

Hampton Roads Alliance Update

January 20, 2022



Presentation Overview



- Economic Development Ecosystem
- The NEW Hampton Roads Alliance
 - Master Agreement with Localities
 - IBM-PLI Study
- Offshore Wind Update
- What's Next



HAMPTON ROADS, VIRGINIA

Commonwealth Economic Development Ecosystem



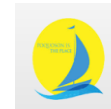
STATE



REGIONAL



LOCAL



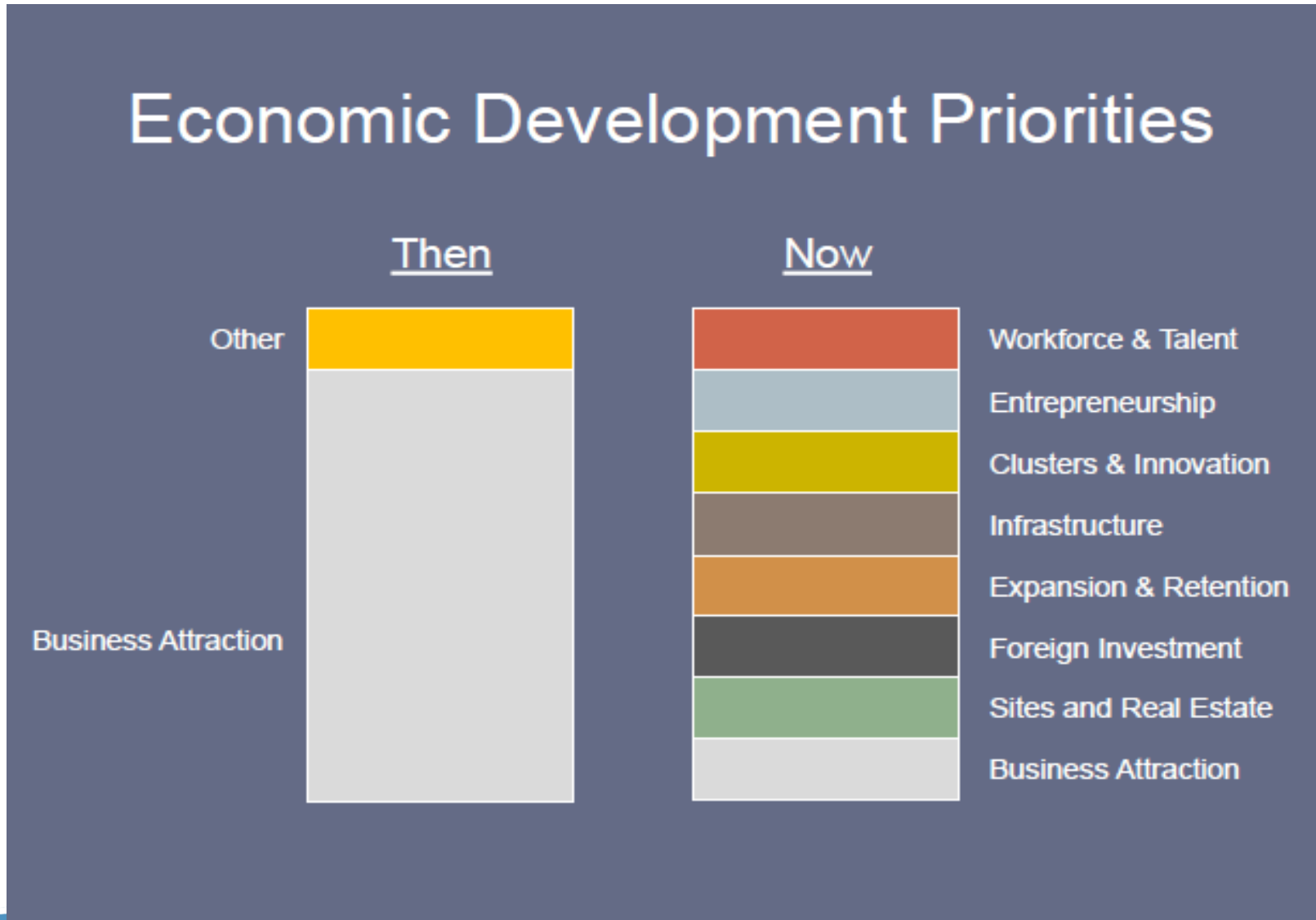
Transition from HREDA to The Alliance



- HREDA was Broken
- Following an old model focused only on Attraction
- Localities threatening to leave (Norfolk, VA Beach)
- Localities left (James City County, Williamsburg, York County)

Old Model ↔ New Model of Economic Development

HREDA was still following the model on the left while most successful regions were following some variation of this new model described by the Brookings Institution



Changes at the Alliance



- **TEAM:** Expanded staff in roles including BRE and offshore wind supply chain development - more detail on later slides

- **MISSION:** New Model

- **GOVERNANCE:**

- 6 mayors and 7 C-Suite Execs
- Ex-officious: Past Chair, Reinvent, HRWC, CAO, RED, Atty

- **COLLABORATION:** regional orgs, higher ed, business

- **FUNDING: 50% PUBLIC / 50% PRIVATE**

- 300% increased in private funding: \$1.7M
- 8 Private Investors at \$100,000 annual level
- Received 501c3 status

| Private | Public |
|---|---|
| Chair – Bill Ermatinger – Huntington Ingalls Industries | Chesapeake - The Honorable Rick West |
| Vice-Chair – Keith Vander Vennet – Ferguson Enterprises | Hampton – The Honorable Donnie Tuck |
| Buffy Barefoot – Towne Bank | Newport News – The Honorable McKinley Price |
| Mark Dreyfus - ECPI | Norfolk – The Honorable Kenny Alexander |
| JD Meyers – Cox Communications | Virginia Beach – The Honorable Bobby Dyer |
| Cathie Vick – Port of Virginia | Isle of Wight – The Honorable Dick Grice |
| Diane Leopold – Dominion Energy | |

The State of the Alliance



- **The work of the Alliance is guided by**

1. Master Agreement for Regional Economic Development – negotiated by business leaders and city managers, unanimously approved by original localities, outlines obligations and roles of the Alliance and the localities
2. IBM-PLI Investment Promotion Strategy established the game plan for the new Alliance
3. Revised By-Laws that reflect new structure

- **IBM Study is full of good information, 4 Headline Initiatives changed our mission**

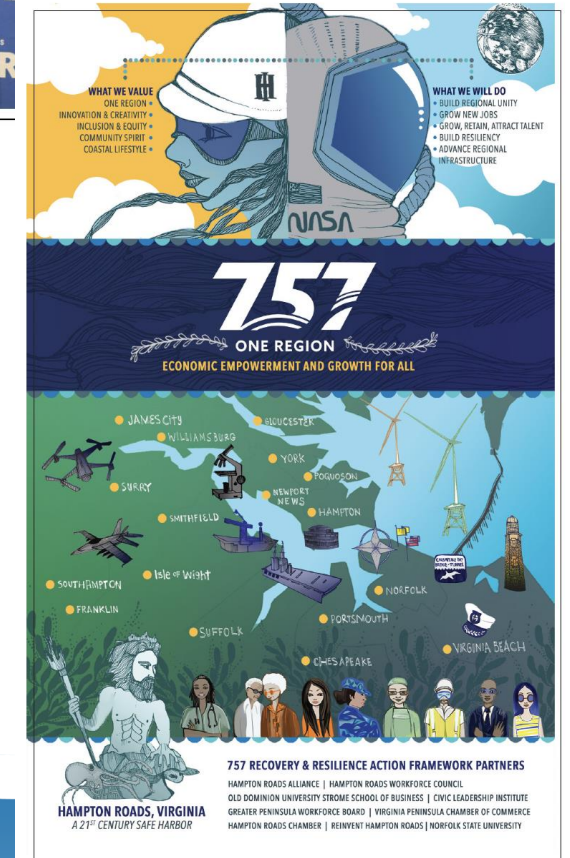
1. *Advance competitiveness priorities through regional collaboration.*
2. *Implement process improvements to advance target industry development.*
3. *Promote Hampton Roads through strategic media and digital technology.*
4. *Strengthen regional competitiveness by organizing around market intelligence.*

IBM Headline Initiative #1

Advance competitiveness priorities through regional collaboration.

What has the Alliance done to implement this recommendation?

- 1. 757 Recovery & Resilience Action Framework**
- 2. Hampton Roads Infrastructure Coalition**
- 3. Build Back Better Regional Challenge**
- 4. Return of GWP - James City, Williamsburg, York**
- 5. Regional Energy Master Plan Grant from GO VA**
- 6. Leadership at VEDA - Steve Harrison is President**
- 7. James City County, Williamsburg, York County joined Alliance on 12/1/21**



IBM Headline Initiative #2



Implement process improvements to advance target industry development.

What has the Alliance done to implement this recommendation?

1. Enhanced Business Recruitment & Retention

- Wadley Donovan Office Market Study
- PM&P Lead Generation
- Hired Nicole Ryf / Toi Hunter

2. Industry Feasibility Analyses

- Robotics Feasibility Grant
- Offshore Wind Supply Chain Scale Up Model
- IBM Recommended Industry Committees

3. Lead Generation Program

4. Business Retention & Expansion

| | Projects | Jobs Created | Capital Investment |
|------|----------|--------------|--------------------|
| 2020 | 7 | 2,100+ | \$330M+ |
| 2021 | 7 | 800+ | \$280M+ |

Lead Generation



- Over the course of 2021, the PM&P team deployed communication to a total of **32,744 companies in target industries** through direct marketing and trade shows. This broad outreach led to **685 qualified meetings** and **801 requests from companies to reengage** at a later date.
- In 2021, PM&P approached 13,900 companies from defined target sectors in connection with participation in **27 trade shows**, resulting in 240 qualified meetings. Furthermore, 286 additional companies with concrete potential for mid- and long-term expansion plans requested to be contacted again in the future.



32,744 COMPANIES CONTACTED



685 MEETINGS HELD



801 COMPANIES REQUESTED FOLLOW UP INFORMATION

DOMESTIC INTERNATIONAL



Project Pipeline

The expansion of PM&P's lead generation activities, coupled with the offshore wind industry development activities, resulted in **new project leads doubling compared to the previous two years**. Additionally, many companies that had been unable to make travel arrangements to visit to region in 2020 were finally able to tour Hampton Roads sites in person.

| | 2021 | 2020 | 2019 |
|-----------------|------|------|------|
| PROSPECT VISITS | 22 | 17 | 40 |
| NEW PROJECTS | 119 | 62 | 66 |

The proportion of project leads sourced through the Alliance's efforts greatly exceeded the percentage of leads generated through VEDP

| | 2021 | 2020 | 2019 |
|-------------------------|------|------|------|
| SOURCED BY THE ALLIANCE | 65% | 44% | 47% |
| SOURCED BY VEDP | 35% | 56% | 53% |

| | 2021 | 2020 |
|---|--------------------|--------------------|
|  ADVANCED MANUFACTURING | 37 (31%) | 26 (42%) |
|  BUSINESS & SHARED SERVICES | 3 (3%) | 3 (5%) |
|  DISTRIBUTION & LOGISTICS | 4 (3%) | 6 (10%) |
|  FOOD & BEVERAGE PROCESSING | 5 (4%) | 12 (19%) |
|  INFORMATION TECHNOLOGY | 5 (5%) | 8 (13%) |
|  OFFSHORE WIND | 57 (48%) | 3 (6%) |

Note: Remaining 7% of projects were in non-target industries.

New Projects Generated



ADVANCED MANUFACTURING

| 2021 | 2020 |
|-------------|-------------|
| 37 (31%) | 26 (42%) |



FOOD & BEVERAGE PROCESSING

| | |
|-----------|-------------|
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|-----------|-------------|



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|-----------|-----------|
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INFORMATION TECHNOLOGY

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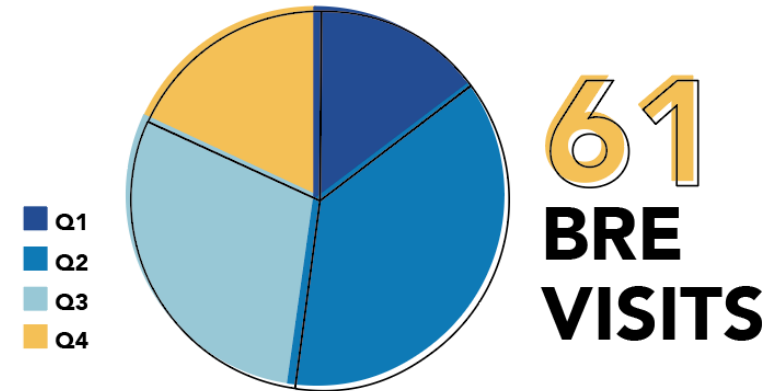
OFFSHORE WIND

| | |
|-------------|-----------|
| 57 (48%) | 3 (6%) |
|-------------|-----------|

Business Retention & Expansion



- Through its BRE program, the Alliance strives to:
 1. *Market the region effectively;*
 2. *Grow existing industries and positively influence new job creation; and*
 3. *Collect data to identify trends and challenges in the private sector.*
- Development of regional protocols, best practices and key industries



In 2021, the Alliance conducted 61 BRE visits. A BRE visit is defined as a scheduled visit to an existing Hampton Roads company to learn about the company's experiences in the region and assist with their retention & expansion needs.

2021 Alliance Offshore Wind Activities



- ✓ Opened the Virginia Offshore Wind Landing
 - 20 member companies leading offshore wind energy and supply chain development
- ✓ Completed regional supply chain study
- ✓ Continued series of business readiness and matchmaking activities
- ✓ Hosted high-level elected leaders and officials interested in learning about Virginia's leadership in offshore wind
- ✓ Held VIP weekend that brought leading national and international companies to Hampton Roads
- ✓ Attended trade shows and conducted trade mission to Europe

January CVOW Friday Forum



CVOW FRIDAY FORUM

2022

HAMPTON ROADS
ALLIANCE

**Dominion
Energy**

Dominion Energy and the Hampton Roads Alliance want to help your business become part of the Coastal Virginia Offshore Wind project. Don't wait for an RFP and be left scrambling! Join us for a Readiness Refresher straight from Dominion Energy's major CVOW suppliers. The suppliers will discuss their contracting requirements so you know exactly how to prepare.



Moderated by:
Will Keenan
Manager - Construction Projects
Dominion Energy

Featuring a panel of representatives from the companies that will be building and installing the CVOW project

Jan. 28
9-10am

click to
Sign up

IBM Headline Initiative #3

Promote Hampton Roads through strategic media and digital technology.

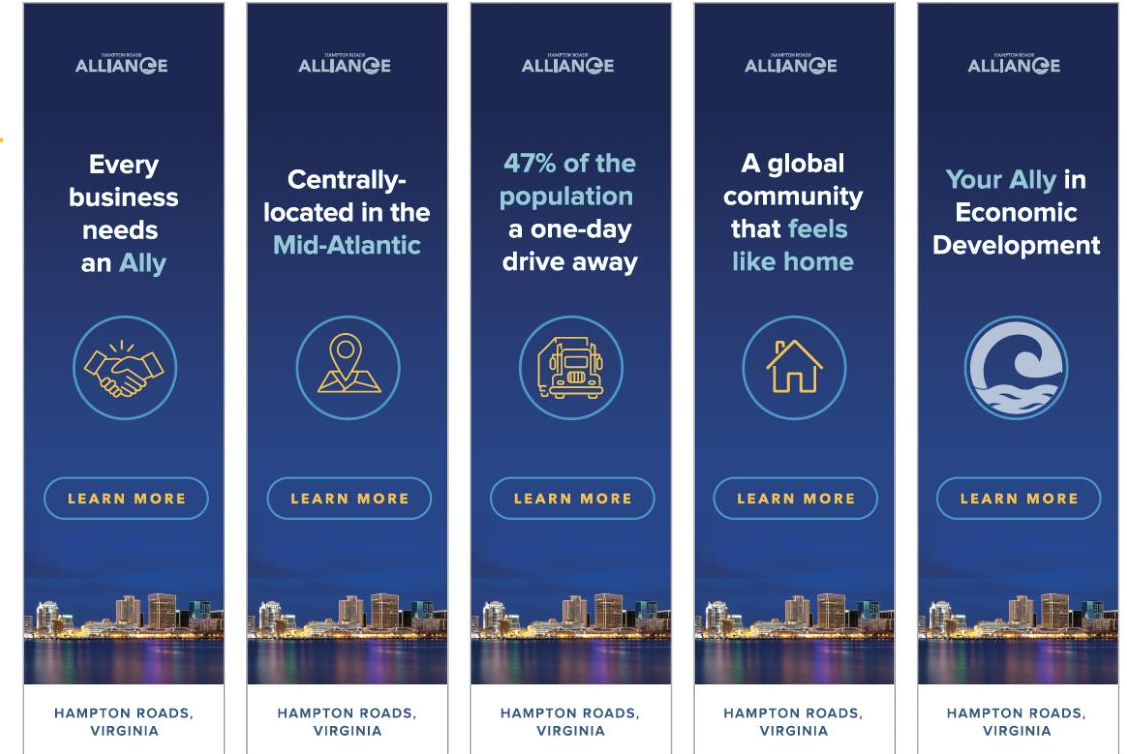
What has the Alliance done to implement this recommendation?

1. New Brand - 2020

- New Name - HREDA carried baggage
- New digital campaign

2. Targeted Advertising - 2021

- Partnering with SWAY - local firm with significant experience in region
- Targeting markets and industries
- Strategic budget allocation
- Results and Reports to adjust campaign
- "Every Business Needs an Ally."



- **7.33M+ IMPRESSIONS LEADING TO 790K+ BRAND ENGAGEMENTS ACROSS SEVEN AUDIENCES**
- **1,800 CONVERSIONS ON LANDING PAGES**
- **ABOVE AVERAGE CLICK-THRU-RATES (CTR)**
- **PERFORMANCE RANKED 2X BETTER THAN INDUSTRY BENCHMARKS FOR B2B CAMPAIGNS**

IBM Headline Initiative #4

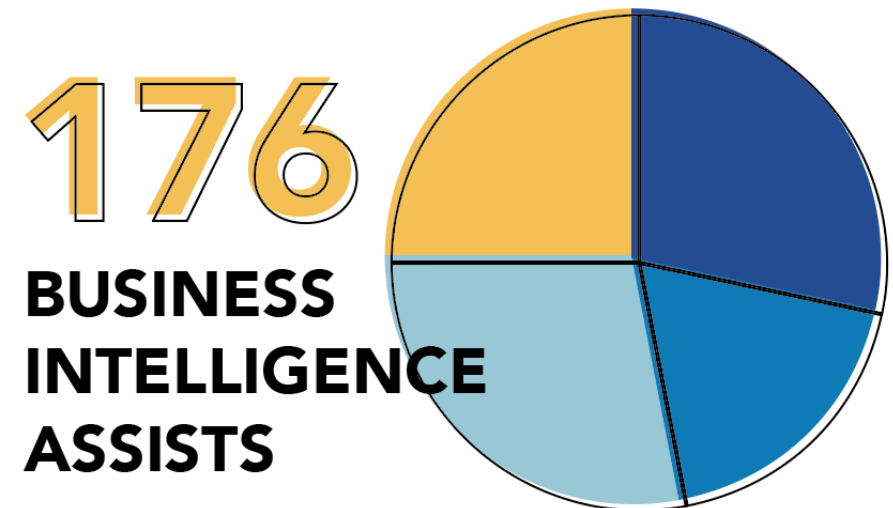


Strengthen regional competitiveness by organizing around market intelligence.

What has the Alliance done to implement this recommendation?

1. **Site Readiness**
2. **Diversity, Equity, & Inclusion Economic Review**
3. **Mangum Study for OSW Impact**
4. **PM&P Study for OSW**
5. **WDGC Office Study**
6. **SIR Survey Work RE: Covid Impacts**
7. **Robotics Hub Capacity Study**
8. **Regional Energy Assessment**

The Alliance's goal for 2021 was to complete 150 total assists, which was exceeded with 176 total assists, or 117% of goal, by the end of the year.



Requests from localities, investors, stakeholders, or regional and state partners for information from the Business Intelligence team.

■ Q1 ■ Q2 ■ Q3 ■ Q4

Summary



- The Hampton Roads Alliance has a new mission, new leadership, new staffing and new funding memorialized in the Master Agreement.
- The Alliance has implemented the recommendations of the IBM Study.
- The Alliance is regionally relevant.
- The Alliance is positioned to do more.
- Offshore Wind presents a generational opportunity.

"I love what you all have done with the organization especially when it comes to Offshore Wind, but What's Next?"



- **Regional Collaboration**

- Facilitate 757Framework
- Drive Progress on Maritime Pillars from BBBRC

- **Target Industry Development**

- Priority Clusters – unmanned systems, robotics, cyber security, renewable energy, etc
- Engaging Related Businesses

- **Promoting Hampton Roads**

- Every Business Needs an Ally
- Regional Marketing Proposal

- **Market Intelligence**

- Regional Energy Assessment
- Regional Industrial Site Development Strategy

Supply Chain Development Fund



- **\$10M to help establish the supply chain for the Offshore Wind Industry in Virginia**
- Supplier qualification can be expensive and time consuming
- Assist existing businesses to expand their capabilities to serve the offshore wind industry
- Funding could be used to obtain necessary qualifications, finance product development, employee development, and service offerings.
- Additional supply chain capacity makes the region more attractive to offshore wind companies, leading to greater potential for capital investment and job creation

Every business needs an ally.

The Alliance is yours.

Virginia Offshore Wind Landing

- Opened in May 2021
- Has grown to 20 members
- VIP Visits
 - *Interior Secretary Deb Haaland.*
 - *U.S. Senator Tim Kaine,*
 - *Governor Ralph Northam*
 - *Bureau of Ocean Energy Management Dir. Amanda Lefton*
 - *U.S. Senator Mark Warner*
 - *White House National Climate Advisor Gina McCarthy*
 - *U.S. Energy Secretary Jennifer Granholm,*



VIRGINIA OFFSHORE WIND LANDING MEMBERS

| | | |
|--|---|----------------------------|
| Atlantic Wind Transfers | Canal Barge Crowley | Metal Shark Nexans |
| Avangrid Renewables | Dominion Energy Edison Chouest Offshore | Sabik Offshore Seajacks |
| AZCO | Grand Isle Shipyard | Seaway 7 |
| Burns & McDonnell Business Network for Offshore Wind | Manora Logistics | Smulders |
| | Marmen Welcon | Ventower |
| | | Xodus |

2021 Announcements

- **CMA CGM GROUP** *NORFOLK*
- **KATOEN NATIE** *NORFOLK*
- **SUNNY FARMS, LLC** *VIRGINIA BEACH*
- **BREEZE AIRWAYS** *NORFOLK*
- **VRC METAL SYSTEMS** *CHESAPEAKE*
- **GLOBAL CONCENTRATE** *FRANKLIN*
- **SVT ROBOTICS** *NORFOLK*
- **SIEMENS GAMESA** *PORTSMOUTH*



Beyond the IBM Study Building a More Diverse, Equitable & Inclusive Economy

- Researched data relevant to national and regional wealth gap among minorities
- Met with Alliance Board Members & Investors to learn and better understand their approach to DE&I
- Identified Best Practices within Hampton Roads
- DE&I is a major component of the 757Framework
- Working to add diversity to our board as we change one seat annually

DIVERSITY, EQUITY

& INCLUSION

HAMPTON ROADS: A 21ST CENTURY SAFE HARBOR

