learn Programs Providing on-the-job and incumbent worker training and services allows businesses to upskill current employees into difficult-to-fill middle skill positions.	<ul style="list-style-type: none">■ Within the first six months: Create an inventory of Earn and Learn opportunities that business services representatives can easily reference with employers.■ Within twelve months: Recruit at least 5 employers to host customized programs.■ Within eighteen months: In partnership with education providers and selected businesses, develop at least five customized Earn and Learn opportunities

b. Expand Employability Skills Training

Employability training programs can help to prepare entry level candidates with the life and soft skills demanded by businesses and needed for candidates to succeed in the workplace.

- Within the first six months: Assess regional resources for employability skills training.
- Within nine months: Convene employer focus group(s) to determine the employability skills needed.
- Within eighteen months: Create a common employability skills training curriculum for implementation by community partners.
- Thereafter: Train at least 100 individuals in a new program within the first year of implementation, incrementally increase each year.
- Thereafter: Continue using annual business survey to measure employers' perceptions on the employability skills of applicants. Decrease the number of employers who find employability skills "Difficult" or "Very Difficult" to find in applicants each year.

c. Engage Businesses in Sector Partnerships

Sector partnerships can offer an opportunity to engage businesses with their peers, hear about collective industry needs, and offer collaborative solutions.

- Within the first three months: Identify and recruit industry champions in manufacturing and health care from each sub-region.
- Within six months: Convene regional support partners to gain a common understanding of sector partnerships, outline roles and responsibilities, and plan for launches.
- Within twelve months: Hold one industry convening each in the Manufacturing and Health Care industries.
- Thereafter: Increase number of employers involved in partnerships each year by at least 5%.

d. Increase K-12 Educator Engagement with Industry

Increasing the opportunities for K-12 teachers and staff to engage with local industry will help change culture around the local career opportunities available for students.

- Within the first three months: Recruit a minimum of 10 employers to offer experiences for teachers and administrators. Thereafter: Add at least five new employers each year.
- Within the first six months: Partner with at least five local high schools to offer opportunities to teachers and administrators. Thereafter: Add at least two new schools each year.
- Within the first eighteen months: Recruit at least 20 teachers and administrators to participate in educator externships during.

e. Increase Talent Attraction

Talent attraction efforts can help to expand the talent pool by bringing new people into the region from other states or countries.

- Within the first three months: Identify the region's assets for coordinated marketing campaign.
- Within six months: Identify target markets and appropriate channels for a marketing campaign.
- Within five years: Labor force rate of increase has grown above the baseline rate by at least one percentage point.
- Within five years: Net migration consistently positive.

II. Growing Existing Businesses

Framework Initiative

Performance Metrics

a. Create Public-Private Training Loan Pool

As an offshoot to the sector partnership initiative, Region 8 should help create a fund that employees and employers would use to fund training programs for incumbent workers.

- Within the first nine months: Form sector partnerships for at least three targeted industry sectors.
- Within nine months: Use partnerships to identify joint training needs for each sector's employers. Engage a training provider to match those needs.
- Within twelve months: Obtain commitments of at least \$200,000 from partners in each sector for loan fund capital.
- Thereafter: At least 50 employees per sector use the loan fund per year.

b. Develop a Business Retention and Expansion Program

Communities within Region 8 should form a partnership to create and implement a formal business retention and expansion program.

- Within the first twelve months: Select a targeted industry to focus on and chose which businesses will be served. Implement the program and use of a database to track the visits to businesses served by the program.
- Within the twenty-four months: Complete at least two visits per year to all companies in the portfolio to identify potential expansion plans or identify early warning signs for relocation.
- Within thirty-six months: Document job retention and incremental job creation of at least 1,000 jobs across all companies served.

c. Create Additional Regional Tourism Destination Sites

Region 8 should help in the creation of one or more tourism destination sites to draw in and retain more outside tourism spending dollars.

- Within the first three months: Develop a list of potential locations and projects. Select one or more projects for advancement.
- Within eighteen months: Secure private sector commitments of sufficient funds and determine public sector “ask”.
- Within twenty-four months: Attain commitment of at least \$1 million (in total) in public investment per project by participating jurisdictions to support implementation.
- Within forty-eight months: One of more destination sites completed.

d. Deploy Broadband Partnerships

Communities can join together to help extend quality broadband to unserved and underserved areas by entering into public-private partnerships to solve infrastructure shortcomings.

- Within the first six months: Identify two or more municipalities that could collaborate to efficiently solve a broadband infrastructure issue.
- Within twelve months: Establish a working relationship between those municipalities and get commitment from them to explore a potential partnership.
- Within eighteen months: Complete a preliminary engineering report and probable cost estimate for such a joint investment. As necessary, identify a private partner to establish a public-private partnership (PPP).
- Within three years of PPP establishment: no less than 50% of the households and businesses within the proposed service area has access to broadband.

e. Expand Marketing and Promotion

This initiative would support efforts to promote the region externally to potential residents and businesses as being a great place to live, work, play, and visit.

- Within the first six months: PR firm secured and marketing plan in place.
- Within twenty-four months: Marketing plan implemented.
- Within sixty months: Regional site expansions of at least 20 Northern Virginia businesses and 2,000 new households.

III. Startups/Innovation/Commercialization

Framework Initiative

a. Increase Regional Research and Development Expenditures

By increasing R&D expenditures, it is likely that increased discovery, intellectual property, and spin-off companies could result.

Performance Metrics

- Within three months: Identify research target.
- Within twelve months: Work together to apply for VRIF or other funding.
- Within eighteen months: Recruit faculty members.
- Within thirty-six months: Win sufficient federal or other research grants to maintain program.
- Within seven years: At least five patents and at least one spin-out company.

<p>b. Increase the Breadth and Depth of Entrepreneurial Ecosystem</p> <p>Supporting the development and operations of strong entrepreneurial assistance programs throughout the region will increase the success of startups and help entrepreneurs stay in the Shenandoah Valley as they grow.</p>	<ul style="list-style-type: none"> ■ Within the first twelve months: Fund at least five entrepreneurial support programs in Region 8. ■ Within thirty-six months: Combined, the programs will serve 100 entrepreneurs a year and clients will create 1,000 jobs.
<p>c. Attract and Retain Entrepreneurial Companies as They Scale-Up</p> <p>The scale-up stage offers the greatest opportunity for economic impact as early-stage companies transition from product development to production and market expansion.</p>	<ul style="list-style-type: none"> ■ Within twelve months: Support five scale-up clients. ■ Within three years: Ten scale-up clients. ■ Within eight years: Clients will create 2,500 jobs.

IV. Sites

<i>Framework Initiative</i>	<i>Performance Metrics</i>
<p>a. Site Investigations for Readiness and Investments</p> <p>Many sites in the region would benefit from additional preliminary investigation work to determine levels of needed investment and timeline to readiness.</p>	<ul style="list-style-type: none"> ■ Within the first three months: Identify 5 priority sites that require additional site investigation. ■ Within six months: Of those priorities sites, identify the appropriate studies/test/preliminary assessments for each. ■ Within twenty-four months: All 5 sites have completed investigation work.
<p>b. Enhance Visibility of Existing Sites</p> <p>Existing sites need to be properly characterized and promoted at the state level and can benefit from a designation in the Commonwealth's Site Readiness Program.</p>	<ul style="list-style-type: none"> ■ Within the first three months and thereafter: All site within Region 8 are on YesVirginia.org with updated information. ■ Within twenty-four months: Establish tier designation ranking of 5 priority sites.
<p>c. Complete General Site Improvements: Northern Sub-region</p> <p>Improvements can be made to business and industrial parks in the northern portion of the region to focus particularly on Northern Virginia expansions in the technology, communications, business services, and banking sectors.</p>	<ul style="list-style-type: none"> ■ Within the first six months: Substantial site improvements are planned for at least three sites. ■ Within twenty-four months: Site improvements completed for three priority sites.

<p>d. Complete General Site Improvements: Southern Sub-region</p> <p>Improvements can be made to business and industrial parks in the central and southern portion of the region to focus particularly on light manufacturing, food and beverage, and transportation and logistics growth.</p>	<ul style="list-style-type: none"> ■ Within the first six months: Substantial site improvements are planned for at least three sites. ■ Within twenty-four months: Site improvements completed for three priority sites.
<p>e. Create Industrial Mega Site</p> <p>This initiative would create a “Mega Site” to help attract a large new industrial prospect.</p>	<ul style="list-style-type: none"> ■ Within the first twelve months: Most appropriate mega site selected. ■ Within twenty-four months: Engineering investigations completed. ■ Within thirty-six months: Infrastructure upgrades planned or in progress by 2020.

V. Other

<i>Framework Initiative</i>	<i>Performance Metrics</i>
<p>a. Identify Leadership for Plan Implementation</p> <p>Shenandoah Valley Partnership (SVP) can provide leadership for the GO Virginia plan implementation by supporting communities with additional site readiness initiatives and coordination between regional stakeholders.</p>	<ul style="list-style-type: none"> ■ Within the first six months: New mandate approved by SVP board for the organization to take an active lead in site readiness initiatives. ■ Thereafter: SVP engaged in site readiness initiatives.
<p>b. Develop Organizational Funding & Capacity Building for Plan Implementation</p> <p>Develop a sustainable funding mechanism that will give SVP the financial resources needed to address emerging Region 8 challenges and opportunities and execute on the plan.</p>	<ul style="list-style-type: none"> ■ Within the first eighteen months: New operating funds identified and secured to support SVP’s expanded role. ■ Within twenty-four months: Capital campaign complete with funds in excess of \$1 million.