

A photograph of the Virginia Capitol Building in Richmond, featuring a large portico with white columns and a pediment. The building is set against a clear sky, and the foreground shows a stone wall and a set of stairs. A dark blue diagonal overlay covers the left side of the image.

VACO ECONOMIC DEVELOPMENT AND PLANNING STEERING COMMITTEE

Virginia Capitol Building, Richmond

October 29, 2020

VEDP | Virginia
Economic
Development
Partnership
VEDP.org

EXECUTIVE SUMMARY

- COVID-19 has created a new set of economic challenges and opportunities for the Commonwealth
- Recent forecasts indicate that the Commonwealth will see net job losses in 2020 and that Virginia will not return to pre-COVID employment levels until 2023, leaving roughly 200,000 Virginians without work in the interim – unless we act decisively
- By investing in a portfolio of targeted economic development initiatives, Virginia can accelerate the path to recovery by adding tens of thousands of additional jobs each year
- These targeted initiatives are organized around a four-part Commonwealth Strategic Economic Restoration Roadmap:
 1. Capture manufacturing reshoring and new supply chain opportunities in Virginia
 2. Accelerate Digital Virginia (cloud computing, software development, data centers)
 3. Seize telework transition opportunities, with special focus on rural and small metro regions
 4. Retool and reskill Virginia's (unemployed) workforce for post-COVID career opportunities
- Seizing these opportunities will require funding for items that are currently frozen in the biennium budget, as well as targeted investments in additional initiatives that are not currently budgeted

THE COMMONWEALTH'S STRATEGIC ECONOMIC OPPORTUNITIES FOR THE FUTURE IS DESIGNED AROUND FOUR BIG OPPORTUNITIES



1. Capture manufacturing reshoring and new supply chain opportunities

- Industry analysis and surveys indicate a significant share of manufacturers will likely bring production and sourcing back to the United States in response to the COVID-19 pandemic
- Additionally, as businesses around the world reconfigure their global supply chains and increase resiliency, many new opportunities will emerge for Virginia exporters
- Virginia can capture these job-creation opportunities by investing in targeted business investment, international trade, and related support activities



2. Accelerate Digital Virginia (cloud computing, software, data centers)

- The COVID-19 pandemic has accelerated the transition towards a digital economy for businesses and consumers around the world
- As an established U.S. tech leader, Virginia is well positioned to capitalize on these opportunities in software development, cloud computing, data centers, and other technologies
- Virginia can capture a larger share of this post-COVID tech wave by complementing existing efforts (e.g., TTIP) with targeted enhancements in our incentive programs, tax policy, and broadband infrastructure



3. Seize telework transition opportunities, with special focus on rural and small metro regions

- With the widespread shift to telework during the pandemic, industry experts and business leaders are signaling that telework will become the (permanent) new normal for a much larger share of workers
- Virginia can capture these talented professionals (and the tax revenue they generate) by deploying creative incentive and marketing approaches that focus on both businesses and individuals that telework



4. Retool and reskill Virginia's (unemployed) workforce for post-COVID career opportunities

- Low-skill workers, women, and racial minorities were disproportionately impacted by the economic shock resulting from COVID-19, and likely will make up a significant share of the long-term unemployed in the absence of targeted efforts
- In addition to new job creation opportunities for the Commonwealth, we have an opportunity to connect displaced workers with higher-wage employment opportunities through workforce initiatives such as “Get Skilled, Get a Job, Give Back” (G3), Virginia Talent Accelerator Program, Virginia Jobs Investment Program (VJIP), and targeted investments in sub-baccalaureate fields

Impact

- Secures roughly 10,000 new direct jobs each year (~20,000 total jobs per year)
- Generates roughly \$50-75 million per year in additional state general fund revenue

VEDP PRIORITY INITIATIVES FOR POST-COVID RECOVERY

Initiative	Est. job impact per year*		Economic Opportunities			
	Low	High	Reshoring	Digital Virginia	Telework	Retool, Reskill
A. Expand Virginia Talent Accelerator Program to support statewide coverage	3,000	6,250	✓	✓	✓	✓
B. Restore Virginia Jobs Investment Program (VJIP) to catch the reshoring wave	3,900	6,700	✓	✓	✓	✓
C. Leverage trade development programs to capture/optimize new supply chains and position VA companies for growth	1,000	1,750	✓	✓	✓	✓
D. Expand Virginia Business Ready Sites Program to capture onshoring project wins	1,400	6,250	✓			✓

*Digital is using a multiplier of 2; manufacturing is using a multiplier of 2.5 to capture indirect as well as direct jobs

LOCAL GOVERNMENT RESOURCES

Current initiatives

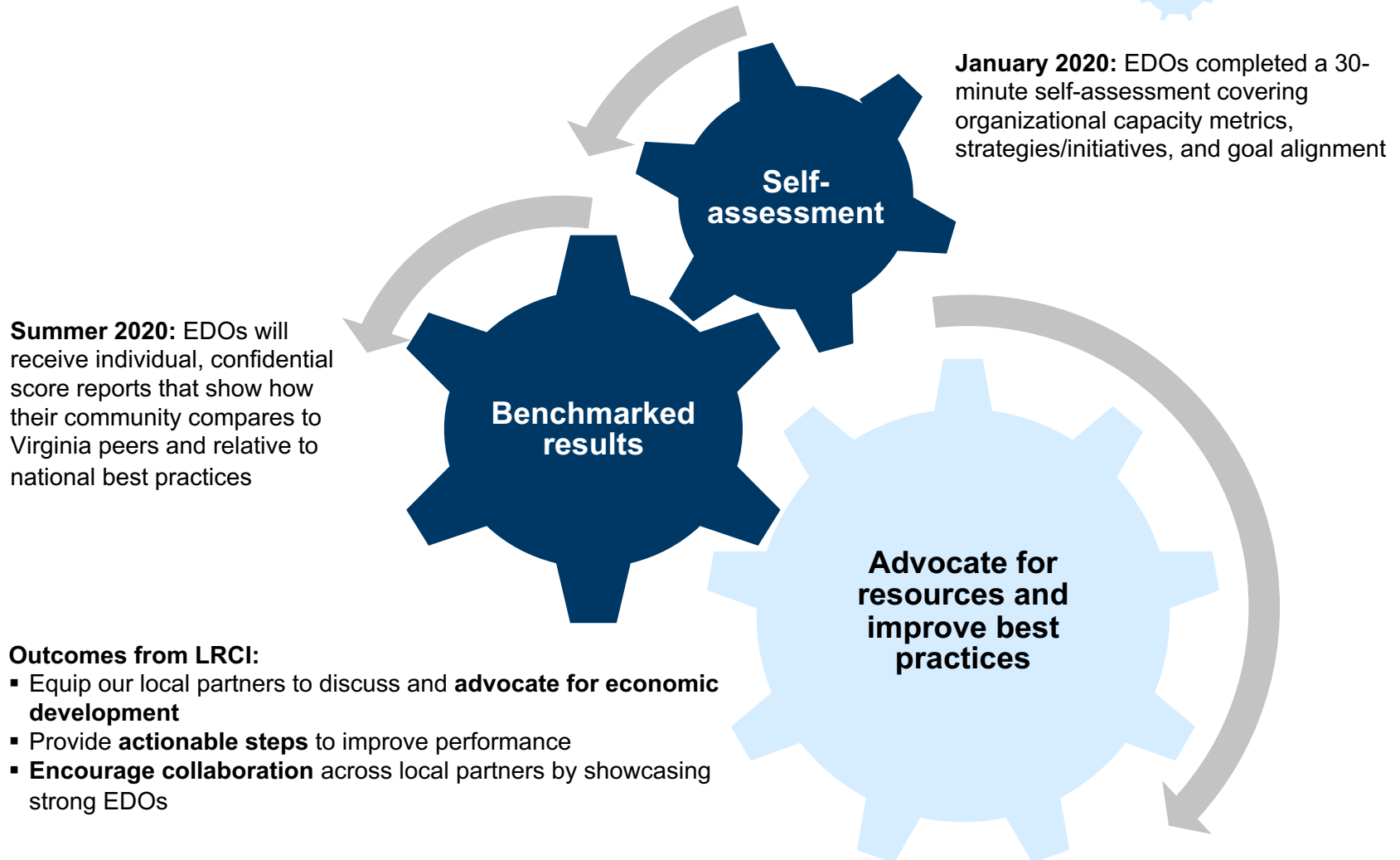
- *Virginia Economic Review*
- Quarterly Partner Report
- impactED sessions with VEDA
- ED 101 session geared toward Chief Administrative Officers without an ED Director
 - December 3, 2020
 - ED 101 8:30 am – 9:30 a
 - Orientation 9:30 am – 1:30 pm
- Virtual VEDP Orientation
- Local and Regional Competitiveness Initiative



LRCI IS A BENCHMARKING TOOL TO SUPPORT ECON. DEVELOPERS IN IMPLEMENTING BEST PRACTICES AND ADVOCATING FOR THE RESOURCES TO SUCCEED



Details to follow



THE REPORT COVERS ALL MAJOR ECONOMIC DEVELOPMENT PRACTICE AREAS COVERED IN THE SELF-ASSESSMENT



Local/Regional Competitiveness Initiative: Toolkit for Virginia's Economic Development Professionals

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Introduction



Best Practices



Appendix

IN THE COMING YEAR, ENGAGING EDOs IN THE RESULTS OF THE SELF-ASSESSMENT AND BEST PRACTICES ARE PRIORITIES FOR VEDP

Since the summer, we have:

- Gathered over 50 case studies from LEDOs and REDOs
- Had the document reviewed by several experts in economic development
- Finalized peer groupings for the individual reports and analyses

In October/November 2020, we are:

- Finalizing the report and sharing results of LRCI to EDOs across Virginia

From Winter 2020 and beyond, VEDP will:

- Support LEDOs and REDOs to improve competitiveness across the state
- Engage with partner organizations on ways to support LEDOs and REDOs
- Conduct virtual roadshows to help LEDOs and REDOs understand how to use the self-assessment report
- Engage with VEDP staff on efforts to support EDOs in targeted strategy areas

THANK YOU



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