



Richmond Regional Comprehensive Economic Development Strategy



2016 ANNUAL UPDATE



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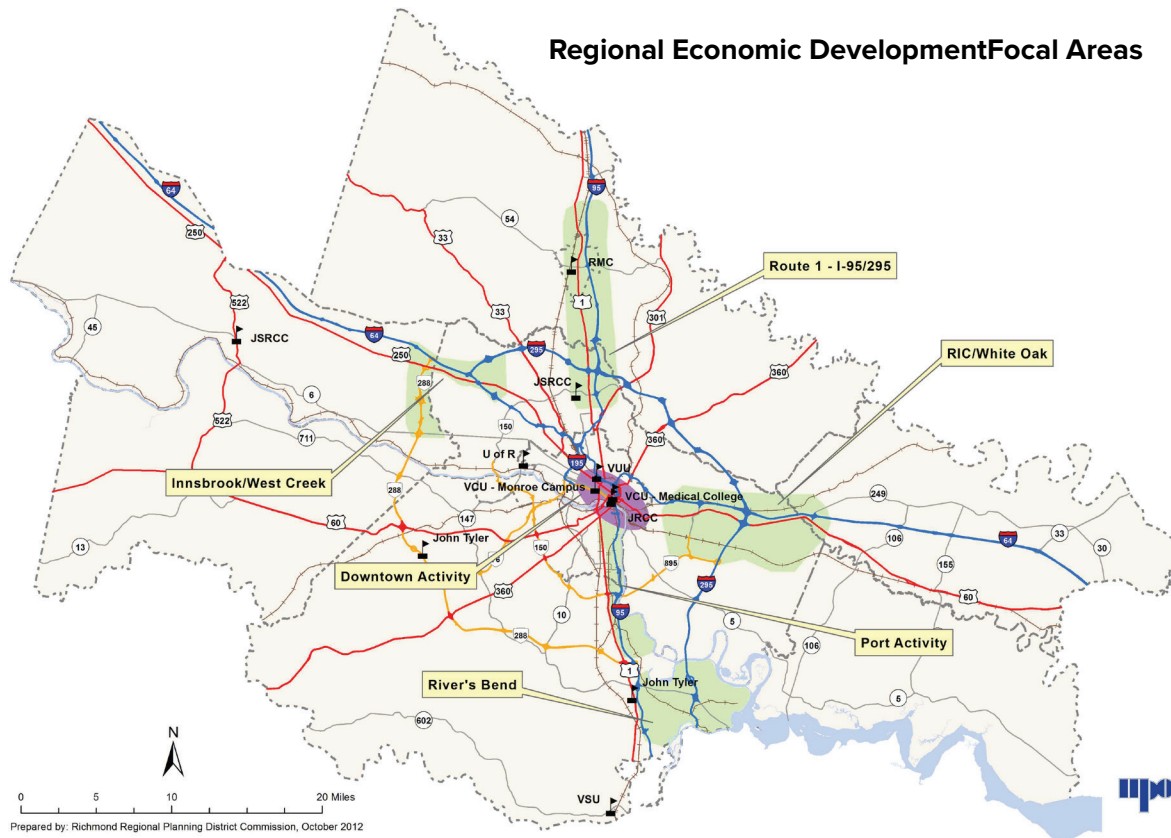




Introduction

The purpose of this 2016 Annual Report on the Richmond Regional Comprehensive Economic Development Strategy (RR-CEDS) is to not only to begin to update key indicators toward addressing performance measures to show progress, but to report on activities and input from CEDS regional partners since the CEDS document was updated in April 2015. The RR-CEDS reflected a 2-year work effort of a 34-member CEDS strategy team that culminated with approval by the Economic Development Administration Regional Office in May 2014 and was officially accepted by the Richmond Regional Planning District Commission (RRPDC) board on July 8, 2014. The RR-CEDS represents a comprehensive approach to economic development within a five-goal framework:

Regional Economic Development Focal Areas



- Goal 1: Create Best-in-Class Pre-K to 12 Public Education System
- Goal 2: Expand Productive Workforce Participation
- Goal 3: Focus Capital Investments on Priority Economic Development Opportunities
- Goal 4: Grow and Retain Jobs That Advance the Region
- Goal 5: Expand Regional Choice in Housing and Transportation Access to Employment

These goals relate directly to the six goal areas of the EDA. A comparative matrix on the next page illustrates activities which are either underway or serve as models for short term activities which would move a common set of Regional and EDA goals forward.

Statistical evidence of the strengths and opportunities along with weaknesses and challenges led to the creation of the RR-CEDS organizing goal framework. Strategies, actions

and models both within the region and from other communities make up a tool-box of elements that can be drawn from to direct positive collective action. Further focus within five (5) geographic areas of greatest influence shown on the map below is also intended to direct resources where the biggest regional impacts would be felt.



| | E D A Goals | | | | | |
|--|---|--|---|--|--|--|
| RRCEDS Goals & Key Objectives | Collaboration | Public/Private Partnership | Strategic Priorities | Globally Competitive | Sustainable | Economic Distress |
| 1. Best in Class Pre-K to 12 Public Education Cradle to Career-measure over continuum Culture of Poverty Intervention Define Career Pathways | Smart Beginnings Bridging Communities HRGS-CTA | Goochland G21/STEM CodeRVA | Industry partners with school systems through mentorship/internships | programs such as Jr. Achievement and awareness of internat'l business in schools | environmental education/recycling pgms field trips to support full range of exposure | Address greater critical needs of schools serving distressed areas for teaching excellence & wrap-around services |
| 2. Expand Productive Workforce Workforce development system Business-industry partnerships in trade Retain HE grads with jobs in Region Foster start-ups & Entrepreneurship | BLISS-RRHA/CWI Apprentice Academy-CCWA | NRV-Start Up Hubs | Apprentice sponsorships by workforce providers who guarantee stipend for initial training period | work with alumni organizations of RR colleges/universities to be aware of region's ability to attract/absorb grads | Jobs with defined career ladders and in demand growth potential need to be the focus to ensure sustainability | Pilot programs such as BLISS and others that make creative use of multiple funding sources if successful need to be scaled up to serve more |
| 3. Capital Investment in Priority Areas Tie Investment & prospect activity to CEDS sites Target capital to under-capacity areas Well defined, functioning goods movement Public/Private Partnerships to move people to jobs | match up localities, industry, & workforce training providers within vicinity of id sites/bldgs in focal areas | Identify private \$ being invested along with needed public improvements that may be eligible for EDA or other funding which could quickly advance | Identify key public infrastructure (incl IT) needs to support growth areas, and aggressively obtain funds/financing | Basic industries which do export or plan to should be given priority consideration to expand and/or locate | Sustainable industry priority, i.e. Tranlin or those which are conscious of good site/bldg design | the I-95 corridor offers a good test-pilot geography where labor-force needs for gainful employment may best match job potential, if training is provided |
| 4. Grow & Retain Jobs to Advance Region Expand & Grow Existing Businesses Attract new businesses focused on target industry Match supply and demand, labor to skills demand | work with partners to identify skills required by target industries & ways to provide training | Public investment in front-end with agreement by industry/business to create or expand jobs & tax base | Understand key skills needed by employees of target industries & work with HR to determine difficult to fill positions | Need to understand next generation of skills in demand for global competitiveness--who is the best to do this? | who is actively researching next generation of tech jobs for which Region has competitive advantage due to location, raw materials, specialized skills in workforce? | Need to quantify the societal benefit for more fully engaging the labor-force in work |
| 5. Expand Choice in Housing & Transportation Improve transit access to employment Increase affordable housing options near jobs | Actively engage GRTC with localities in service area of planned projects Develop awareness of housing costs within labor shed(s) of planned projects | consider private industry extension of transit for specific service to employees | focus efforts to remove barriers in areas of concentrated poverty & ethnic populations, including holistic approach to supports required for employability | Are there training pgms which can be effective in skilling up those who are not gainfully employed and live in vicinity of logistics centers? what are barriers of access? | Housing supply hasn't totally caught up after recession putting greater pressure on affordability, esp near job centers | Interim transit solutions through public-private partnerships between employers or college/training/employment destinations may start to demonstrate success |
| | Key words: innovation clusters 2+ localities urban, suburban, rural public-private emerging industries | Key words: public-private funds leverage investments gov't, public, non-profit | Key words: Advance Manufacturing IT, broadband auto restructuring areas urban waters natural disasters resiliency capital access for small, ethnic enterprise Health & Science innov | Key words: Hi-growth business Innovators in global markets Export goods Foreign investment New jobs back to US | Key words: environmental qual green products, process places, bldgs Energy-efficiency | Key words: focus on communities w/ high job loss and/or rebuilding for competitiveness |

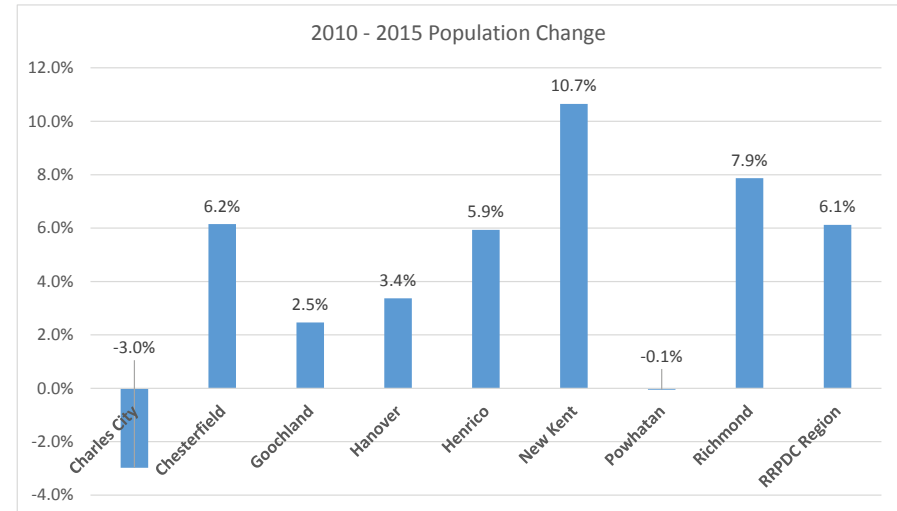




2015-2016 Economic Overview & Update on Key Findings

This annual update captures new data where possible to report on performance in moving key indicators; however, many of the measures are “lagging” indicators which will take several years to register progress. For example, the total jobs created in the region and the types of jobs over time may shift industry clusters and the location of these clusters which will impact how effective strategies in targeted areas such as the Port of Richmond are or are not addressing unemployment or household incomes. Therefore, this Annual Report summarizes a broad data review which is recognized to be the initial stage of gathering and reporting on data over a longer timeframe:

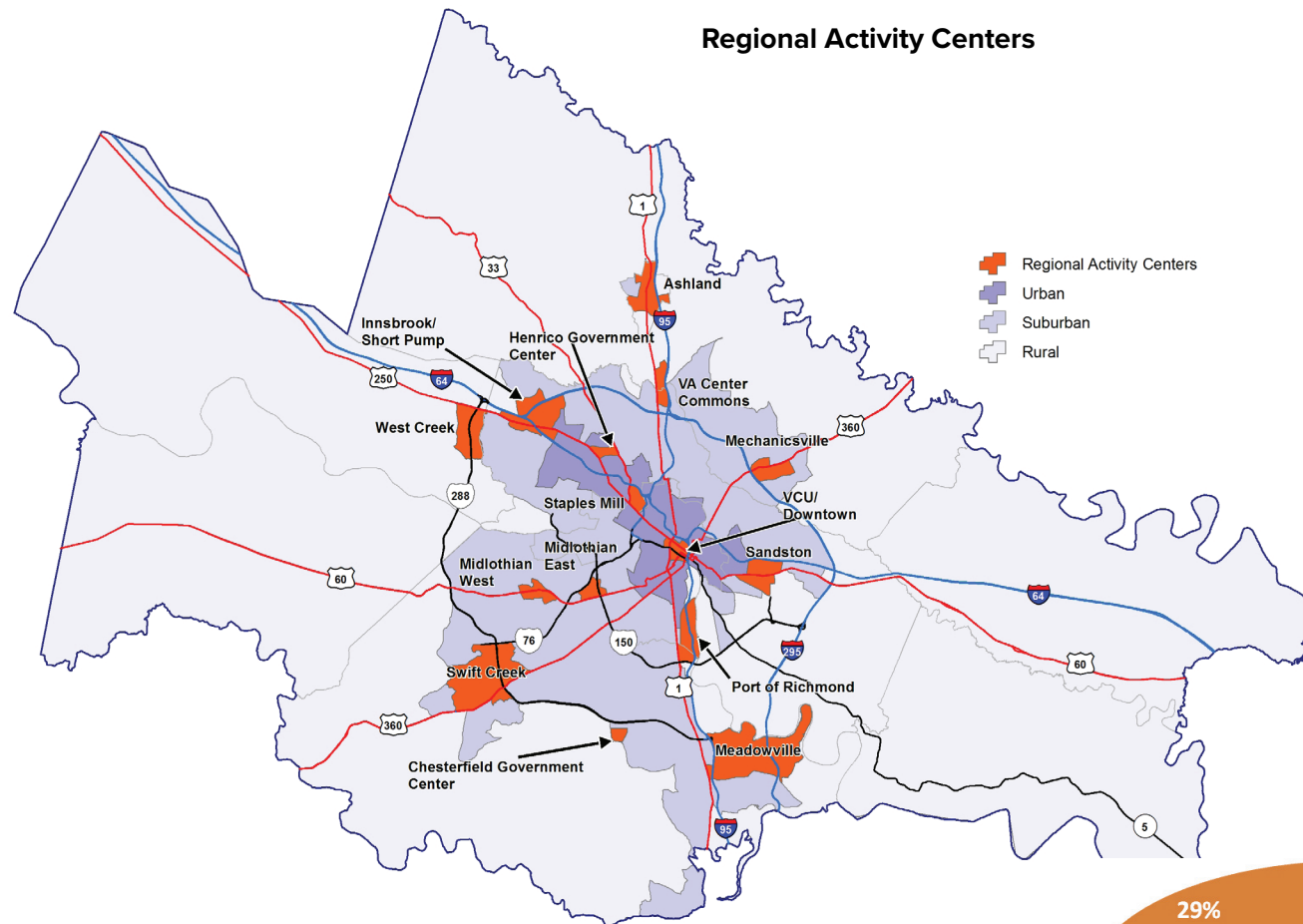
1. The 2015 regional population continues to increase at much the same annual rate of growth experienced from 1970-2010, increasing to 1,064,089 or 6.1% since the 2010 decennial census (ACS 5-year estimates, 2010-2015). Only Charles City and Powhatan counties have slightly declined in population both in absolute and percentage terms. Chesterfield County has increased the most in absolute terms, while New Kent shows the strongest percentage rate of change. Most notably, the City of Richmond was starting to increase in absolute and percentage terms after the year 2000, and the rate of increase has picked up in the last five years.



Source: U.S. Census Bureau, 2014 1-Year and 5-Year American Community Survey estimates.

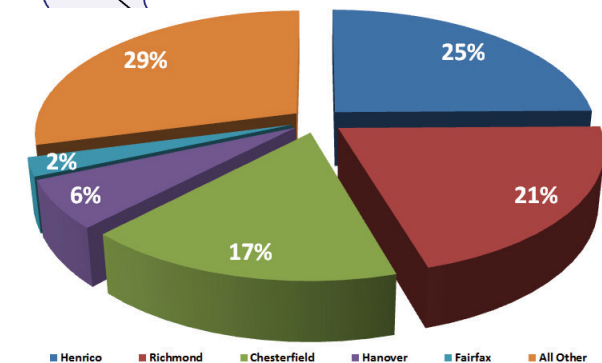
2. Population distribution across the region is the focus of a separate Socioeconomic Analysis prepared by the RRPDC every four years for the primary purpose of the Regional Long Range Transportation Plan, or Metropolitan Transportation Plan (MTP). The 2012-2040 update reviewed underlying trends to forecast population for the region and anticipate general patterns of growth, or concentrations of population and employment. The socioeconomic analysis combined with the target industry analysis, and the ongoing updated inventory of existing land use will provide valuable guidance for strategic decision making on priority projects, feasibility of impact, and infrastructure investments. Likewise, a longer view of trends showing changes in specific population characteristics such as age and racial composition both at a regional and sub-regional level will be used to fine-tune implementation objectives.





Prepared by the Richmond Regional Planning District Commission, May 2015.
 Source: 2012-2040 Socioeconomic Data Report, Richmond Regional Transportation Planning Organization, April 2015.

- Commuting patterns showing changes across the region and beyond will make use of updated census data from LEHD over the next year along with the Socioeconomic Analysis to indicate any significant shift in the journey to work from home and vice versa. The general distribution of where employed residents of the Region work has essentially remained unchanged: Henrico, Richmond and Chesterfield continue to be the largest centers



Source: U.S. Census Bureau, On The Map, Longitudinal-Em-

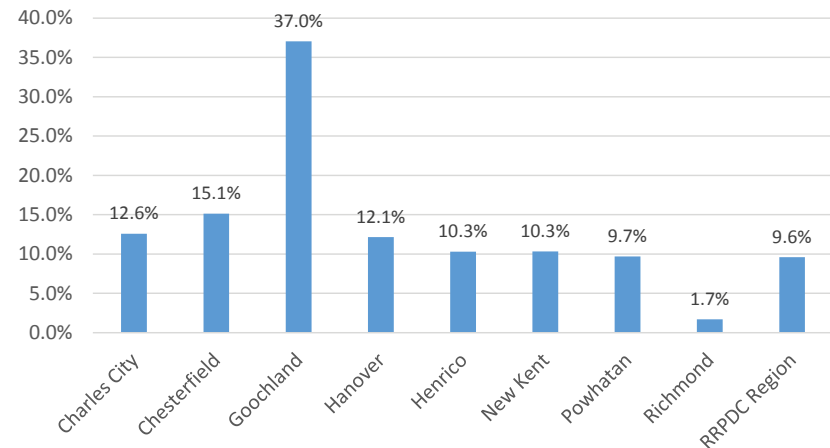




for employment.

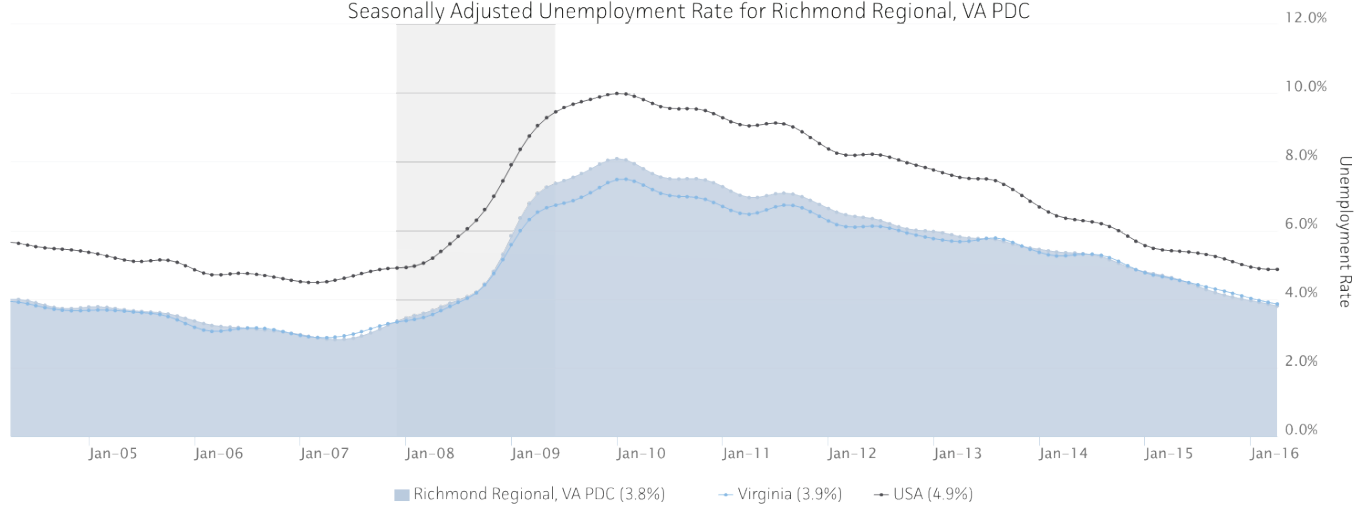
4. In the last five years, the Richmond Region has added a total of 51,486 jobs as of the 1st quarter 2016 with the strongest industries in terms of their location quotient being in management of companies and enterprises, finance and insurance, and construction (highlighted in yellow on page 7). These employment changes have not had any effect on the clustering of industries or relative strength. Once again such industry shifts could only be expected over a longer timeframe. Most notably for the Region, the City of Richmond showed only a modest gain with an increase in 2,663 jobs, or 1.7%. In absolute terms, Henrico and Chesterfield had the greatest increases in employment, and Goochland experienced the greatest percentage increases.
5. The unemployment rate in the Richmond Region has continued to decline following the same trend, along somewhat lower than the Commonwealth and the U.S. rate, and as of January 2016 has fallen below 4.0%.

2011 - 2016 Employment Change



Source: JobsEQ 2016, Chmura Economic and Analytics, 1st quarter 2011 through 1st quarter 2016.

Seasonally Adjusted Unemployment Rate for Richmond Regional, VA PDC



Source: JobsEQ®. Data as of Apr 2016. The shaded areas represent national recessions.



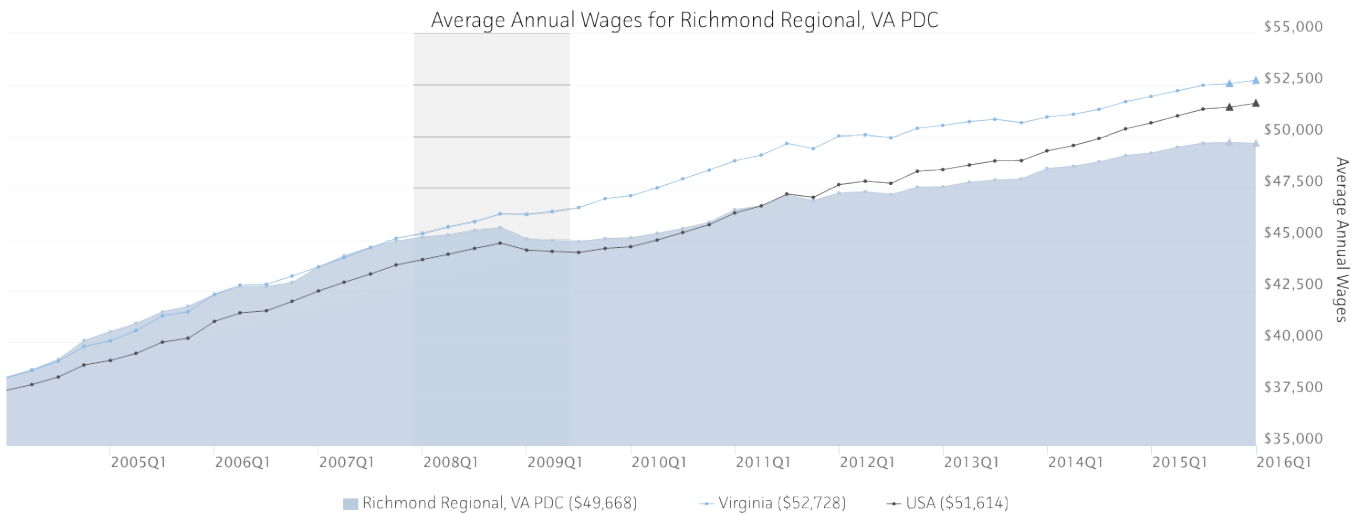
| Richmond Region Employment by Major Industry | | | | | | | |
|--|--|------------|-------------------|-------------------|-------------------|------------------------|-----------------------------------|
| NAICS | Industry | Employment | Avg. Annual Wages | Location Quotient | Total 5-yr Change | Annual Avg 5-yr Change | Projected 10-yr Avg Annual Change |
| 11 | Agriculture, Forestry, Fishing and Hunting | 1,311 | \$25,304 | 0.15 | -73 | -1.1% | -0.2% |
| 21 | Mining, Quarrying, and Oil and Gas Extraction | 323 | \$57,473 | 0.11 | 45 | 3.1% | 0.3% |
| 22 | Utilities | 2,256 | \$81,212 | 0.71 | 408 | 4.1% | -0.3% |
| 23 | Construction | 37,143 | \$50,272 | 1.17 | 3,825 | 2.2% | 1.5% |
| 31 | Manufacturing | 25,459 | \$61,537 | 0.52 | -632 | -0.5% | -0.8% |
| 42 | Wholesale Trade | 23,234 | \$67,451 | 0.99 | 1,866 | 1.7% | 0.6% |
| 44 | Retail Trade | 61,375 | \$27,553 | 0.96 | 4,576 | 1.6% | 0.7% |
| 48 | Transportation and Warehousing | 22,153 | \$44,352 | 0.93 | 5,924 | 6.4% | 0.0% |
| 51 | Information | 8,094 | \$59,722 | 0.69 | -1,625 | -3.6% | -0.3% |
| 52 | Finance and Insurance | 38,312 | \$76,101 | 1.64 | 4,993 | 2.8% | 0.8% |
| 53 | Real Estate and Rental and Leasing | 9,343 | \$52,142 | 0.94 | 1,287 | 3.0% | 0.4% |
| 54 | Professional, Scientific, and Technical Services | 40,587 | \$77,224 | 1.06 | 3,812 | 2.0% | 1.2% |
| 55 | Management of Companies and Enterprises | 21,270 | \$116,227 | 2.47 | -223 | -0.2% | 0.4% |
| 56 | Administrative and Support and Waste Management and Remediation Services | 42,835 | \$33,767 | 1.13 | 8,734 | 4.7% | 1.0% |
| 61 | Educational Services | 51,887 | \$42,917 | 1.06 | 714 | 0.3% | 0.7% |
| 62 | Health Care and Social Assistance | 80,254 | \$49,509 | 0.97 | 7,948 | 2.1% | 1.9% |
| 71 | Arts, Entertainment, and Recreation | 12,451 | \$19,987 | 1.09 | 1,484 | 2.6% | 0.8% |
| 72 | Accommodation and Food Services | 45,142 | \$16,948 | 0.87 | 7,617 | 3.8% | 0.6% |
| 81 | Other Services (except Public Administration) | 30,281 | \$29,839 | 1.16 | 876 | 0.6% | 0.5% |
| 92 | Public Administration | 31,974 | \$56,918 | 1.14 | -743 | -0.5% | -0.1% |
| 99 | Unclassified | 682 | \$25,659 | 0.65 | 673 | 136.2% | 0.9% |
| | Total - All Industries | 586,365 | \$49,668 | 1.00 | 51,486 | 1.9% | 0.8% |

Source: JobsEQ 2016, Chmura Economic and Analytics, 1st quarter 2016.





6. Wages in the Richmond Region continue to lag somewhat behind the Commonwealth and the U.S. and the gap has actually widened since 2014. The average annual wage in the Richmond is \$49,668 compared to \$52,728 for Virginia and \$51,614 in the U. S.



7. The number of openings posted through the Virginia Workforce Connection compared to those who are unemployed is better in March 2016 compared to the last report in 2014 showing that 1.9 openings (full and part time) are available for every unemployed person.

The potential skills mismatch or jobs gap challenge has garnered much discussion and additional research in the past 18 months. A survey of human resource professionals was conducted in May-June 2015 by the Southeast Institute of Research on behalf of the Community College Workforce Alliance (CCWA), the Greater Richmond Society for Human Resource Managers and the Capital Region Collaborative (CRC) to address the following questions:

| Jurisdiction | Unemployed | Jobs Openings | Jobs Openings per Unemployed |
|--------------|------------|---------------|------------------------------|
| Charles City | 191 | 41 | 0.2 |
| Chesterfield | 6,965 | 6,243 | 0.9 |
| Goochland | 401 | 229 | 0.6 |
| Hanover | 2,009 | 2,805 | 1.4 |
| Henrico | 6,986 | 8,588 | 1.2 |
| New Kent | 404 | 182 | 0.5 |
| Powhatan | 484 | 181 | 0.4 |
| Richmond | 5,294 | 25,868 | 4.9 |
| RRPDC Region | 22,734 | 44,137 | 1.9 |

Source: U.S. Bureau of Labor Statistics, March 2016. Virginia Employment Commission, Labor Market Information.



- Is this ratio an accurate depiction of a jobs-skills mismatch?
- Are local employers tapped out when it comes to available, qualified local people? Do they have to look outside the region for talent to fill open positions?
- If local employers are not tapped out, what can be done to facilitate greater alignment between job seekers and job providers, to help get a greater number of the available workforce employed and grow local employers?

Key findings of the survey of primarily human resource managers in private, non-profit, governmental and non-governmental organizations as reported in June 2015 to the CRC indicated:

- The majority of Richmond Region employers prefer to hire local residents than recruit from outside the region.
- 57% of respondents reported that finding qualified workers is challenging, and particularly so for the larger (500 employees or more) for-profit businesses (71% responded affirmatively).
- Seven in ten respondents feel the jobs gap is primarily due to qualification issues. One-half of the respondents reported that job seekers lack the technical skills required. Companies are often not able to effectively identify a qualified candidate based on the skills required instead of a degree or credential.
- Soft skills are important to organizations today and impact the Richmond Region's jobs gap, and a majority of respondents prefer to hire someone with adequate soft skills and teach the harder, technical skills.
- Part of the jobs gap is a result of job seekers not having adequate skills or connections to get in front of potential employers, and that a centralized job posting place may overcome this obstacle.
- The Region's positive reputation is definitely felt to be helping

in growing the regional qualified talent pool.

8. Unemployment in the most distressed areas of the region has not changed with the new 5-year Census estimates, but it is still more than 4-times the regional unemployment rate.

| Neighborhoods | Civilian Labor Force | Labor Force Participation Rate | Unemployment Rate |
|-------------------------|----------------------|--------------------------------|-------------------|
| Northern Barton Heights | 153 | 48.0% | 11.8% |
| Whitcomb | 2,098 | 36.5% | 21.8% |
| Gilpin | 655 | 58.0% | 40.8% |
| Fulton | 367 | 59.5% | 18.8% |
| Swansboro West | 912 | 64.3% | 26.5% |
| Southwood | 830 | 77.4% | 7.3% |
| Bellmeade | 857 | 53.8% | 22.8% |
| Essex Village | 991 | 62.2% | 24.5% |
| Williamsburg Village | 264 | 48.4% | 15.5% |
| Total | 7,127 | 50.8% | 22.4% |

Source: U.S. Census, 2014 5-Year American Community Survey estimates.





CEDS Strategy Roundtable

Much of the active work toward action and implementation of the RR-CEDS is being carried forward through ongoing efforts of the local economic development offices, key partners of the CEDS in the areas of education, workforce, higher education, non-profits, business and industry. Regional collaborative work efforts are principally accomplished through the RRPDC, the Greater Richmond Partnership (GRP), the Chamber RVA (formerly Greater Richmond Chamber of Commerce (GRCC)), and jointly between public and private sectors through the Capital Region Collaborative.

CEDS Strategy Committee

As part of this CEDS Annual Report update process a roundtable discussion of the CEDS Strategy Committee was held on May 9, 2016. As summarized below, several guests shared their experience with EDA funding and related programs such as those offered by the USDA:

- \$200 million total available through EDA for the U.S., very competitive, so other sources including foundations absolutely necessary
- USDA awards grants based on a set of criteria – one of those are is the applicant within a regional plan i.e. CEDS
- VEDP is funding competitive buildable site analysis now, and will have implementation funds available next year.
- USDA as source for community facility funding, Section 6025 program (of the Farm Bill) provides opportunity for strategic economic development and community development; one unusual example of a food truck for food bank that is supportive of CEDS-like SET plan
- Need to be aware of all other funding sources, criteria for fund-

ing and determine alignment; RRPDC no longer has the RAFT (Richmond Area Funding Team) intact, and very little staff capacity to prepare grant applications, consider sponsoring funding workshops at the regional level

- VEDP advises simple approach to strategizing projects: 1) Identify workforce skills now and in 5 years, and 2) then identify real estate to match
- VBRP has applied unsuccessfully for an EDA Innovation Grant in the past two years and is preparing an application for submission again this year; follow up meeting scheduled for June 21 with Carrie Roth
- Parallel of CEDS readiness with Go Virginia initiative-once regional councils decided, very first step with probably be the need for skills-gap analysis
- GRP Target Industry Analysis reviewed once again last year with one minor adjustment putting greater focus on food industry with private labeled products; in 15 years, 80% of prospects are looking for existing buildings rather than sites
- CCWA mentioned emphasis on workforce credentials and apprentice academy with Crater/CCAM.
- Compatibility of CEDS with all other resiliency type of planning efforts, including Hazard Mitigation, Emergency Management, CRC Action Groups (Carrie Roth heading up Job Creation; Barrett Hardiman heading up Transportation), HB2 funding process.

Much discussion on how to proceed: RRPDC with CEDS as a resource document, purpose is to refresh frequently, network with others to be aware of strategic opportunities; need to develop a general list of projects, whether they are ranked or establish a beginning point to make an application



With greater awareness of the progress that can be achieved by virtue of having an adopted CEDS both through funding and collaborative strategy building, the conclusion of the CEDS strategy team was to more actively champion project funding. A follow up survey to the CEDS team yielded for consideration two potential projects with regional impact at different phases of development.

The work of the CEDS strategy team has been supplemented by related outreach and ongoing collaborative activities throughout the program year, discussed in the following sections.

Capital Region Collaborative

As the primary vehicle for a collective strategy among the business community, the region's localities and the non-profits/foundations, the Capital Region Collaborative has made tremendous progress this past year to drive action:

- **CRC Organizing Council** obtained agreement between the localities and the regional funders roundtable which is made up of 10-12 non-profits and foundations to jointly fund a Project Manager's position for a two year period. The manager was subsequently hired in July 2015.
- **CRC Workforce Preparation Action Group** worked through the Community College Workforce Alliance to initiate the Employers Survey in May-June 2015 which provided direction to both the CCWA and the CRC in re-establishment of the Workforce Action Group (see summary as reported above under the Jobs Gap challenge in the Region). The Career Readiness Network of Bridging Richmond is in the process of being merged with the work of this CRC Action Group.
- **RVA Community Indicators/Dashboard** was presented in a large public forum with 230 in attendance on February 26,

2016 which provided a broad Tier 1 overview of how the Richmond Region compares to six other peer regions within each of the eight (8) priority areas. This guidebook represented the culmination of many months of data verification and discussion among subject matter experts to verify these "lagging" indicators were relevant measures of economic prosperity and quality of life and could lead to further analysis within the Richmond Region (RVA) to the Tier 2 or "leading" indicators which will have greater consequence to those who are trying to impact real change. Additional foundation funding was awarded to develop an interactive website to track the indicators, and this work is underway.

- **Reformulation of CRC Action Groups** has been a focused effort through the CRC so that more deliberate action plans, tasks and steps can be taken or directed by a small core group, and progress can be measured in improving the quality of life and economic prosperity of the Region. All eight groups including healthy communities, quality place, James River, job creation, workforce preparation, education, social stability, and coordinated transportation have leadership; additional work within the framework of the action groups begins this month with anticipated input into the CEDS process over the coming year.





Collaborative Action toward CEDS Goals

1. Coordinated Transportation-Expanding Transit Access to Employment

- RRPDC staff has been working with a City of Richmond staff team on a land use and connectivity plan for the area served by the **Pulse Bus Rapid Transit (BRT)**. To be completed in late 2017, The Pulse is Richmond's first BRT line offering greatly reduced bus travel times over a 14-stop, or station, system extending from Rockett's Landing to Willow Lawn along Broad Street and E Main Street. The purpose of the BRT Plan is to expand the BRT spine's reach and focus on a deliberate strategy to ensure the GRTC Pulse is used as an effective transformative tool. This plan's approach is to foster transit-oriented development (TOD), a development pattern that encourages most trips to be made by foot, bike, and transit. The defined study area is home to one-fourth of the population and two-thirds of the jobs in the City; more than one-half of the population is 18-34 years old; and two-thirds of the households have one or fewer cars. The opportunity to foster a successful, well-used transit system that offers potential to create a system that offers public transit choice to the largest concentration of the residential population and employment in the Region.
- **Richmond Transit Network Plan** a companion year-long planning study by consultants for the Greater Richmond Transit Corporation (GRTC) which will analyze the current public transit system bus network in the city to consider alternative design of local bus routes in the context of the Pulse. The purpose of the plan is to consider how to connect local routes to the BRT to better ensure Richmond has a more connected transit network. Public input on three alternatives is being sought in July-August public meetings.

- The Virginia Department of Rail and Public Transportation (DRPT) is working with the Richmond Regional Transportation Planning Organization (RRTPO) and GRTC on a **Regional Transit Vision Plan** to take a broader, more regional look at the current transit system in light of demographic and land use trends, along with public opinion surveys and stakeholder input to create and present a regional transit vision plan to guide transit development through 2040.

2. Creating Best in Class Pre-K-12 Education System

Bridging Richmond (BR) serves as the primary champion in this strategic area as the convener of the Region's eight (8) School Division Superintendents. Executive Director, Jason Smith will also serve as the chair of the CRC Education Action Team with overlap to the Workforce Preparation Action Team chaired by Drexel Harris of Dominion Virginia. Bridging Richmond's ongoing work makes active use of data for continuous improvement, from cradle to career. The partnership serves both as a convener and partners with other organizations to bring together an action network that aligns individual contributions with data & improvement methods. Following are some places where Bridging Richmond partners are currently at work:

- **Grade Level Reading (GLR)** - BR has been working with the Richmond city GLR to scale the work to the region, including the following steps:
 - » BR obtained MOUs from 9 districts for kindergarten readiness data (PALS-K) at the school level, for the first time, to support Smart Beginnings and the Literacy Collaborative Action Network (CAN) in strategic planning and outcome monitoring;
 - ♦ Literacy CAN: United Way is moving into a convening role, with BR as the data & improvement partner. There are a



few proposals in the project portfolio, but a workgroup is currently working on a brief, early kindergarten readiness assessment to fill the gap in time before PALS-K data is received in October. This assessment tool will be tested in several schools in Fall 2016.

- ◇ Attendance CAN: Three work groups have launched, each with a distinct charge:
 - » Prepare for a September Attendance Awareness Campaign to help people understand the definition of chronic absence, and the implication of missing 10% of school (~18 days) for any reason (excused, unexcused & behavior).
 - » Work to make data available as an early warning system to identify students faster & determine what practices are working to improve attendance. In Fall 2016 improvement teams will be testing and changing practices where the data reveals key drivers to attendance;
 - » Create common elements for district action plans for attendance to address the need for better data, and ability to facilitate better student transitions between districts.

• Middle School

- ◇ BR continues to provide data support for NextUp, a mentoring program for selected Middle Schools in the City of Richmond.
- ◇ Math Science Innovation Center (MSiC) adjusted its teacher training to have a greater focus on Algebra 1 after the need was identified in the Middle School Summits, and continues to need to expand it with a waiting list for participants.

• High School & Career Readiness

- ◇ BR is supporting high school reform awareness through

film screenings and additional proposed outreach with the districts in some of their communities.

- ◇ BR maintains the FAFSA dashboard with weekly, school-level completion data. Additionally, BR provides support for school staff and access providers in schools in using data to identify practices that are working to increase FAFSA completions.
- ◇ Advocacy is exercised at the state level through participation in the Access & Success Summit planning group, and also directly by advocating for Virginia to receive student-level FAFSA completion data to improve case management.

3. Expand Productive Workforce Participation

- *Chmura JobsEQ* is a frequent tool used by the Community College Workforce Alliance (CCWA) , Reynolds and John Tyler Community Colleges and the RRPDC to identify general demands within major occupations, both presently and by 2030 and translating the demand into fulfilling the needs for additional certifications and associate or higher degree programs and curriculum. The largest gap was identified in health care, educational services, professional/scientific & technical services, and finance & insurance. Significant State funding has been made available to develop non-credit courses to ramp up quickly in better equipping a ready workforce.
- *CCWA* is following up on the recommendations of the May-June 2015 Employer Survey conducted by SIR on their behalf with a number of important steps that will serve as a starting point for the newly engaged CRC Workforce Action Group. As the client, the CCWA works more directly with the Capital Region Workforce Partnership to help individual job seekers obtain the skills employers have identified as the most needed.





Much of CCWA focus has been to increase opportunities for obtaining credentials, i.e. for advancement of soft skills restructuring program modules to align with a national retail customer service credentials that are more readily accepted by local employers, setting up a certified logistical technical and associate degree program in the community colleges, establishing a truck driving school with full-time director for commercial driver's license (CDL) training and awards, working with John Tyler Community College to set up a non-credit nurse assistant program. Using a grant through the Apprentice America program, CCWA is also working with a number of local industries to set up specific classes for entry level manufacturing technician positions.

- The proposed workforce pilot project for the Richmond Marine Terminal-Port of Richmond project area continues to slowly move forward, and is bolstered by a feasibility study for establishing larger scale industrial/distribution/logistics uses within the identified **Commerce Corridor Study** by the Virginia Office of Public Private Partnerships (VAP3). This builds upon the original concept in the July 2014 RR-CEDS that calls for a focused effort to make additional employment opportunities in the trades readily accessible to the surrounding population.
- Capital Region Workforce Development Board (WDB) -The WDB makes employment and training services available to job seekers and employers in the City of Richmond and seven surrounding counties. Three primary workforce centers are located in Chesterfield, Henrico and Richmond, with an affiliate site in Goochland. The WDB also coordinates with key partners such as the City's Center for Workforce Innovation (CWI), the Virginia Employment Commission, Adult Education, Community College Workforce Alliance, Virginia Department for Aging and Rehabilitative Services, Senior Connections and others to leverage resources and make workforce service delivery more efficient. In its most recent program year, the

WDB served 1,853 jobseekers and over 300 employers and businesses.

4. Grow and Retain Jobs that Advance the Region/Innovation and Job Creation

- Transitioning from the governing body of the Virginia Biotechnology Research Park Corporation, the **Innovation Council** has been established as a forum for collaboration and coordinated innovation activities among stakeholders in the region. The Council is focused on identifying gaps in the innovation ecosystem and leading efforts to fill the gaps. A metric report on progress is being released in July which will also be used to help lead the reformation of the Job Creation Action Group for the CRC.
- VCU Squared has established Venture Creation University as a collaborative interdisciplinary innovative start-up source for entrepreneurship, pre-accelerator funding and mentoring resources have been provided to 12 different problem solver concepts.

Virginia Economic Development Partnership (VEDP) announcements provide an indication of the amount and types of jobs that have been created over the last 18 months since completion of the CEDS. A total of over 3,100 jobs across all sectors were announced with the largest being in the insurance industry, distribution centers, manufacturing (including food and beverage industry). Expansion of existing businesses in the area such as the Amazon fulfillment center, Carmax, and Elephant Insurance factor prominently in the growth of jobs in the region. The region has also lost 390 jobs through contraction of four different employers in the same time period.



- **Growth in Logistics** -The RR-CEDS points out the advantageous location of the region on the East Coast, proximity to Washington DC and the deep water ports of Hampton Roads, highway & rail access to a large majority of the U.S. population. Adding to these advantages, the I-95 corridor sweep of activity with ready sites for logistics and distribution, combined with a positive business climate, have put Chesterfield County at the top spot for logistics on the East Coast by The Boyd Company, a Princeton NJ-based corporate site-selection consulting firm. A ribbon of logistics-distribution hubs stretching through the region from the Vitamin Shoppe in Hanover County, Lumber Liquidators in Henrico County, and Amazon in Chesterfield County supports further growth of this business sector at strategic locations.

Local economic developers recognize greater tax-base bolstering and higher job producing benefits that can be generated by these same location assets. Renewed emphasis on food and beverage industry manufacturing is a complementary strategy, and the recent construction of the Stone Brewery project for the Fulton Community on the east end of the City of Richmond that will bring \$41 million in private investment and 288 jobs is a solid addition to this sector and another map-setting opportunity for the region. Some of the older corridors extending from the I-95 spine and industrial areas with non-convertible buildings (see key finding #4) and zoned sites, i.e. Laburnum, Rt. 1, Commerce, Midlothian, Hull, are planned for renewed scrutiny in the food and beverage manufacturing sector.

5. Capital Investments on Priority Economic Development Areas-The primary ways that illustrate progress over the past year include:

- **Commonwealth of Virginia Smart Scale** (former HB2) established a prioritization process to evaluate transportation

projects considering specific factors—including a proposal's conformance with existing economic development plans—to evaluate transportation projects and directs the Commonwealth Transportation Board (CTB) to use the scoring process to inform project selection for the Six Year Improvement Program (SYIP). Within this category project support for economic development primarily focused on projects supported by a local economic development strategy or CEDS, intermodal access and efficiency and travel time reliability. This new ranking system has been instructive in guiding the process objectively to invest limited tax dollars in the right projects that meet the most critical transportation needs.

- **Port Focal Area** -The Port of Virginia's 40-year lease executed in 2015 with the City of Richmond to manage and operate the **Port of Richmond/Richmond Marine Terminal (RMT)** has elevated its potential as an economic driver for logistics and manufacturing. In response, the Commerce Corridor: Transportation Connectivity, Accessibility and Economic Opportunity is an ongoing planning effort led by the Richmond Regional TPO with financial and consultant support provided by the Secretary of Transportation's Office of Intermodal Planning and Investment (OIPI). The study was initiated with an understanding that growth of RMT and surrounding areas as an inland logistics hub will exacerbate current transportation issues, and require supporting investments in infrastructure to safely and efficiently accommodate future freight and passenger volumes. For more information, go to http://www.richmondregional.org/TPO/Commerce_Corridor/About.htm.

Significant investments have been made in the RMT to advance the use of the I-64 Express barge connection to the Virginia ports in Hampton Roads. At the time of leasing the facility the Richmond Marine container cargo on the RMT had only a single crane to handle loading and unloading the cargo. The \$4.0 million new cargo crane capable of han-





dling 124 tons was funded by the RRTPO through allocation of Congestion Mitigation and Air Quality (CMAQ) funds over the past three fiscal years. The VPA plans to put \$17 million in upgrades into the RMT with annual cargo volume planned to expand from 14,000 “(20)-foot equivalent units” or TEUS to 32,000 over the next 3 years.

- The largest project planned for the Meadowville Focal Area will have a tremendous impact with the private sector investment of \$2.0 billion and creation of 2,000 jobs by *Tranlin Inc.* scheduled for full operation in 2020. Significant transportation improvements, including a reconfigured Willis/I-95 interchange and related infrastructure projects will be required to support the development. The project is intended to be a industrial/logistics and environmental model for the region, processing farm waste of leftover wheat and corn stalks into paper pulp with a byproduct of organic fertilizer that can be returned to farm fields. Much of the supply of raw materials and employment will be derived locally.

6. Emerging Opportunities for Collaborations & Funding

- *2015 State of the Commonwealth Report & the Virginia Chamber of Commerce Blueprint Virginia* - a business plan for the Commonwealth, an independent assessment of Virginia’s economy through active regional input sessions held in 2014. One major conclusion of the report is that while the Virginia economy did not contract as precipitously as the rest of the nation in the 2009 recession, the annual rate of growth since that time has been a meager 0.02 percent in terms of GDP growth year-over-year up to 2014. Review of State and region’s pluses (strategic location, deep port, strong educational system, competitive corporate tax rate, low unemployment) and minuses (over-dependence on DC and public sector employment) when it comes to economic development, and need to focus on five key areas:

- ◊ Project Ready infrastructure/broadband access
- ◊ Talent
- ◊ Entrepreneurism
- ◊ Economic and Business climate-lean and mean regulations and incentive toolbox
- ◊ Focus on businesses that are in a growth mode and pay living wages

Virginia Initiative for Growth and Opportunity, Virginia, or **GO Virginia** was initiated as a joint response to the findings of this report with funding through the Growth and Opportunity Act and the Collaborative Jobs Act. Funding over FY17 and FY18 is proposed to provide new incentive tools to promote regional collaboration on economic development, provide incentives for regional collaboration, and additional bonding support for research labs, equipment and additional credential support for the Virginia Community College System. GOVirginia is intended to provide leadership in cooperation with local government and higher education to focus on private sector expansion in high growth sectors, assisting business in finding qualified workers they need to sustain growth, and to better utilize tax dollars toward greater efficiency.

- **Economic Resiliency**—The need to regain a vibrant Virginia economy post-recession has been a concerted call to action by the Commonwealth in response to an economy which has been over-reliant on the Federal government. As pointed out by the RR-CEDS, the Richmond Region is not as dependent in comparison to other regions of the Commonwealth; an estimated 2 percent of the Richmond region’s GRP compared to 18 percent in NOVA and 13.4 percent in Hampton Roads are derived from Federal contracting. New opportunities to



integrate planning and action efforts through regional collaboration have emerged with a focus on resiliency in many related sectors, most importantly, emergency management, hazard mitigation, transportation planning, and economic development. The RRPDC is working closely with the Crater Planning District Commission on a comprehensive update of the combined region Hazard Mitigation Plan, and in response to GOVirginia initiatives. The Central Virginia Emergency Management Alliance is an active partnership of 25 local jurisdictions and three military bases which establishes a forum of local emergency managers, public safety officials, federal, state, regional, private sectors, higher education and non-profit partners to collaborate, coordinate and enhance emergency management and preparedness in Central Virginia. Building on the success of larger regional partnerships such as this will enable better economic resiliency as well.

7. CEDS Project Champions-As part of the CEDS Roundtable discussion in May 2016, RRPDC followed up with invitations to the CEDS Strategy Team to submit general information on possible Champion Projects which meet the goals and objectives of the RR-CEDS and the EDA Public Works program. Two responses were received for projects which are in different phases of development.

- The first champion project, the **278-acre Holland Tract** in Ashland/Hanover County was recently rezoned for Industrial (M-1), served by rail and well situated to primary highways within one mile of Interstate 95, and in close proximity to an already emerging logistics hub to the north. Public water and sewer is available to the site which is capable of supporting 2.0 million square feet. The Town and County are participating in the Virginia Building Ready Sites Program of the Virginia Economic Development Partnership to take site readiness a step further.

- The second champion project involves a significant investment to support the commitment of the \$2.0 billion private investment by **Tranlin Inc.** a large paper converting facility that will employ 2,000 by 2020. The project will require upgrade or replacement of the Willis Road interchange on I-95 serving the site. Alternative transportation improvements are being studied. \$5.3 million in public funds has already been committed, but an estimated \$38 million gap in public funding has been identified.

These projects are being actively explored as priority projects for funding within economic development focal areas as detailed on pg. 61-74 of the *Richmond Regional Comprehensive Economic Development Strategy*, submitted to EDA in 2014.





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Richmond Regional Comprehensive Economic Development Strategy

